# School district financial statements reporting guidelines–2023

The Arizona Auditor General created these reporting guidelines following the Governmental Accounting Standards Board’s (GASB), the U.S Government Accountability Office’s, and the American Institute of Certified Public Accountants’ authoritative literature. They include illustrative examples of financial statements, disclosures, and schedules. The examples are neither authoritative nor required to be followed. Instead, they provide sample displays and disclosures to help ensure consistent and accurate presentation.

When District management uses these guidelines, management agrees to take responsibility for preparing and fairly presenting the District’s basic financial statements, related note disclosures, and all accompanying information, including required supplementary information (RSI), supplementary information other than RSI, and other required disclosures. District management should ensure that its reports follow applicable authoritative guidance.

***This font signifies an instruction or explanation that should not appear in the final report.***

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# Management’s discussion and analysis (MD&A)

***This should be printed on the District’s letterhead or otherwise clearly noted that it is the District’s document. The District’s MD&A must comply with the provisions of GASB Statement No. 34, but cannot go beyond those provisions. Refer to GASB Statement No. 34, paragraphs 8-11 and GASB Statement No. 37, paragraph 4.***

Our discussion and analysis of the District’s financial performance provides an overview of the District’s financial activities for the year ended June 30, 2023. Please read it in conjunction with the transmittal letter on page \_\_\_ and the District’s basic financial statements, which begin on page \_\_\_. ***Modify as needed.***

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_School District No. \_\_\_\_\_ in 2023

## **Using this annual report*—***

**Explain the reporting model—*including how the statements relate to one another and the significant differences between them. Describe how the information in the fund financial statements reinforces the information in the government-wide statements, or at least provides additional information.***

## **Overall analysis—**

***Discuss the District’s current-year results in comparison with the prior year, emphasizing the current year. Explain the District’s overall financial position from the statement of net position and results of operations from the statement of activities in a way that helps users assess whether conditions are better or worse than the previous year and why. The focus of the analysis should be on the primary government, addressing both governmental and business-type activities, as applicable.***

***The analysis must provide the reasons for significant changes rather than simply the amounts or percentages of changes. The analysis should also take into account any important economic factors that significantly affected the District’s operating results during the year. Use graphics where appropriate. Also, where appropriate, incorporate the required elements listed in the next section. Further, explain any restrictions, commitments, or other limitations that significantly affect the future use of resources.***

## **Required elements—**

***The District should present the information needed to support the preceding analysis. Accordingly, MD&A must include condensed financial information derived from the government-wide financial statements comparing the current year to the prior year and must include the following elements:***

* ***Total assets, distinguishing between capital and other assets.***
* ***Total deferred outflows of resources.***
* ***Total liabilities, distinguishing between long-term liabilities and other liabilities.***
* ***Total deferred inflows of resources.***
* ***Total net position, distinguishing among net investment in capital assets, restricted amounts, and unrestricted amounts.***
* ***Program revenues, by major source.***
* ***General revenues, by major source.***
* ***Total revenues.***
* ***Program expenses, at a minimum by function.***
* ***Total expenses.***
* ***Excess (deficiency) before contributions to term and permanent endowments or permanent fund principal, special and extraordinary items, and transfers.***
* ***Contributions.***
* ***Special and extraordinary items.***
* ***Transfers.***
* ***Change in net position.***
* ***Ending net position.***

## **Fund analysis—**

***Discuss individual funds’ balances and transactions. Explain the reasons for any significant changes in fund balances or fund net position. Also, explain any restrictions, commitments, or other limitations that significantly affect the future use of fund resources.***

## **Budget variations analysis—**

***If appropriate, and for the General Fund only, discuss significant variations between the original and final budget, and between the final budget and the actual amounts. Make a particular point of addressing any variations that could have a significant effect on future services or liquidity.***

## **Capital asset and debt administration—**

***Describe significant capital asset and long-term debt activity, including commitments for capital expenditures. Also, discuss any changes in the District’s credit ratings and debt limitations that may affect its ability to finance its plans.***

## **Other significant matters—**

***Comment on any facts, decisions, or conditions known as of the auditors’ report date that could significantly impact the District’s financial position or results of operations. Examples of these types of situations include the COVID-19 pandemic, acceptance or termination of major grant awards, large changes in student count, claims adjudicated, natural disasters, significant changes in tax rates, etc. These matters should include situations that occurred during the year and up through the auditors’ report date and include only known facts, decisions, and conditions.***

***In GASB Statement No. 38, the GASB emphasized that disclosure of immaterial information can be misleading and cited the following guidance in NCGA Interpretation 6, paragraph 6:***

The notes to financial statements should not be cluttered with unnecessary and immaterial disclosures. Attendant circumstances and materiality must be considered in assessing the propriety of the notes to the financial statements disclosures.

## **Note 1 - Summary of significant accounting policies**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ School District No. \_\_’s accounting policies conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

***If the District implemented GASB Statement No. 91, Conduit Debt Obligations; GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements; or GASB Statement No. 96, Subscription-Based Information Technology Arrangements, for FY 2023, and implementing the standards had a material effect on the District’s financial statements, the District should address those standards in the following paragraph:***

For the year ended June 30, 2023, the District implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset―an intangible asset―and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. As a result, the District’s financial statements have been modified to reflect the implementation of this new standard. ***(Add any additional new accounting standards adopted and a brief description of their impact on the District’s financial statements.)***

### **Reporting entity**

The District is a special-purpose government that a separately elected governing body governs. It is legally separate from and fiscally independent of other State and local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District’s financial statements present only the activities of those organizational entities for which its elected governing board is financially accountable.

***See GASB Statement Nos. 14, 34, 39, 61, 80, and 90 for additional required disclosures concerning component units, related organizations, joint ventures, and jointly governed organizations.***

### **Basis of presentation**

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the District as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed andcompared between years and between governments to enhance the information’s usefulness.

**Government-wide statements**—Provide information about the primary government (the District). The statements include a statement of net position and a statement of activities. These statements report the overall government’s financial activities, except for fiduciary activities. They also distinguish between the District’s governmental and business-type activities. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties. ***Modify as appropriate for business-type activities.***

A statement of activities presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities and segment of its business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses to programs or functions. Program revenues include:

* charges to customers for goods, services, or privileges provided;
* operating grants and contributions; and
* capital grants and contributions.

Revenues that are not classified as program revenues, including internally dedicated resources and all taxes, are reported as general revenues.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double-counting of internal activities. However, charges for interfund services provided and used are not eliminated if the prices approximate their external exchange values.

**Fund financial statements**—Provide information about the District’s funds. Separate statements are presented for the governmental and proprietary fund categories. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund revenues and expenses are classified as either operating or nonoperating. Operating revenues and expenses generally result from transactions associated with the fund’s principal activity. Accordingly, revenues, such as charges for services, ***modify as appropriate and*** ***describe any other examples of significant operating revenues of the proprietary funds*** in which each party receives and gives up essentially equal values are operating revenues. Other revenues result from transactions in which the parties do not exchange equal values and are considered nonoperating revenues along with investment earnings and revenues ancillary activities generate. Operating expenses include the cost of services, administrative expenses, and depreciation/amortization on capital assets. Other expenses, such as interest expense, are considered nonoperating expenses. ***Modify as appropriate in accordance with GASB Statement No. 34, paragraph 102.***

The District reports the following major governmental funds:

The *General Fund* is the District’s primary operating fund. It accounts for all financial resources used for maintenance and operation, except those required to be accounted for and reported in another fund.

The *\_\_\_\_\_ Fund* accounts for ***explain fund’s purpose. Also, for each major special revenue fund, identify the fund’s significant revenues and other financing sources as GASB Statement No. 54, paragraph 32, requires. Repeat for each major governmental fund.***

The District reports the following major enterprise funds:

The *\_\_\_\_\_ Fund* accounts for ***explain fund’s purpose. Repeat for each major enterprise fund.***

The District reports the following fund types:

The *internal service funds* account for multi-government agreements and insurance ***modify as appropriate and describe any other goods or services applicable to the District’s internal service funds*** provided within the District or to other governments on a cost-reimbursement basis.

### **C. Basis of accounting**

The government-wide and proprietary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied.Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

Under the terms of grant agreements, the District funds certain programs by a combination of grants and general revenues. Therefore, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. The District applies grant resources to such programs before using general revenues. ***Modify if the District’s policy is to apply unrestricted revenues first. This policy should be consistent with the flow assumption used for single audit purposes.***

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. The District’s major revenue sources that are susceptible to accrual are property taxes, tuition, intergovernmental grants and aids, and investment earnings. ***Add or delete major revenue sources that are susceptible to accrual from this list, as necessary.*** Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, and asset retirement obligations, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

### **D. Cash and investments**

***Add the following paragraph to define the proprietary funds’ cash and cash equivalents.***

For the statement of cash flows, the District’s cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the County Treasurer, investments in the State Treasurer’s local government investment pool, and only those highly liquid investments with a maturity of 3 months or less when purchased. ***Modify as appropriate.***

All investments are stated at fair value. ***Modify if the District has any investments that are not stated at fair value. The District should describe any investments not reported at fair value and its policy for valuing them.***

***Except as provided in GASB Statement No. 72, paragraph 69, the District should report all investments at fair value. Exceptions to reporting investments at fair value include:***

* ***Nonparticipating interest-earning investment contracts should be stated at cost.***
* ***Money market investments and participating interest-earning investment contracts with a remaining maturity of 1 year or less at the time of purchase should be stated at amortized cost.***

***See GASB Statement No. 72, paragraph 69, for additional exceptions.***

### **E. Inventories**

Inventories in the government-wide and proprietary funds’ financial statements are recorded as assets when purchased and expensed when consumed. These inventories are stated at cost using the ***describe valuation method*** and ***describe valuation method***, respectively***.***

The District accounts for its inventories in the governmental funds using the purchase method. Inventories of the governmental funds consist of expendable supplies held for consumption and are recorded as expenditures at the time of purchase. Amounts on hand at year-end are shown on the balance sheet as an asset for informational purposes only and as nonspendable fund balance to indicate that they do not constitute “available spendable resources.” These inventories are stated at cost using the ***describe valuation method. When the consumption method is used to account for governmental fund inventories, modify the above paragraph accordingly.***

### **F. Property tax calendar**

The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ County Treasurer is responsible for collecting property taxes for all governmental entities within the County. The County levies real and personal property taxes on or before the third Monday in August that become due and payable in 2 equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

### **G. Capital assets**

Capital assets are reported at actual cost (or estimated historical cost if historical records are not available).Donated assets are reported at acquisition value.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation/amortization methods, and estimated useful lives of capital assets are as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **Capitalization threshold** |  |  |  |  |
| Land |  |  |  |  |  |  |
|  |  |  |  | **Depreciation/Amortization method** |  | **Estimated useful life** |
| Land improvements |  |  |  |  |  |  |
| Buildings |  |  |  |  |  |  |
| Equipment |  |  |  |  |  |  |
| Intangibles: ***(list by major categories)*** |  |  |  |  |  |  |
| Right-to-use subscription assets |  |  |  |  |  |  |
| Right-to-use lease assets: ***(list by major***  ***underlying asset category)*** |  |  |  |  |  |  |
| Land |  |  |  |  |  | Not applicable |
| Land improvements |  |  |  |  |  |  |
| Buildings |  |  |  |  |  |  |
| Equipment |  |  |  |  |  |  |

### Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the District is reasonably certain of being exercised―then the lease asset is amortized over the useful life of the underlying asset.

Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT assets.

### **H. Postemployment benefits**

For purposes of measuring the net pension and other postemployment benefits (OPEB) asset and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plans’ fiduciary net position and additions to/deductions from the plans’ fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **I. Fund balance classifications**

The governmental funds’ fund balances are reported separately within classifications based on a hierarchy of the constraints placed on those resources’ use. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form, such as inventories, or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.

The unrestricted fund balance category is composed of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations the District’s Governing Board approved, which is the highest level of decision-making authority within the District. Only the Governing Board can remove or change the constraints placed on committed fund balances. ***Modify as necessary to describe the formal action needed to establish, modify, or rescind the commitment.***

Assigned fund balances are resources constrained by the District’s intent to be used for specific purposes, but that are neither restricted nor committed. The Governing Board has authorized the superintendent, \_\_\_\_\_\_\_\_\_, and \_\_\_\_\_\_\_\_\_ to assign resources for a specific purpose. ***Modify as necessary to describe the officials authorized to make assignments and the policy pursuant to which authorization is given.***

The unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, it is the District’s policy to use (the District will use) restricted fund balance first. It is the District’s policy to use (the District will use) committed amounts first when disbursing unrestricted fund balances, followed by assigned amounts, and lastly unassigned amounts. ***Modify as necessary to describe the District’s hierarchy for use of its fund balances. If the District does not have a formal policy for its use of unrestricted fund balance amounts, it should consider that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.***

### **J. Investment earnings**

Investment earnings is composed of interest, dividends, and net changes in the fair value of applicable investments.

### **K. Compensated absences *Modify as appropriate.***

Compensated absences payable consists of vacation leave employees earned based on services already rendered.

Employees may accumulate up to \_\_\_ hours of vacation depending on years of service, but they forfeit any unused vacation hours in excess of the maximum amount at (fiscal/calendar) year-end. Upon terminating employment, the District pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide and proprietary funds’ financial statements. A liability for these amounts is reported in the governmental funds’ financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year-end.

Employees may accumulate an unlimited number of sick leave hours. Generally, sick leave benefits provide for ordinary sick pay and are cumulative, but employees forfeit them upon terminating employment. Because sick leave benefits do not vest with employees, a liability for sick leave benefits is not accrued in the financial statements.

**L. Leases and subscription-based information technology arrangements**

**Leases**

As lessee, the District recognizes lease liabilities with an initial, individual value of $\_\_\_\_\_\_\_ or more. The District uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The District's estimated incremental borrowing rate is based on ***describe how the District determined its estimated incremental borrowing rate***.

As lessor, the District recognizes lease receivables with an initial, individual value of $\_\_\_\_\_\_\_ or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the District charges the lessee) and the implicit rate cannot be determined, the District uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The District's estimated incremental borrowing rate is calculated as described above.

**Subscription-based information technology arrangements**

The District recognizes subscription liabilities with an initial, individual value of $\_\_\_\_\_\_\_ or more. The District uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The District’s estimated incremental borrowing rate is calculated as described above.

## **Note \_ - Change in accounting principle**

Net position as of July 1, 2022, has been restated as follows for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Govern-mental Activities** |  | **Business-type Activities** |  | ***Major***  **Enterprise**  **Fund** |  | **Nonmajor Enterprise Fund(s)** | |  | **Internal Service Fund(s)** |
| Net position as previously reported at June 30, 2022 | $ |  | $ |  | $ |  | $ |  | | $ |
| Prior period adjustment–implementation of GASB 96: |  |  |  |  |  |  |  |  | |  |
| Intangible right-to-use subscription assets |  |  |  |  |  |  |  |  | |  |
| Subscriptions liability |  |  |  |  |  |  |  |  | |  |
| Total prior period adjustment |  |  |  |  |  |  |  |  | |  |
| Net position as restated, July 1, 2022 | $ |  | $ |  | $ |  | $ |  | | $ |

## ***If the total adjustments to implement GASB Statement No. 96 net to zero and, therefore, do not affect net position, this note is not necessary.***

## **Note \_ - Reconciliations of certain information in governmental fund statements to information in government-wide statements**

***If aggregated information presented in the reconciliations of the government-wide financial statements to the fund financial statements obscures the nature of the individual elements of a particular reconciling item, provide details about those reconciling items here. See GASB Statement No. 34, paragraph 77.***

## **Note \_ - Stewardship, compliance, and accountability**

**Violations of finance-related legal and contractual provisions—*Disclose any significant violations of finance-related legal and contractual provisions, for example, violations of A.R.S. requirements governing district budgeting including actual expenditures exceeding budgeted expenditures and violations of bond covenants. See GASB Cod. §1200 for additional guidance. Also, disclose actions taken to address such violations as GASB Statement No. 38, paragraph 9, requires.***

**Deficit fund balances or net position—*Disclose deficit fund balance or net position of individual nonmajor funds since it cannot be seen in the aggregated nonmajor funds column. See GASB Cod. §2300.106.*** At June 30, 2023, the following nonmajor funds reported deficits in fund balance or net position:

|  |  |  |
| --- | --- | --- |
| **Fund** |  | **Deficit** |
| Governmental funds: |  |  |
| ***List individual funds*** |  |  |
| Proprietary funds: |  |  |
| ***List individual funds*** |  |  |

## **Note \_ - Deposits and investments**

***The required GASB risk disclosures for deposits and investments should be made for the primary government, including its blended component units. Risk disclosures should also be made for the governmental and business-type activities, individual major funds, and nonmajor funds in the aggregate when the risk exposures are significantly greater than the deposit and investment risks of the primary government. For example, a primary government’s total investments may not be exposed to concentration of credit risk. However, if the District has all of its investments in 1 issuer for an opinion unit, disclosure should be made for the opinion unit’s exposure to a concentration of credit risk.***

***If the District participates in the Arizona State Retirement System’s Contribution Prepayment Program (ASRS CPP) and places monies on deposit with the ASRS or establishes a 115 trust for future contribution payments, as long as those monies remain invested, prior to amortization against future contribution payments, the District should record restricted cash and investments and the associated restricted net position/fund balance; further, those monies are subject to the same GASB disclosure requirements noted below, in accordance with how those monies are invested.***

Arizona Revised Statutes require the District to deposit all cash with the County Treasurer, except as discussed below. Cash with the County Treasurer is pooled for investment purposes, except for cash in the bond building and debt service funds, which may be invested separately. As statute requires, interest earned by the bond building fund in the amount of $\_\_\_\_\_\_\_\_\_ was recorded in the debt service fund. ***Delete preceding sentence if the voters authorized or federal laws or rules required such interest earnings to be recorded in the bond building fund. Voter authorization must have been given in a separate question at the bond election.***

Statute authorizes the District to separately invest monies of the bond building and debt service funds in the State Treasurer’s investment pool, obligations issued or guaranteed by the United States or any of its agencies or instrumentalities, specified State and local government bonds and notes, and interest-bearing savings accounts or certificates of deposit.

Statute authorizes the District to deposit monies of the auxiliary operations and student activities funds in bank accounts. The District may also invest these monies. In addition, statute authorizes the District to maintain various bank accounts such as clearing accounts to temporarily deposit receipts before they are transmitted to the County Treasurer, revolving accounts to pay minor disbursements, and withholdings accounts for taxes and employee insurance programs. Some of these bank accounts may be interest bearing.

Statutes require collateral for deposits at 102 percent of all deposits not covered by federal depository insurance. Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk.

**Deposits**—At June 30, 2023, the carrying amount of the District’s deposits was $\_\_\_\_\_, and the bank balance was $\_\_\_\_\_. ***Describe the District’s formal policy with respect to custodial credit risk or indicate that the District does not have a policy. If the District has any category 3 deposits at fiscal year-end, add the following recap and modify as necessary.***

At June 30, 2023, $\_\_\_\_\_of the District’s bank balance was exposed to custodial credit risk as follows:

|  |  |  |
| --- | --- | --- |
| Uninsured and uncollateralized |  | $ |
| Uninsured with collateral held by the pledging financial institution |  |  |
| Uninsured with collateral held by the pledging financial institution’s trust department or agent but not in the District’s name |  |  |
|  |  | $ |

***According to GASB Implementation Guide No. 2016-1, questions 4.5 and 4.6, certificates of deposit that are not negotiable and have redemption terms that do not consider market rates should be treated as deposits, and negotiable certificates of deposit should be treated as investments for purposes of GASB Statement Nos. 3 and 40 disclosures.***

**Investments—**The District had total investments of $\_\_\_\_\_\_\_\_\_\_ at June 30, 2023. The District categorizes certain investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles as follows:

***Investments with significantly different risk profiles should not be aggregated into a single investment type for all investment disclosures, as applicable. See question 1.3.2 in the GASB Implementation Guide No. 2015-1.***

|  |  |  | **Fair value measurement using** | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Amount** |  | **Quoted prices in active markets for identical assets**  **(Level 1)** |  | **Significant other observable inputs**  **(Level 2)** |  | **Significant unobservable inputs**  **(Level 3)** |
| **Investments by fair value level** |  |  |  |  |  |  |  |
| U.S. Treasury securities | $ |  |  |  |  |  |  |
| U.S. agency securities |  |  |  |  |  |  |  |
| Local government bonds |  |  |  |  |  |  |  |
| ***List additional investment types*** |  |  |  |  |  |  |  |
| Total investments categorized by fair value level | $ |  | $ |  | $ |  | $ |

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments. ***For investments categorized as Level 2 or Level 3, describe the valuation technique used for each level by investment type. Also, if there was a change in any of the valuation techniques that had a significant impact on the result, disclose the change and the reason(s) for making it.***

The District also had the following investments in external investment pools measured at fair value:

|  |  |
| --- | --- |
|  | **Amount** |
| State Treasurer’s investment pools | $ |
| County Treasurer’s investment pool |  |
| Total external investment pools measured at fair value | $ |

Investments in the State Treasurer’s investment pools are valued at the pool’s share price multiplied by the number of shares the District held. The fair value of a participant’s position in the pool approximates the value of that participant’s pool shares. The investment in the County Treasurer’s pool is valued using the District’s proportionate participation in the pool because the pool’s structure does not provide for shares. The State Board of Investment provides oversight for the State Treasurer’s investment pools. No comparable oversight is provided for the County Treasurer’s investment pool.

The District also had the following investments measured at amortized cost:

|  |  |
| --- | --- |
|  | **Amount** |
| *List investment types* | $ |
| Total investments measured at amortized cost | $ |

***Credit risk—Briefly describe the District’s formal investment policy with respect to credit risk or indicate that it does not have one.*** At June 30, 2023, credit risk for the District’s investments was as follows: ***Modify as necessary.***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Investment type** |  | **Rating** |  | **Rating agency** |  | **Amount** |
| U.S. agency securities |  |  |  |  |  | $ |
| Local government bonds |  |  |  |  |  |  |
| State Treasurer’s investment pool 5 |  | AAAf/S1+ |  | Standard and Poor’s |  |  |
| State Treasurer’s investment pool 7 |  | Unrated |  | Not applicable |  |  |
| County Treasurer’s investment pool |  | Unrated |  | Not applicable |  |  |
|  |  |  |  |  |  | $ |

***Disclose the credit quality ratings of investments in debt securities as described by nationally recognized statistical rating agencies as of fiscal year-end, by aggregating investment amounts by investment type and rating categories. When multiple ratings exist and the District is aware of the different ratings, present the rating with the greatest degree of risk. U.S. government obligations and obligations the U.S. government explicitly guarantees do not require disclosure of credit risk. However, obligations of government-sponsored enterprises that the U.S. government implicitly guarantees are subject to credit risk disclosures. See question 1.9.7 in the GASB Implementation Guide No. 2015-1 for more information. If credit risk disclosure is required and the investment is unrated, the disclosure should indicate that fact. See Illustrations 1–4 in GASB Statement No. 40 for additional examples of required disclosures.***

***Custodial credit risk***—For an investment, custodial credit risk is the risk that, in the event of the counterparty’s failure, the District will not be able to recover the value of its investments or collateral securities that are in an outside party’s possession. ***Briefly describe the District’s formal investment policy with respect to custodial credit risk or indicate that it does not have one. If the District had any category 3 investments at fiscal year-end, add the following and modify as necessary:*** At June 30, 2023, the District had $\_\_\_\_\_\_\_\_\_\_ of ***name of investment type*** that was uninsured, not registered in the District’s name, and held by the counterparty, and $\_\_\_\_\_\_\_\_\_\_ of ***name of investment type*** that was uninsured, not registered in the District’s name, and held by the counterparty’s trust department or agent but not in the District’s name. ***Disclose amounts by investment type and how the investments were held. See Illustration 1 in GASB Statement No. 40 for an example of required disclosure. Investments in external investment pools and in open-end mutual funds are not exposed to custodial credit risk. (GASB Statement No. 40, paragraph 9)***

***Normally, the line item investments held by trustees is category 3 (See questions 1.16.4 and 1.16.5 of the GASB Implementation Guide No. 2015-1).***

***Concentration of credit risk****—****If the District’s investments held at year-end were exposed to concentration of credit risk, briefly describe the District’s formal investment policy with respect to concentration of credit risk or indicate that it does not have one.*** The District had investments at June 30, 2023, of 5 percent or more in \_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_. These investments were \_\_\_ percent and \_\_\_ percent, respectively, of the District’s total investments. ***Modify as necessary depending on the number of investments in any 1 issuer of 5 percent or more. See Illustration 2 in GASB Statement No. 40 for an example of required disclosure. Investments the U.S. government issues or explicitly guarantees and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. (GASB Statement No. 40, paragraph 12)***

***Interest rate risk***—***Briefly describe the District’s formal investment policy with respect to interest rate risk or indicate that it does not have one. See Illustrations 1–5 in GASB Statement No. 40 for examples of required disclosure. List investments by investment type and amount using one of the following interest rate risk methods: segmented time distribution, specific identification, weighted average maturity, duration, or simulation model. Districts are encouraged to select the disclosure method that is most consistent with the method they use to identify and manage interest rate risk.***

***The interest rate risk disclosure for a government’s investments in mutual funds, external investment pools, or other pooled investments should be limited to investments in debt*** ***mutual funds, external debt investment pools, or other pooled debt investments that do not meet the requirements to measure investments at amortized cost in accordance with GASB Statement No. 79, paragraph 4. (GASB Statement No. 59, paragraph 6)***

At June 30, 2023, the District had the following investments in debt securities:

***Segmented time distribution example***

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Investment maturities** | | | | | | | |
| **Investment type** |  | **Amount** |  | **Less than 1 year** |  | **1-5 years** |  | **6-10 years** |  | **More than 10 years** |
| State Treasurer’s investment pools |  | $ |  | $ |  | $ |  | $ |  | $ |
| County Treasurer’s investment pool |  |  |  |  |  |  |  |  |  |  |
| U.S. Treasury securities |  |  |  |  |  |  |  |  |  |  |
| U.S. agency securities |  |  |  |  |  |  |  |  |  |  |
| Local government bonds |  |  |  |  |  |  |  |  |  |  |
|  |  | $ |  | $ |  | $ |  | $ |  | $ |

***OR***

***Specific identification example***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Investment** |  | **Maturity** |  | **Amount** |
| State Treasurer’s investment pool 5 |  |  |  | $ |
| State Treasurer’s investment pool 7 |  |  |  |  |
| County Treasurer’s investment pool |  |  |  |  |
| U.S. Treasury bills ***(list each investment separately)*** |  |  |  |  |
|  |  |  |  | $ |

***OR***

***Weighted average maturity example***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Investment type** |  | **Amount** |  | **Weighted average maturity**  **(years) *or* (months)** |
| State Treasurer’s investment pool 5 |  | $ |  |  |
| State Treasurer’s investment pool 7 |  |  |  |  |
| County Treasurer’s investment pool |  |  |  |  |
| U.S. Treasury securities |  |  |  |  |
| U.S. agency securities |  |  |  |  |
| Local government bonds |  |  |  |  |
|  |  | $ |  |  |

***See Illustration 3 in GASB Statement No. 40 for an example of how to calculate weighted average maturity.***

***OR***

***Duration—See Illustration 4 in GASB Statement No. 40.***

***OR***

***Simulation model—See Illustration 5 in GASB Statement No. 40.***

***The District must also disclose the terms of investments with fair values that are highly sensitive to changes in interest rates. See Illustration 7 in GASB Statement No. 40 for an example of this required disclosure. Further, if a method requires an assumption regarding timing of cash flows (for example, whether an investment is or is not assumed to be called), interest rate changes, or other factors that affect interest rate information, the District should disclose that assumption.***

***Foreign currency risk—If the District’s deposits or investments held at year-end were exposed to foreign currency risk, disclose the following: briefly describe the District’s formal investment policy with respect to foreign currency risk or indicate that it does not have one. Also, the District should disclose the U.S. dollar balances of deposits or investments exposed to foreign currency risk organized by currency denomination and investment type. See Illustration 8 in GASB Statement No. 40 for an example of required disclosure.***

A reconciliation of cash, deposits, and investments to amounts shown on the statements of net position follows:

|  |  |
| --- | --- |
| Cash, deposits, and investments: |  |
| Cash on hand | $ |
| Amount of deposits |  |
| Amount of investments |  |
| Total | $ |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Statement of net position: |  | **Governmental activities** |  | **Business-type activities** |  | **Total** |
| Cash and cash equivalents |  | $ |  | $ |  | $ |
| Investments |  |  |  |  |  |  |
| Cash and investments held by pension plan―ASRS Contribution Prepayment Program |  |  |  |  |  |  |
| Cash and investments held by trustee(s) |  |  |  |  |  |  |
| Total |  | $ |  | $ |  | $ |

## **Note \_ - Receivables**

***If the District had significant individual receivable accounts whose nature is obscured by aggregation, provide details about those accounts here. Also, describe any receivable balance not expected to be collected within 1 year. See GASB Statement No. 38, paragraph 13.***

**Lease receivables**—***The District, as lessor, should disclose the following about its lease activities (which may be grouped), other than short-term leases.***

The District leases ***describe assets by major classes, such as building space,***to third parties under the provisions of various lease agreements. ***Modify as appropriate – the District should provide a general description of its leasing arrangements.***

During the fiscal year ended June 30, 2023, the District recognized total lease-related revenues of $\_\_\_\_\_\_\_. ***The District should include the total amount of revenue, for example, lease revenue, interest revenue, and any other lease-related revenue, recognized in the fiscal year from leases, if that amount cannot be determined based on the amounts displayed on the face of the financial statements. (GASB 87, paragraph 57 [b])***

***If the District has material variable lease payments, residual value guarantees, and/or termination penalties that are NOT included in the lease receivables, disclose the following information as applicable. (GASB 87, paragraph 57 [a], [c])***

*Variable lease payments*

The District’s lease contracts include variable lease payments, including residual value guarantees, that are not included in the lease receivable because they are not fixed in substance. ***Modify as appropriate.* *Describe the basis, terms, and conditions on which variable payments not included in the measurement of the lease receivable are determined.*** During the fiscal year ended June 30, 2023, the District recognized revenues of $\_\_\_\_\_\_\_ for variable lease payments not included in the measurement of the lease receivables.

*Other payments*

The District’s lease contracts include other payments, such as termination penalties, that are not included in the lease receivable. During the fiscal year ended June 30, 2023, the District recognized revenues of $\_\_\_\_\_\_\_ for other payments not included in the measurement of the lease receivables.

***The District should also provide relevant disclosures for the following transactions, if applicable:***

* ***Leases of assets that are investments (see GASB 87, paragraph 41)***
* ***Certain regulated leases (see GASB 87, paragraph 60)***
* ***Sublease transactions (see GASB 87, paragraph 81)***
* ***Sale-leaseback transactions (see GASB 87, paragraph 85)***
* ***Lease-leaseback transactions (see GASB 87, paragraph 87)***

# Note \_ - Public-private and public-public partnerships

***If the District participates in public-private or public-public partnerships (P3s), the following disclosures should be made for the District acting as the transferor or as the operator:***

***A transferor should disclose the following about its P3 activities (which may be grouped for purposes of disclosure, see GASB 94, paragraphs 35-36):***

1. ***A general description of its P3 arrangements, including the status of projects during the construction period, if applicable, and the basis, terms, and conditions on which any variable payments not included in the measurement of the receivable for installment payments are determined.***
2. ***The nature and amounts of assets and deferred inflows of resources related to P3s that are recognized in the financial statements.***
3. ***The discount rate or rates applied to the measurement of the receivable for installment payments, if any.***
4. ***The amount of inflows of resources recognized in the reporting period for variable and other payments not previously included in the measurement of the receivable for installment payments, including inflows of resources related to residual value guarantees and termination penalties.***
5. ***The nature and extent of rights retained by the transferor or granted to the operator under the P3 arrangements.***
6. ***Some P3 arrangements may include provisions for guarantees and commitments. For each period in which a guarantee or commitment exists, disclosures should be made about the guarantees and commitments, including identification, duration, and significant contract terms.***

***An operator should disclose the following about its P3 activities (which may be grouped for purposes of disclosure, see GASB 94, paragraphs 57-59):***

1. ***A general description of its P3 arrangements, including the status of projects during the construction period, if applicable, and the basis, terms, and conditions on which any variable payments not included in the measurement of the liability for installment payments are determined.***
2. ***The nature and amounts of assets, liabilities, and deferred outflows of resources related to P3s that are recognized in the financial statements.***
3. ***The discount rate or rates applied to the measurement of the liability for installment payments, if any.***
4. ***Principal and interest requirements to maturity, presented separately, for the liability for installment payments for each of the 5 subsequent fiscal years and in 5-year increments thereafter.***
5. ***The amount of outflows of resources recognized in the reporting period for variable payments not previously included in the measurement of the liability for installment payments.***
6. ***The nature and extent of rights granted to the operator or retained by the transferor under P3 arrangements.***
7. ***The components of any loss associated with an impairment (the impairment loss and any related change in the liability).***
8. ***Some P3 arrangements may include provisions for guarantees and commitments. For each period in which a guarantee or commitment exists, disclosures should be made about the guarantees and commitments, including identification, duration, and significant contract terms.***

## **Note \_ - Capital assets**

***In the table below, intangible right-to-use lease assets for land would only be presented in the capital assets not being depreciated/amortized sections of the table below if the lease contract has a purchase option that the District has determined is reasonably certain of being exercised. Otherwise, they would be amortized over the lease term. (GASB 87, paragraph 32)***

***Note that if an agreement meets the GASB definition of a lease (GASB 87, paragraph 4) or SBITA (GASB 96, paragraph 6), prepaying the entire balance does NOT mean the agreement is no longer classified as a lease or SBITA. Although no liability would be recorded, the District would still be responsible for the recording and subsequent amortization of an intangible right-to-use lease or subscription asset, as applicable, including the appropriate disclosures.***

Capital asset activity for the year ended June 30, 2023, was as follows:

|  | **Balance**  **July 1, 2022 (restated)** |  | **Increases** |  | **Decreases** |  | **Balance**  **June 30, 2023** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Governmental activities:** |  |  |  |  |  |  |  |
| Capital assets not being depreciated/amortized: |  |  |  |  |  |  |  |
| Land |  |  |  |  |  |  |  |
| Construction in progress |  |  |  |  |  |  |  |
| Intangibles: |  |  |  |  |  |  |  |
| Right-to-use lease assets: |  |  |  |  |  |  |  |
| Land |  |  |  |  |  |  |  |
| Total capital assets not being  depreciated/amortized |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Capital assets being depreciated/amortized: |  |  |  |  |  |  |  |
| Land improvements |  |  |  |  |  |  |  |
| Buildings |  |  |  |  |  |  |  |
| Equipment |  |  |  |  |  |  |  |
| Intangibles: ***(list by major categories)*** |  |  |  |  |  |  |  |
| Right-to-use subscription assets |  |  |  |  |  |  |  |
| Right-to-use lease assets: ***(modify underlying***  ***assets as appropriate)*** |  |  |  |  |  |  |  |
| Land |  |  |  |  |  |  |  |
| Land improvements |  |  |  |  |  |  |  |
| Buildings |  |  |  |  |  |  |  |
| Equipment |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Less accumulated depreciation/amortization for: |  |  |  |  |  |  |  |
| Land improvements |  |  |  |  |  |  |  |
| Buildings |  |  |  |  |  |  |  |
| Equipment |  |  |  |  |  |  |  |
| Intangibles: ***(list by major categories)*** |  |  |  |  |  |  |  |
| Right-to-use subscription assets |  |  |  |  |  |  |  |
| Right-to-use lease assets: ***(modify underlying***  ***assets as appropriate)*** |  |  |  |  |  |  |  |
| Land |  |  |  |  |  |  |  |
| Land improvements |  |  |  |  |  |  |  |
| Buildings |  |  |  |  |  |  |  |
| Equipment |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |
| Total capital assets being depreciated/  amortized, net |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Governmental activities capital assets, net |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Business-type activities:** |  |  |  |  |  |  |  |
| Capital assets not being depreciated/amortized: |  |  |  |  |  |  |  |
| Land |  |  |  |  |  |  |  |
| Construction in progress |  |  |  |  |  |  |  |
| Intangibles: |  |  |  |  |  |  |  |
| Right-to-use lease assets: |  |  |  |  |  |  |  |
| Land |  |  |  |  |  |  |  |
| Total capital assets not being  depreciated/amortized |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Capital assets being depreciated/amortized: |  |  |  |  |  |  |  |
| Land improvements |  |  |  |  |  |  |  |
| Buildings |  |  |  |  |  |  |  |
| Equipment |  |  |  |  |  |  |  |
| Intangibles: ***(list by major categories)*** |  |  |  |  |  |  |  |
| Right-to-use subscription assets |  |  |  |  |  |  |  |
| Right-to-use lease assets: ***(modify underlying***  ***assets as appropriate)*** |  |  |  |  |  |  |  |
| Land |  |  |  |  |  |  |  |
| Land improvements |  |  |  |  |  |  |  |
| Buildings |  |  |  |  |  |  |  |
| Equipment |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Less accumulated depreciation/amortization for: |  |  |  |  |  |  |  |
| Land improvements |  |  |  |  |  |  |  |
| Buildings |  |  |  |  |  |  |  |
| Equipment |  |  |  |  |  |  |  |
| Intangibles: ***(list by major categories)*** |  |  |  |  |  |  |  |
| Right-to-use subscription assets |  |  |  |  |  |  |  |
| Right-to-use lease assets: ***(modify underlying***  ***assets as appropriate)*** |  |  |  |  |  |  |  |
| Land |  |  |  |  |  |  |  |
| Land improvements |  |  |  |  |  |  |  |
| Buildings |  |  |  |  |  |  |  |
| Equipment |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |
| Total capital assets being depreciated/  amortized, net |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Business-type activities capital assets, net |  |  |  |  |  |  |  |

***If the District has any collections (such as art or historical treasures) that are not capitalized, describe the collection and disclose why the assets are not capitalized. See GASB Statement No. 34, paragraph 118.***

Depreciation/amortization expense was charged to functions as follows:

|  |  |
| --- | --- |
| Governmental activities:  Instruction  Support services:  Students  Instruction  General administration  School administration  Central and other support services  Operation and maintenance of plant  Student transportation  Operation of noninstructional services  Internal service funds |  |
| Total governmental activities depreciation/amortization expense |  |
|  |  |
| Business-type activities:  ***List activities*** |  |
| Total business-type activities depreciation/amortization expense |  |

## **Note \_ - Construction and other commitments**

The District had major contractual commitments related to various capital projects at June 30, 2023, for the construction of ***(list projects)***. At June 30, 2023, the District had spent $\_\_\_\_\_ on these projects and had remaining contractual commitments with contractors of $\_\_\_\_\_. These projects are being financed ***(describe source of payment/financing and terms of the commitment)***.

The District had contractual commitments related to leases for which the lease term had not yet commenced at June 30, 2023, for ***(list lease assets by major classes)***. At June 30, 2023, the District had made payments of $\_\_\_\_\_\_\_\_\_\_ to the lessors and had remaining contractual commitments with lessors of $\_\_\_\_\_\_\_\_\_\_, including the lease liabilities that will be recognized at the commencement of the lease terms. ***(GASB 87, paragraph 37 [g])***

The District had contractual commitments related to subscription-based information technology arrangements for which the subscription term had not yet commenced at June 30, 2023, for ***(describe IT software and/or underlying IT assets)***. At June 30, 2023, the District had made payments of $\_\_\_\_\_\_\_\_\_\_ to the vendors and had remaining contractual commitments with vendors of $\_\_\_\_\_\_\_\_\_\_, including the subscription liabilities that will be recognized at the commencement of the subscription terms. ***(GASB 96, paragraph 60 [f])***

***If the District had other significant commitments, provide a description of the commitment, dollar amounts, basic terms of the commitment (including amounts spent to date and amounts remaining under the commitment), and source of payment.***

## **Note \_ - Restricted assets**

***If restricted assets’ nature and purpose are obscured by aggregation or otherwise not sufficiently explained in the financial statements, provide that information here.***

## **Note \_ - Short-term liabilities**

**Payables—*If the District had significant individual payable accounts whose nature is obscured by aggregation, provide details about those accounts here. See GASB Statement No. 38, paragraph 13.***

**Short-term debt—*If the District had short-term debt (e.g., anticipation notes and lines of credit) activity during the year, even if no short-term debt is outstanding at year-end, the District should explain why the debt was issued and present a schedule of changes that discloses beginning and ending balances as well as increases and decreases. See GASB Statement No. 38, paragraph 12, as amended by GASB Statement No. 88, paragraphs 4 and 6. The District should also disclose summarized information about assets pledged as collateral for the debt and terms specified in the debt agreement related to significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences, and (3) subjective acceleration clauses. See GASB Statement No. 88, paragraph 5.***

## **Note \_ - Long-term liabilities**

The following schedule details the District’s long-term liability and obligation activity for the year ended June 30, 2023:

|  | **Balance**  **July 1, 2022**  **(restated)** |  | **Additions** |  | **Reductions** |  | **Balance**  **June 30, 2023** |  | **Due within 1 year** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Governmental activities** |  |  |  |  |  |  |  |  |  |
| General obligation bonds payable |  |  |  |  |  |  |  |  |  |
| Discounts/premiums |  |  |  |  |  |  |  |  |  |
| Total bonds payable |  |  |  |  |  |  |  |  |  |
| Leases payable |  |  |  |  |  |  |  |  |  |
| Subscriptions liability |  |  |  |  |  |  |  |  |  |
| Financed purchases |  |  |  |  |  |  |  |  |  |
| Asset retirement obligations |  |  |  |  |  |  |  |  |  |
| Net pension and other postemployment benefits liability |  |  |  |  |  |  |  |  |  |
| Insurance claims payable |  |  |  |  |  |  |  |  |  |
| Compensated absences payable |  |  |  |  |  |  |  |  |  |
| Claims and judgments payable |  |  |  |  |  |  |  |  |  |
| ***Add other line items as needed*** |  |  |  |  |  |  |  |  |  |
| Total governmental activities long-term liabilities |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| **Business-type activities** |  |  |  |  |  |  |  |  |  |
| Revenue bonds payable |  |  |  |  |  |  |  |  |  |
| Discounts/premiums |  |  |  |  |  |  |  |  |  |
| Total bonds payable |  |  |  |  |  |  |  |  |  |
| Notes payable |  |  |  |  |  |  |  |  |  |
| Leases payable |  |  |  |  |  |  |  |  |  |
| Subscriptions liability |  |  |  |  |  |  |  |  |  |
| Financed purchases |  |  |  |  |  |  |  |  |  |
| Net pension and other postemployment benefits liability |  |  |  |  |  |  |  |  |  |
| Compensated absences payable |  |  |  |  |  |  |  |  |  |
| Claims and judgments payable |  |  |  |  |  |  |  |  |  |
| ***Add other line items as needed*** |  |  |  |  |  |  |  |  |  |
| Total business-type activities long-term liabilities |  |  |  |  |  |  |  |  |  |

***Complete the following sentence if the District had short-term or long-term debt outstanding. GASB Statement No. 88, paragraph 5.a.***

The District also had (an) unused line(s) of credit in the amount of $\_\_\_\_\_\_\_\_\_\_\_.

***In the following bonds and financed purchase disclosures, the District should disclose summarized information about assets pledged as collateral for the debt and terms specified in the debt agreement related to significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences, and (3) subjective acceleration clauses. The District should also separate information regarding (a) direct borrowings and direct placements of debt from (b) other debt. GASB Statement No. 88, paragraphs 5 and 6.***

***The District is not required to disclose collateral pledged as a security for a lease if that collateral is solely the asset underlying the lease. (GASB Statement No. 87, paragraph 39) If the District has issued debt for which the principal and interest payments are secured by lease payments, describe the existence, terms, and conditions of options by the lessee to terminate the lease or abate payments. (GASB 87, paragraph 57 [d])***

**Bonds—**The District’s bonded debt consists of various issues of general obligation bonds that are generally callable (noncallable) with interest payable semiannually (annually). Bond proceeds pay primarily for acquiring or constructing capital facilities. Bonds have also been issued to advance-refund previously issued bonds. The District repays general obligation bonds from voter-approved property taxes. During the year, the District issued general obligation bonds totaling $\_\_\_\_\_ to ***describe the purpose***.

Of the total amount(s) originally authorized, $ \_\_\_\_\_ remains unissued. ***If all the authorized bonds were issued, delete the preceding sentence.*** The following bonds were outstanding at June 30, 2023:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Description** | **Original amount**  **issued** |  | **Maturity ranges** |  | **Interest rates** |  | **Outstanding principal** |
| General obligation bonds | $ |  |  |  |  |  | $ |
| General obligation bonds—refunding |  |  |  |  |  |  |  |
| ***List any other type of bonds*** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  | $ |

***If issuing an annual comprehensive financial report for the GFOA certificate program, it is recommended that the District disclose the information above for each debt issuance. The District should also describe the legal debt limit/margin and the applicability of federal arbitrage regulations.***

The following schedule details debt service requirements to maturity for the District’s bonds payable at June 30, 2023:

|  | | **Governmental activities** | | |  | **Business-type activities** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **General**  **obligation bonds** | | |  | ***Use separate***  ***columns as needed*** | | |
| **Year ending June 30** | | **Principal** |  | **Interest** |  | **Principal** |  | **Interest** |
| 2024 |  |  |  |  |  |  |  |  |
| 2025 |  |  |  |  |  |  |  |  |
| 2026 |  |  |  |  |  |  |  |  |
| 2027 |  |  |  |  |  |  |  |  |
| 2028 |  |  |  |  |  |  |  |  |
| 2029-33 |  |  |  |  |  |  |  |  |
| 2034-38 |  |  |  |  |  |  |  |  |
| 2039-43 |  |  |  |  |  |  |  |  |
| 2044-48 |  |  |  |  |  |  |  |  |
| 2049-53 |  |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |  |

***If the District has variable-rate debt, disclose interest requirements based on the rate effective at the end of the reporting year. In addition, the District should add a paragraph following the table that discloses the terms under which interest rates may change. See GASB Statement No. 38, paragraph 10.***

***Pledged revenues are those specific revenues that have been formally committed to directly collateralize or secure debt (e.g., bonds, certificates of participation, etc.) of a pledging government, or directly or indirectly collateralize or secure debt of a component unit. For each period in which secured debt remains outstanding, the District must disclose the following:***

* 1. ***Identification of the specific revenue pledged and the approximate pledge amount.***
  2. ***Identification of, and general purpose for, the debt the pledged revenue secures.***
  3. ***Commitment term.***
  4. ***Relationship of the pledged amount to the total for that specific revenue stream (i.e., percent of the specific revenue stream that has been pledged).***
  5. ***Comparison of the pledged revenues recognized during the period to the principal and interest requirements for the debt those revenues directly or indirectly collateralize.***

***See GASB Statement No. 48, paragraph 21, for more information regarding the disclosure requirements for pledged revenues. Also, see Appendix D, Examples 1-3, in GASB Statement No. 48 for examples of required disclosures. For more complex situations, the District may want to present tables with the required disclosures.***

***Complete the applicable portions of the following paragraph and schedule for the fiscal year in which a bond refunding occurs.***

During the year ended June 30, 2023, the District issued general obligation bonds with an average interest rate of \_\_\_ percent to advance-refund older, higher-rate issues with an average interest rate of \_\_\_ percent. The District realized net proceeds of $ \_\_\_\_\_ after payment of $ \_\_\_\_\_ in underwriting fees, insurance, and other issuance costs, plus $ \_\_\_\_\_ of \_\_\_\_\_ sinking fund monies. The District used these proceeds to purchase securities that it placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. The refunded debt is considered defeased, and related liabilities are not included in the District’s financial statements. Details of the refunding transactions are as follows:

|  |  |
| --- | --- |
|  | **Bond**  **category** |
| Amount of refunding bonds issued |  |
| Amount of bonds refunded |  |
| Reduction in debt service payments |  |
| Economic gain (loss) |  |

***Complete the following paragraph for the fiscal year in which bonds are defeased using only existing resources. GASB Statement No. 86***

During the year ended June 30, 2023, the District defeased $\_\_\_\_\_\_\_\_\_\_ of general obligation (revenue) bonds to ***include reason for defeasance***. Accordingly, the related liabilities are not included in the District’s financial statements. The District placed $\_\_\_\_\_\_\_\_\_\_ of cash and other monetary assets acquired with existing resources ***modify as necessary*** in an irrevocable trust to provide resources for all future debt service payments of $\_\_\_\_\_\_\_\_\_\_ on the defeased debt.

***For all periods following an advance refunding, or in-substance defeasance using only existing resources, that end with defeased bonds still outstanding, complete the next paragraph.***

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds and existing resources ***modify as necessary*** in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for these defeased bonds are not included in the District’s financial statements. At June 30, 2023, the following outstanding bonds were considered defeased:

|  |  |
| --- | --- |
| **Description** | **Amount *(principal balance of defeased bonds outstanding at June 30, 2023.)*** |
| ***List types of bonds*** |  |
|  |  |
|  |  |

***For all in-substance defeasances for which substitution of essentially risk-free monetary assets with monetary assets that are not essentially risk-free is not prohibited, the District should disclose the information required by GASB Statement No. 86, paragraphs 10 and 11, as applicable.***

***If the refunded (old) debt is variable-rate debt, it cannot be considered defeased because of the uncertainty of the future debt service requirements. It is possible to defease old fixed-rate debt with new variable-rate debt, but additional disclosures should be made. See footnote 4 of GASB Statement No. 7 for additional details.***

**Financed purchases**—The District has acquired ***describe assets by major classes*** under contract agreements at a total purchase price of $\_\_\_\_\_. The following schedule details debt service requirements to maturity for the District’s financed purchases at June 30, 2023:

|  | | **Governmental activities** | | |  | **Business-type activities** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Year ending June 30** | | **Principal** |  | **Interest** |  | **Principal** |  | **Interest** |
| 2024 |  |  |  |  |  |  |  |  |
| 2025 |  |  |  |  |  |  |  |  |
| 2026 |  |  |  |  |  |  |  |  |
| 2027 |  |  |  |  |  |  |  |  |
| 2028 |  |  |  |  |  |  |  |  |
| 2029-33 |  |  |  |  |  |  |  |  |
| 2034-38 |  |  |  |  |  |  |  |  |
| 2039-43 |  |  |  |  |  |  |  |  |
| 2044-48 |  |  |  |  |  |  |  |  |
| 2049-53 |  |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |  |

**Leases**—***The District, as lessee, should disclose the following about its lease activities (which may be grouped), other than short-term leases.***

The District has obtained the right to use ***describe assets by major classes*** under the provisions of various lease agreements. ***Modify accordingly – the District should provide a general description of its leasing arrangements.***

The total amount of lease assets and the related accumulated amortization are as follows: ***(GASB 87, paragraph 37 [b])***

|  |  |
| --- | --- |
| Total intangible right-to-use lease assets |  |
| Less: accumulated amortization |  |
| Carrying value |  |

The following schedule details minimum lease payments to maturity for the District’s leases payable at June 30, 2023:

|  | | **Governmental activities** | | |  | **Business-type activities** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Year ending June 30** | | **Principal** |  | **Interest** |  | **Principal** |  | **Interest** |
| 2024 |  |  |  |  |  |  |  |  |
| 2025 |  |  |  |  |  |  |  |  |
| 2026 |  |  |  |  |  |  |  |  |
| 2027 |  |  |  |  |  |  |  |  |
| 2028 |  |  |  |  |  |  |  |  |
| 2029-33 |  |  |  |  |  |  |  |  |
| 2034-38 |  |  |  |  |  |  |  |  |
| 2039-43 |  |  |  |  |  |  |  |  |
| 2044-48 |  |  |  |  |  |  |  |  |
| 2049-53 |  |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |  |

***If the District has material variable lease payments, residual value guarantees, and/or other payments that are NOT included in the lease liability, disclose the following information as applicable. (GASB 87, paragraph 37 [a], [d], [e])***

*Variable lease payments*

The District’s lease contracts include variable lease payments that are not included in the lease liability because they are not fixed in substance. ***Describe the basis, terms, and conditions on which variable payments not included in the measurement of the lease liability are determined.*** During the fiscal year ended June 30, 2023, the District recognized expenses of $\_\_\_\_\_\_\_ for variable lease payments not included in the measurement of the lease liabilities.

*Other payments*

The District’s lease contracts include other payments, such as residual value guarantees and termination penalties, that are not included in the lease liability because they are not reasonably certain of being required. ***Modify as appropriate. Describe the existence, terms, and conditions of residual value guarantees.*** During the fiscal year ended June 30, 2023, the District recognized expenses of $\_\_\_\_\_\_\_ for other payments not included in the measurement of the lease liabilities.

***The District should also provide relevant disclosures for the following transactions, if applicable.***

* ***The components of any impairment loss and any related change in the lease liability (see GASB 87, paragraph 37 [h])***
* ***Sublease transactions (see GASB 87, paragraph 81)***
* ***Sale-leaseback transactions (see GASB 87, paragraph 85)***
* ***Lease-leaseback transactions (see GASB 87, paragraph 87)***

**Subscription-based information technology arrangements (SBITAs)**—***The District should disclose the following about its SBITAs (which may be grouped), other than short-term SBITAs.***

The District has obtained the right to use ***describe IT software and/or underlying IT assets***under the provisions of various subscription-based information technology arrangements. ***Modify accordingly – the District should provide a general description of its SBITAs.***

The total amount of subscription assets and the related accumulated amortization are as follows: ***(GASB 96, paragraph 60 [b])***

|  |  |
| --- | --- |
| Total intangible right-to-use subscription assets |  |
| Less: accumulated amortization |  |
| Carrying value |  |

The following schedule details minimum subscription payments to maturity for the District’s subscriptions liability at June 30, 2023:

| **Year ending June 30** |  | **Principal** |  | **Interest** |
| --- | --- | --- | --- | --- |
| 2024 |  |  |  |  |
| 2025 |  |  |  |  |
| 2026 |  |  |  |  |
| 2027 |  |  |  |  |
| 2028 |  |  |  |  |
| 2029-33 |  |  |  |  |
| 2034-38 |  |  |  |  |
| 2039-43 |  |  |  |  |
| Total |  |  |  |  |

***If the District has material variable subscription payments and/or other payments that are NOT included in the subscriptions liability, disclose the following information as applicable. (GASB 96, paragraph 60 [a], [c], [d])***

*Variable subscription payments*

The District’s SBITAs include variable subscription payments that are not included in the subscriptions liability because they are not fixed in substance. ***Describe the basis, terms, and conditions on which variable payments not included in the measurement of the subscriptions liability are determined.*** During the fiscal year ended June 30, 2023, the District recognized expenses of $\_\_\_\_\_\_\_ for variable subscription payments not included in the measurement of the subscriptions liability.

*Other payments*

The District’s SBITAs include other payments, such as termination penalties, that are not included in the subscriptions liability because they are not reasonably certain of being required. ***Modify as appropriate.***During the fiscal year ended June 30, 2023, the District recognized expenses of $\_\_\_\_\_\_\_ for other payments not included in the measurement of the subscriptions liability.

***The District should also provide relevant disclosures for the components of any impairment loss and any related change in the subscriptions liability, as applicable (see GASB 96, paragraph 60 [g])***

**Insurance claims**—The ***name of the self-insurance fund*** (an internal service fund) accounts for the financing of the uninsured risk of loss for certain health benefits (comprehensive, major medical, dental) to eligible employees and their dependents. Under this program, the fund provides coverage for up to a maximum of $\_\_\_\_\_ for each claim, not to exceed an annual aggregate of $\_\_\_\_\_. The fund purchases commercial insurance for claims in excess of this coverage. Settled claims did not exceed this commercial insurance coverage in any of the past 3 fiscal years. ***Modify as appropriate.***

The fund’s insurance claims payable liability totaling $\_\_\_\_\_ at June 30, 2023, is the estimated ultimate cost of settling claims that have been reported but not settled and claims that have been incurred but not reported. This estimate is based on actuarial estimates ***or describe methodology***. Changes in the fund’s claims payable for the years ended June 30, 2022 and 2023, were as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2022** |  | **2023** |
| Claims payable, beginning of year |  |  |  |
| Current-year claims and changes in estimates |  |  |  |
| Claim payments |  |  |  |
| Claims payable, end of year |  |  |  |

**Compensated absences and claims and judgments**—Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. Claims and judgments are generally paid from the fund that accounts for the activity that gave rise to the claim. During fiscal year 2023, the District paid for compensated absences as follows: \_\_\_ percent from the General Fund, \_\_\_ percent from major funds, and \_\_\_ percent from other funds. The District paid for claims and judgments as follows: \_\_\_ percent from the General Fund and \_\_\_ percent from the \_\_\_\_\_\_\_\_\_\_ fund. ***Modify as appropriate.***

**Asset retirement obligations—*If the District has recognized asset retirement obligations, it should disclose the information GASB Statement No. 83, paragraphs 27–29, require.***

# Note \_ - Conduit debt

***The District (as the issuer) should disclose the following general information about conduit debt obligations (GASB 91, paragraph 25):***

1. ***A general description of the issuer’s conduit debt obligation(s).***
2. ***A general description of the issuer’s limited commitment(s).***
3. ***A general description of the issuer’s voluntary commitment(s).***
4. ***A general description of the issuer’s additional commitment(s), including:***
   1. ***The legal authority and limits for extending the commitment(s).***
   2. ***The length of time of the commitment(s).***
   3. ***Arrangements, if any, for recovering payments from the third-party obligor(s).***
5. ***The aggregate outstanding principal amount of all conduit debt obligations that share the same type of commitment(s) at the end of the reporting period.***

***If the District has also recognized a liability in accordance with GASB 91, paragraphs 10-17, it should make additional disclosures as follows (GASB 91, paragraph 26):***

1. ***A brief description of the timing of recognition and measurement of the liability and information about the changes in the recognized liability, including the following:***
   1. ***Beginning-of-period balances.***
   2. ***Increases, including initial recognition and adjustments increasing estimates.***
   3. ***Decreases, including payments made and adjustments decreasing estimates.***
   4. ***End-of-period balances.***
2. ***Cumulative amounts of payments that have been made on the recognized liability at the reporting date, if any.***
3. ***Amounts expected to be recovered from those payments, if any.***

## **Note \_ - Fund balance classifications of the governmental funds**

The fund balance classifications of the governmental funds as of June 30, 2023, were as follows:

|  | **General**  **Fund** |  | ***Major***  **Fund** |  | **Other governmental funds** |  | **Total** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Fund balances:** |  |  |  |  |  |  |  |
| **Nonspendable:** |  |  |  |  |  |  |  |
| Inventories |  |  |  |  |  |  |  |
| Prepaid items |  |  |  |  |  |  |  |
| ***List other nonspendable resources*** |  |  |  |  |  |  |  |
| Total nonspendable |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Restricted for:** |  |  |  |  |  |  |  |
| Instruction |  |  |  |  |  |  |  |
| Support services: |  |  |  |  |  |  |  |
| Students |  |  |  |  |  |  |  |
| Instruction |  |  |  |  |  |  |  |
| Operation of noninstructional services |  |  |  |  |  |  |  |
| Debt service |  |  |  |  |  |  |  |
| Capital outlay |  |  |  |  |  |  |  |
| ***List other purposes*** |  |  |  |  |  |  |  |
| Total restricted |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Committed to:** |  |  |  |  |  |  |  |
| ***List specific purposes*** |  |  |  |  |  |  |  |
| Total committed |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Assigned to:** |  |  |  |  |  |  |  |
| ***List specific purposes*** |  |  |  |  |  |  |  |
| Total assigned |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Unassigned** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Total fund balances |  |  |  |  |  |  |  |

***The District should display the specific purpose in sufficient detail to disclose its major commitments and assignments. At a minimum, disclosures should be by function. (GASB Statement No. 54, paragraph 25, and GASB Implementation Guide 2017-1, paragraph 4.38)***

***Minimum fund balance policies—When the District has formally adopted a minimum fund balance policy, it should disclose its policy setting forth the minimum amount.* *(GASB Statement No. 54, paragraph 27)***

## **Note \_ - Risk management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all such risks of loss, including workers’ compensation and employees’ health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past 3 fiscal years. ***Modify as appropriate.***

## **Note \_ - Pensions and other postemployment benefits**

***The notes to the financial statements should not include immaterial disclosures (GASB Statement No. 38). Accordingly, the District should omit the disclosures shown below for any OPEB plan that is not material. If a net OPEB asset or liability is included for the plan on the statement of net position, the District may mention the plan and state that it is not further disclosed because of its relative insignificance to the District’s financial statements.***

***If the District provides its own retirees’ healthcare benefits, the District should also follow the accounting and disclosure requirements of GASB Statement No. 74 or 75, as applicable.***

***If the District makes employer contributions to a 457 plan that meets the definition of a pension plan, the District should follow the accounting and disclosure requirements of Statement No. 68 or 73, as applicable. (GASB Statement No. 97)***

**Plan description—**District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at [19TUwww.azasrs.gov](http://www.azasrs.gov)U19T.

**Benefits provided—**The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Retirement**  **Initial membership date:** | | | |
|  | **Before July 1, 2011** | | **On or after July 1, 2011** | |
| Years of service and age required to receive benefit | | Sum of years and age equals 80  10 years, age 62  5 years, age 50\*  any years, age 65 | | 30 years, age 55  25 years, age 60  10 years, age 62  5 years, age 50\*  any years, age 65 | |
| Final average salary is based on | Highest 36 consecutive months  of last 120 months | | Highest 60 consecutive months  of last 120 months | |
| Benefit percent per year of service | 2.1% to 2.3% | | 2.1% to 2.3% | |

\*With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member’s death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member’s account balance that includes the member’s contributions and employer’s contributions, plus interest earned.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from $100 per month to $260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

**Contributions—**In accordance with State statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2023, statute required active ASRS members to contribute at the actuarially determined rate of 12.17 percent (12.03 percent for retirement and 0.14 percent for long-term disability) of the members’ annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 12.17 percent (11.92 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members’ annual covered payroll. ***If the District also made alternative contributions for retired members who returned to work, add the following sentence:*** In addition, the District was required by statute to contribute at the actuarially determined rate of 9.68 percent (9.62 percent for retirement and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the ASRS would typically fill. The District’s contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2023, were $\_\_\_\_\_\_\_\_\_\_\_\_, $\_\_\_\_\_\_\_\_\_\_\_\_, and $\_\_\_\_\_\_\_\_\_\_\_\_, respectively. ***Source: District records***

During fiscal year 2023, the District paid for pension and OPEB contributions as follows: \_\_\_ percent from the General Fund, \_\_\_ percent from major funds, and \_\_\_ percent from other funds.

**Liability—**At June 30, 2023, the District reported the following asset and liabilities for its proportionate share of the ASRS’ net pension/OPEB asset or liability. ***Source: ASRS schedule of pension/OPEB amounts by employer***

|  | **Net pension/OPEB (asset) liability** |
| --- | --- |
| Pension |  |
| Health insurance premium benefit |  |
| Long-term disability |  |

The net asset and net liabilities were measured as of June 30, 2022. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2021, to the measurement date of June 30, 2022.

The District’s proportion of the net asset or net liability was based on the District’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2022,and the change from its proportions measured as of June 30, 2021, were: ***Source: ASRS schedule of employer pension/OPEB allocations and calculation of difference between percentage from ASRS schedules of employer pension/OPEB allocations for current and prior measurement date***

|  | **Proportion**  **June 30, 2022** | **Increase (decrease) from June 30, 2021** |
| --- | --- | --- |
| Pension | % |  |
| Health insurance premium benefit |  |  |
| Long-term disability |  |  |

***If any changes expected to have a significant effect on the measurement of the District’s proportionate share of the collective net pension liability occurred between the measurement date and the reporting date, the District should provide a brief description of the nature of the changes and the amount of the expected resultant change in the District’s proportionate share of the collective net pension liability, if known.***

**Expense—**For the year ended June 30, 2023, the District recognized the following pension and OPEB expense.***Source: ASRS schedule of pension/OPEB amounts by employer***

|  | **Pension/OPEB expense** |
| --- | --- |
| Pension |  |
| Health insurance premium benefit |  |
| Long-term disability |  |

**Deferred outflows/inflows of resources—**At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:***Source: ASRS schedule of pension/OPEB amounts by employer***

|  | Pension | | |  | Health insurance premium benefit | | |  | Long-term disability | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Deferred outflows of resources |  | Deferred inflows of resources |  | Deferred outflows of resources |  | Deferred inflows of resources |  | Deferred outflows of resources |  | Deferred inflows of resources |
| Differences between expected and actual experience | $ |  | $ |  | $ |  | $ |  | $ |  | $ |
| Changes of assumptions or other inputs |  |  |  |  |  |  |  |  |  |  |  |
| Net difference between projected and actual earnings on plan investments |  |  |  |  |  |  |  |  |  |  |  |
| Changes in proportion and differences between District contributions and proportionate share of contributions |  |  |  |  |  |  |  |  |  |  |  |
| District contributions subsequent to the measurement date***Source: district records*** |  |  |  |  |  |  |  |  |  |  |  |
| Total | $ |  | $ |  | $ |  | $ |  | $ |  | $ |

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB will be recognized in expenses as follows:***Source: ASRS schedule of net deferred outflows and inflows of resources by employer to be recognized in pension/OPEB expense, 5 years and in aggregate thereafter, which is by measurement date. The schedule below should be by the District’s reporting fiscal year. For example, in the schedule below, report the June 30, 2023 (measurement date), ASRS schedule amount for the District’s June 30, 2024 (reporting date).***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year ending June 30** | **Pension** |  | **Health insurance premium benefit** |  | **Long-term disability** |
| 2024 |  |  |  |  |  |
| 2025 |  |  |  |  |  |
| 2026 |  |  |  |  |  |
| 2027 |  |  |  |  |  |
| 2028 |  |  |  |  |  |
| Thereafter |  |  |  |  |  |

**Actuarial assumptions—**The significant actuarial assumptions used to measure the total pension/OPEB liability are as follows:

|  |  |
| --- | --- |
| Actuarial valuation date | June 30, 2021 |
| Actuarial roll forward date | June 30, 2022 |
| Actuarial cost method | Entry age normal |
| Investment rate of return | 7.0% |
| Projected salary increases | 2.9–8.4% for pensions/not applicable for OPEB |
| Inflation | 2.3% |
| Permanent benefit increase | Included for pensions/not applicable for OPEB |
| Mortality rates | 2017 SRA Scale U-MP for pensions and health insurance premium benefit |
| Recovery rates | 2012 GLDT for long-term disability |
| Healthcare cost trend rate | Not applicable |

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

|  |  |  |
| --- | --- | --- |
| **Asset class** | **Target allocation** | **Long-term expected geometric real rate of return** |
| Equity | 50% | 3.90% |
| Fixed income - credit | 20% | 5.30% |
| Fixed income - interest rate sensitive | 10% | (0.20%) |
| Real estate | 20% | 6.00% |
| Total | 100% |  |

**Discount rate—**At June 30, 2022, thediscount rate used to measure the ASRS total pension/OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

**Sensitivity of the District’s proportionate share of the ASRS net pension/OPEB (asset) liability to changes in the discount rate—**The following table presents the District’s proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.0 percent, as well as what the District’s proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate: ***Source: ASRS schedule of pension/OPEB amounts by employer***

|  |  |  |  |
| --- | --- | --- | --- |
| **District’s proportionate share of the** | **1% Decrease (6.0%)** | **Current discount rate (7.0%)** | **1% Increase (8.0%)** |
| Net pension liability | $ | $ | $ |
| Net health insurance premium benefit liability (asset) |  |  |  |
| Net long-term disability liability |  |  |  |

**Plan fiduciary net position—**Detailed information about the plans’ fiduciary net position is available in the separately issued ASRS financial report.

**Contributions payable—**The District’s accrued payroll and employee benefits included $\_\_\_\_\_\_\_\_\_ of outstanding pension and OPEB contribution amounts payable to ASRS for the year ended June 30, 2023. ***If the District reported other payables to ASRS for pensions or OPEB at fiscal year-end, the District should disclose the payable amount, significant terms related to the payable, and a description of what gave rise to the payable.***

## **Note \_ - Interfund balances and activity**

**Interfund receivables and payables**—Interfund balances at June 30, 2023, were as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Payable to** | | | | | | | | | | |
| **Payable from** |  | **General Fund** |  | ***Major* Fund** |  | **Nonmajor governmental funds** |  | **Nonmajor enterprise funds** |  | **Internal service funds** |  | **Total** |
| ***List funds*** |  |  |  |  |  |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |  |  |  |  |  |

***Describe the purpose for interfund balances and describe interfund balances that are not expected to be repaid within 1 year from the date of the financial statements. See Illustration 14 in GASB Statement No. 38 for an example of such disclosure.***

**Interfund transfers**—Interfund transfers for the year ended June 30, 2023, were as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Transfer to** | | | | | | | | | | |
| **Transfer from** |  | **General Fund** |  | ***Major* Fund** |  | **Nonmajor governmental funds** |  | **Nonmajor enterprise funds** |  | **Internal service funds** |  | **Total** |
| ***List funds*** |  |  |  |  |  |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |  |  |  |  |  |

***Describe the principal purposes of the District’s interfund transfers.***

***Describe and give the amount of significant transfers not expected to occur on a routine basis.***

***Describe the intent for and amount of significant interfund transfers for which the transfer’s purpose was not routine or was inconsistent with the activities of the fund making the transfer. See Illustration 16 in GASB Statement No. 38 for an example of such disclosure.***

## **Note \_ - Other disclosures**

***If the District had related organizations******(GASB Cod. §2600, paragraph 128); joint ventures or jointly governed organizations (GASB Cod. §J50); related-party transactions or going concern considerations (GASB Cod. §2250); significant contingencies (GASB Cod. §§1500 and C50); significant subsequent events (GASB Cod. §§2250, 2300, and C50); or restricted assets obscured by aggregation, disclose the details here. Also, see the financial statement disclosure checklist for a list of other disclosures that may apply.***

## **Note 1 - Budgeting and budgetary control**

***Districts participating in the*** ***Accounting Responsibility Program*** ***may delete references to the County School Superintendent, as appropriate.***

The District adopts an annual operating budget for expenditures for all governmental fund types. The Governing Board presents a proposed budget to the Superintendent of Public Instruction and County School Superintendent on or by July 5. The Governing Board legally adopts the final budget by July 15, after a public hearing has been held. Once adopted, the budget can be increased or decreased only for specific reasons set forth in Arizona Revised Statutes. ***Disclose the reason for any significant budget increase or decrease here.***

## **Note 2 - Budgetary basis of accounting**

The District budget is prepared on a basis consistent with generally accepted accounting principles, except for the following items:

* Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.
* Prepaid items are budgeted in the year prepaid.
* Net changes in the fair value of investments is not budgeted.
* Present value of net minimum lease or subscription-based information technology arrangement (SBITA) payments is not budgeted at the inception of the agreement.
* USDA-donated commodities are not budgeted as an expenditure.

***Modify as appropriate.***

The following schedule reconciles the excess (deficiency) of revenues over expenditures from the statement of revenues, expenditures, and changes in fund balances to the budgetary comparison schedules:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **General Fund** |  | ***\_\_\_ Major Special* *Revenue* Fund** |  | ***\_\_\_ Major Special* *Revenue* Fund** |
| Excess (deficiency) of revenues over expenditures from the statement of revenues, expenditures, and changes in fund balances |  |  |  |  |  |
| Activities budgeted in separate funds |  |  |  |  |  |
| Current-year prepaid items |  |  |  |  |  |
| Prior-year prepaid items |  |  |  |  |  |
| Net increase (decrease) in fair value of investments |  |  |  |  |  |
| Present value of net minimum lease or SBITA payments |  |  |  |  |  |
| USDA-donated commodities |  |  |  |  |  |
| Excess (deficiency) of revenues over expenditures from the budgetary comparison schedules |  |  |  |  |  |

## **Note 3 - Expenditures in excess of appropriations**

For the year ended June 30, 2023, expenditures exceeded final budget amounts at the legal level of budgetary control (subsections within the General Fund, or by fund) as follows:

|  |  |
| --- | --- |
| **Fund/department** | **Excess** |
| General Fund: |  |
| ***List subsections*** |  |
| \_\_\_\_\_\_\_\_\_ Fund |  |
|  |  |

***Describe actions taken or planned to address such violations. Also, only those unfavorable variances attributable to the budgetary schedules presented as supplementary information here should be discussed in this note. However, any significant unfavorable budget variances for all funds should be disclosed in the stewardship, compliance, and accountability note to the financial statements.***

***Payroll amounts presented in the schedule below should be for the fiscal year ended on the measurement date of the net pension/OPEB liability. For example, the payroll reported in the fiscal year 2023 column (the District’s fiscal year-end) should be the payroll for fiscal year 2022 (the measurement date of the net pension/OPEB liability).***

***Sources:***

* ***District’s proportion of the net pension/OPEB liability: plan schedule of employer allocations.***
* ***Districts proportionate share of the net pension/OPEB liability: plan schedule of pension/OPEB amounts by employer.***
* ***District covered payroll: District records.***

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **ASRS—Pension** | **Reporting fiscal year**  **(measurement date)** | | | | | | | | | |
|  | **2023**  **(2022)** | **2022**  **(2021)** | **2021**  **(2020)** | **2020**  **(2019)** | **2019**  **(2018)** | **2018**  **(2017)** | **2017**  **(2016)** | **2016**  **(2015)** | **2015**  **(2014)** | **2014 (2013)** |
| District’s proportion of the net pension liability | % | % | % | % | % | % | % | % | % | Inform-ation  not available |
| District’s proportionate share of the net pension liability | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| District’s covered payroll | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| District’s proportionate share of the net pension liability as a percentage of its covered payroll | % | % | % | % | % | % | % | % | % |
| Plan fiduciary net position as a percentage of the total pension liability | 74.26% | 78.58% | 69.33% | 73.24% | 73.40% | 69.92% | 67.06% | 68.35% | 69.49% |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **ASRS—Health insurance premium benefit** |  | **Reporting fiscal year**  **(measurement date)** | | | | | | |
|  |  | **2023**  **(2022)** | **2022**  **(2021)** | **2021**  **(2020)** | **2020**  **(2019)** | **2019**  **(2018)** | **2018**  **(2017)** | **2017 through 2014** |
| District’s proportion of the net OPEB (asset) |  | % | % | % | % | % | % | Information  not available |
| District’s proportionate share of the net OPEB (asset) |  | $ | $ | $ | $ | $ | $ |
| District’s covered payroll |  | $ | $ | $ | $ | $ | $ |
| District’s proportionate share of the net OPEB (asset)as a percentage of its covered payroll |  | % | % | % | % | % | % |
| Plan fiduciary net position as a percentage of the total OPEB liability |  | 137.79% | 130.24% | 104.33% | 101.62% | 102.20% | 103.57% |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ASRS—Long-term disability** | **Reporting fiscal year**  **(measurement date)** | | | | | | |
|  | **2023**  **(2022)** | **2022**  **(2021)** | **2021**  **(2020)** | **2020**  **(2019)** | **2019**  **(2018)** | **2018**  **(2017)** | **2017 through 2014** |
| District’s proportion of the net OPEB liability | % | % | % | % | % | % | Information  not available |
| District’s proportionate share of the net OPEB liability | $ | $ | $ | $ | $ | $ |
| District’s covered payroll | $ | $ | $ | $ | $ | $ |
| District’s proportionate share of the net OPEB liability as a percentage of its covered payroll | % | % | % | % | % | % |
| Plan fiduciary net position as a percentage of the total OPEB liability | 95.40% | 90.38% | 68.01% | 72.85% | 77.83% | 84.44% |

***If the District has the information required below for periods prior to fiscal year 2017 for OPEB, the District should modify the schedule below to provide information for as many years as such information is available.***

***Amounts presented in the schedule below should be for the District’s fiscal year-end.***

***Statutorily required contributions presented below should exclude amounts, if any, associated with payables to the pension plan that arose in a prior fiscal year and those associated with separately financed specific liabilities of the District to the pension plan.***

***Sources:***

* ***Statutorily required contributions: The sum of the following:***
* ***For active members: actual covered payroll from District records multiplied by the pension, health insurance premium benefit, or long-term disability portion of the employer contribution rate, as applicable.***
* ***For retired members: actual covered payroll from District records multiplied by the pension, health insurance premium benefit, or long-term disability portion of the alternative contribution rate, as applicable.***
* ***District contributions in relation to the statutorily required contributions: District records.***
* ***District covered payroll: District records.***

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **ASRS—Pension** | **Reporting fiscal year** | | | | | | | | | | |
|  | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016** | **2015** | **2014** |  |
| Statutorily required contribution | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |  |
| District’s contributions in relation to the statutorily required contribution |  |  |  |  |  |  |  |  |  |  |
| District’s contribution deficiency (excess) | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| District’s covered payroll | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| District’s contributions as a percentage of covered payroll | % | % | % | % | % | % | % | % | % | % |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **ASRS—Health insurance premium benefit** | **Reporting fiscal year** | | | | | | | |
|  | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016 through 2014** |
| Statutorily required contribution | $ | $ | $ | $ | $ | $ | $ | Information  not available |
| District’s contributions in relation to the statutorily required contribution |  |  |  |  |  |  |  |
| District’s contribution deficiency (excess) | $ | $ | $ | $ | $ | $ | $ |
| District’s covered payroll | $ | $ | $ | $ | $ | $ | $ |
| District’s contributions as a percentage of covered payroll | % | % | % | % | % | % | % |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **ASRS—Long-term disability** | **Reporting fiscal year** | | | | | | | |
|  | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016 through 2014** |
| Statutorily required contribution | $ | $ | $ | $ | $ | $ | $ | Information  not available |
| District’s contributions in relation to the statutorily required contribution |  |  |  |  |  |  |  |
| District’s contribution deficiency (excess) | $ | $ | $ | $ | $ | $ | $ |
| District’s covered payroll | $ | $ | $ | $ | $ | $ | $ |
| District’s contributions as a percentage of covered payroll | % | % | % | % | % | % | % |

## **Note 1 – Factors that affect trends**

***Disclose information about the factors that significantly affect trends in the amounts reported in the schedules including, for example, changes in benefit provisions, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions. Information about investment-related factors that significantly affect trends in the amounts reported should be limited to those factors over which the pension plan or the District have influence–for example, changes in investment policies. Information about external economic factors–for example, changes in market prices–should not be presented.***