

School district financial statements reporting guidelines–2026

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.

Placeholder text and inline instructions appear in brackets and use the "Placeholder" character style. [This is what placeholder text looks like.] Placeholder text and inline instructions should not appear in the final report.

Guidance that has been added or updated this year is yellow-highlighted and looks like this.

Clearing template formatting: You can quickly clear placeholder formatting and updated-this-year formatting by selecting either form of highlighted text and pressing CTRL+Spacebar (Windows) or CMD+Shift+Z (Mac).

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[Management's discussion and analysis (MD&A)]

User instructions:

The District's management's discussion and analysis (MD&A) section should be printed on the District's letterhead or otherwise clearly noted that it is the District's document. THE MD&A must comply with the provisions of *GASB Statement No. 34*, as amended by *GASB Statement No. 103*, but cannot go beyond those provisions. Refer to *GASB Statement No. 34, paragraphs 8-11*, *GASB Statement No. 37, paragraph 4*, and *GASB Statement No. 103, paragraph 8*.

GASB Statement Nos. 34 and 103 require that the basic financial statements be preceded by MD&A, which is presented as required supplementary information (RSI). MD&A should provide an objective and easily readable analysis of the District's financial activities based on currently known facts, decisions, or conditions and present comparisons between the current year and the prior year, with emphasis on the current year. The information presented in MD&A must be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, *GASB Statement Nos. 34 and 103* stress that the detailed analyses **should explain why** balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. The analysis provided in MD&A **should avoid unnecessary duplication** by not repeating explanations that may be relevant to multiple sections and **"boilerplate" discussions should be avoided** by presenting only the most relevant information, focused on the primary government. In addition, information included in the MD&A must distinguish between that of the primary government and its discretely presented component units. See *GASB Statement No. 103, Appendix C, Exhibit 1*, for an illustrative MD&A example.

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, 2026. Please read it in conjunction with the transmittal letter on page [X] and the District's basic financial statements, which begin on page [X]. [Modify as needed.]

[School District Name] School District No. [#] in 2026

Overview of the Financial Statements

This entire section was updated or added this year.

User instructions: The District should provide an overview of the basic financial statements, including the relationships of the statements to each other. The overview should focus on the significant differences in the types of information the financial statements provide.

Financial Summary

This entire section was updated or added this year.

User instructions:

The District should provide condensed financial information derived from the government-wide financial statements comparing the current year to the prior year for both governmental and business-type activities. The District should present the information needed to support their analysis of financial position and results of operations required in the **Detailed Analyses** section below, including the following elements, if applicable:

- Total assets, distinguishing between capital assets 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 between the net investment in capital assets, restricted net position, and unrestricted net position
- Program revenues, by major source, distinguishing between charges for services, operating grants and contributions, and capital grants and contributions
- General revenues, by major source
- Total revenues
- Program expenses, at a minimum by function or identifiable activity, as appropriate
- Total expenses

- Excess (deficiency) before contributions to term and permanent endowments or permanent fund principal, transfers, and unusual or infrequent items
- Contributions to term and permanent endowments or permanent fund principal
- Transfers
- Unusual or infrequent items
- Beginning net position
- Change in net position
- Ending net position

Detailed Analyses

This entire section was updated or added this year.

User instructions:

The District should provide an analysis of the primary government's financial position and results of operations. The analysis should summarize significant changes to both governmental activities and business-type activities as reported in the government-wide financial statements. In addition to reporting the amounts or percentages of significant changes, the analysis should explain why those changes from the prior year occurred and indicate the magnitude of those changes. The analysis should also include facts, decisions, or conditions about which the user may not be aware, with the understanding that not all users may be from the District's geographical area. Additionally, the analysis should include a discussion of significant policy changes (such as changes in tax rates or fees, or the imposition of a hiring freeze) and important economic factors (such as changes in the tax or employment bases) that significantly affected operating results for the year, as applicable.

The District should provide an analysis of fund balance or net position and results of operations of each major fund. The analysis should summarize significant changes to each major fund. In addition to reporting the amounts or percentages of significant changes, the analysis should explain why those changes from the prior year occurred and indicate the magnitude of those changes. The analysis should include facts, decisions, or conditions about which the user may not be aware, with the understanding that not all users may be from the District's geographical area. The analysis also should address restrictions, commitments, and assignments that significantly affect the availability of fund resources for future use.

Significant Capital Asset and Long-Term Financing Activity

This entire section was updated or added this year.

User instructions:

The District should provide a description of significant capital asset activity during the year, including intangible assets as defined in *GASB Statement Nos. 51, 87, 94 and 96*. The description should include a discussion of significant additions and disposals of capital assets and changes to commitments made for the acquisition of capital assets. The description should address any significant policy changes and economic factors relevant to the capital asset activity that occurred during the year.

The District should provide a description of significant long-term financing activity during the year, including debt, leases, public-private and public-public partnerships (PPPs), and subscription-based information technology arrangements (SBITAs). The description should include a discussion of such agreements entered into, changes in credit ratings, and changes to debt limitations that may affect the financing of planned facilities or services, if any. The description should address any significant policy changes and economic factors relevant to the long-term financing activity that occurred during the year.

Currently Known Facts, Decisions, or Conditions

This entire section was updated or added this year.

User instructions:

The District should provide a description of currently known facts, decisions, or conditions that are expected to have a significant effect on financial position (net position) or that are expected to produce significant differences from current-period results of operations (revenues, expenses, and other changes in net position). Examples of the types of information that should be included in that description, if applicable, include the following:

- Trends in relevant economic and demographic data, such as changes in population (total or specific age groups), customer base, income levels, building permits, enrollment, and unemployment rates.
- Relevant factors used to develop the subsequent year's budget that will provide an indication of how results of operations are expected to change in the subsequent year, such as:
 - Those that are expected to result in changes in the total amount available for appropriation, referring as needed to relevant information about specific revenue

sources, for example, changes in tax rates or fee amounts and changes in the economic bases or range of activities, respectively, to which they are applied.

- Those that are expected to result in changes in planned spending, referring as needed to relevant explanatory factors such as inflation; labor contracts; new laws or regulations; and the addition, expansion, elimination, or reduction of programs.
- Expected changes in budgetary net position or fund balance.
- Actions the District has taken related to postemployment benefit liabilities, capital asset improvement plans, lessee liabilities, operator liabilities in PPP arrangements, SBITA liabilities, and other long-term financings that will affect the District in a subsequent period.
- Actions other parties have taken that will affect the District in a subsequent period, such as new legislation or regulations imposed on the District.

The above examples are not all-inclusive; information about any additional types of currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or to produce significant differences from current-period results of operations should be provided.

General guidance pertaining to the impact of GASB Statement No. 100 on RSI (MD&A) and SI (GASB Statement No. 100, paragraphs 35 through 39)

Change in accounting principle and change to or within the financial reporting entity

User instructions:

For reporting periods that are presented in the basic financial statements, information for those periods that is presented in required supplementary information (RSI) (including management's discussion and analysis [MD&A]) or supplementary information (SI) should be consistent with the manner in which the information for those periods is presented in the basic financial statements. (That is, the reporting periods should be adjusted or restated in the same manner as the basic financial statements.)

For prior reporting periods that are **earlier** than those presented in the basic financial statements, information for those prior periods that is presented in RSI (including MD&A) or SI should **not** be restated for a change in accounting principles or a change to or within the financial reporting entity.

If prior-period information presented in RSI (including MD&A) or SI is not consistent with current-period information as a result of a change in accounting principle or a change to or within the financial reporting entity, an explanation of why the information is not consistent should be provided in RSI (including MD&A) or SI, as applicable. In MD&A, that explanation should include a reference to the related note disclosure in the basic financial statements.

Error correction

User instructions:

For reporting periods that are presented in the basic financial statements, information for those periods that is presented in RSI (including MD&A) or SI should be restated. If the error affects periods **earlier** than those presented in the basic financial statements, **all** affected information should be corrected by restating the information for those prior periods in RSI (including MD&A) or SI, if practicable.

Information presented in RSI (including MD&A) or SI that is affected by an error should be identified as restated or not restated, as appropriate, and an explanation about the nature of the error should be provided in RSI (including MD&A) or SI, as applicable. In addition, if it is not practicable to restate information in RSI or SI, an explanation of why it is not practicable to restate should be provided in RSI (including MD&A) or SI, as applicable.

Statement of net position
June 30, 2026

Financial statement line item	Primary Government			Component units ¹
	Governmental activities	Business type activities	Total	
Assets				
Cash and cash equivalents				
Investments				
Cash and investments held by trustee(s)				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts				
Accrued interest				
Leases				
Other				
Internal balances				
Due from other governments				
Cash and investments held by trustee(s)—restricted ²				
Cash and investments held by pension plan—restricted for ASRS Contribution Prepayment Program				
Inventories				
Prepaid items				
Net other postemployment benefits asset				
Capital assets, not being depreciated/amortized				
Capital assets, being depreciated/amortized, net				
Total assets				
Deferred outflows of resources				
Deferred outflows related to pensions and other postemployment benefits				
Deferred charge on debt refunding				
Deferred outflows for asset retirement obligations				
List other deferred outflows				
Total deferred outflows of resources				
Liabilities				
Accounts payable				
Accrued payroll and employee benefits				
Contracts payable				
Accrued interest				
Due to other governments				
Unearned revenue				
Noncurrent liabilities				
Due within 1 year				
Due in more than 1 year				
Total liabilities				
Deferred inflows of resources				
Deferred inflows related to pensions and other postemployment benefits				
Deferred inflows related to leases				
Deferred credit on debt refunding				
Beneficial interest in irrevocable split-interest agreements				
List other deferred inflows				
Total deferred inflows of resources				

Statement of net position

June 30, 2026

Net position

Net investment in capital assets

Restricted for:

Debt service

Capital projects

Future pension contributions

Other purposes *Use this line for the accumulation of immaterial restricted amounts.*

Unrestricted (deficit)

Total net position

_____	_____	_____	_____
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¹ GASB Statement No. 103 requires the District to present each major component unit separately in its statements of net position and activities if it does not reduce the readability of the statements. If presenting each major component unit separately in the District's statements of net position and activities reduces the readability of the statements, combining statements of major component units should be included in the District's basic financial statements after the fund financial statements. Further, GASB Statement No. 103 eliminated the option of presenting condensed financial statements of major component units in the notes to the District's financial statements. This presentation assumes a combining statement will be used in order not to reduce the readability of this statement.

² If the District has established a 115 trust to accumulate resources for future pension contributions, this line item can be used to report those amounts as restricted and held by trustee, and can be modified to be more descriptive as deemed appropriate.

_____ School District No. _____

Statement of activities

Year ended June 30, 2026

Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position			Component units ¹
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business type activities	Total	
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								
Interest on long-term debt								
Total governmental activities								
Business-type activities:								
<i>List any separately identifiable activities</i>								
Total business-type activities								
Total primary government								
Total component units								
General revenues:								
Taxes:								
Property taxes, levied for general purposes								
Property taxes, levied for debt service								
Shared revenue—State sales taxes								
Intergovernmental revenues not restricted:								
Federal								
State								
_____ County								
Investment earnings								
Gain on disposal of capital assets								

See accompanying notes to financial statements.

Statement of activities
Year ended June 30, 2026

Miscellaneous
Transfers

Unusual or infrequent items:
(for each unusual or infrequent item, report the inflows and outflows separately)
Total general revenues, transfers, and unusual or infrequent items

Change in net position
Net position, July 1, 2025
Aggregate amount of adjustments to and restatements of beginning net position²
Net position, July 1, 2025, as restated
Net position, June 30, 2026

¹ GASB Statement No. 103 requires the District to present each major component unit separately in its statements of net position and activities if it does not reduce the readability of the statements. If presenting each major component unit separately in the District's statements of net position and activities reduces the readability of the statements, combining statements of major component units should be included in the District's basic financial statements after the fund financial statements. Further, GASB Statement No. 103 eliminated the option of presenting condensed financial statements of major component units in the notes to the District's financial statements. This presentation assumes a combining statement will be used in order not to reduce the readability of this statement.

² The aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, should be displayed for each reporting unit. For purposes of this requirement, each separate column in the basic financial statements, except for total columns, is a reporting unit (GASB Statement No. 100, paragraph 31 and footnote 2). Nothing precludes an entity from separately displaying here on the face of the financial statements the affects of each accounting change or error correction by reporting unit versus aggregation. If no accounting changes or error corrections (as defined by GASB Statement No. 100) occurred during the current reporting period, this additional presentation is not necessary and should be omitted.

Balance sheet

Governmental funds

June 30, 2026

Financial statement line item	General fund	[1st Major] fund	[2nd Major] fund	[3rd Major] fund	Other governmental funds	Total governmental funds
Assets						
Cash and cash equivalents						
Investments						
Cash and investments held by trustee(s)						
Receivables (net of allowances for uncollectibles):						
Property taxes						
Accounts						
Accrued interest						
Leases						
Other						
Due from other funds						
Due from other governments						
Cash and investments held by trustee(s)—restricted ¹						
Cash and investments held by pension plan—restricted for ASRS						
Contribution Prepayment Program						
Inventories						
Prepaid items						
Total assets						
Liabilities						
Accounts payable						
Accrued payroll and employee benefits						
Contracts payable						
Accrued interest						
Due to other funds						
Due to other governments						
Bonds payable						
Bond interest payable						
Unearned revenue						
Total liabilities						
Deferred inflows of resources						
Unavailable revenue:						
Property taxes						
Intergovernmental						
Beneficial interest in irrevocable split-interest agreements						
Deferred inflows related to leases						
List other deferred inflows						
Total deferred inflows of resources						
Fund balances						
Nonspendable						
Restricted						
Committed						
Assigned						

_____ School District No. _____

Balance sheet

Governmental funds

June 30, 2026

Unassigned

Total fund balances

Total liabilities, deferred
inflows of resources, and
fund balances

¹ If the District has established a 115 trust to accumulate resources for future pension contributions, this line item can be used to report those amounts as restricted and held by trustee, and can be modified to be more descriptive as deemed appropriate.

_____ School District No. _____

Reconciliation of the governmental funds balance sheet to the government-wide statement of net position

June 30, 2026

Fund balances—total governmental funds

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.

Long-term liabilities, including net pension/OPEB liabilities and bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Deferred outflows and inflows of resources related to pensions/OPEB and asset retirement obligations and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds. *Modify as appropriate.*

Internal service funds are used by management to charge the costs of certain activities, such as insurance, equipment maintenance, and telecommunications, to individual funds. *Modify as appropriate.* The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position. *Modify as appropriate.*

Net position of governmental activities

=====

_____ School District No. _____
Statement of revenues, expenditures, and changes in fund balances
Governmental funds
June 30, 2026

Financial statement line item	General fund	[1st Major] fund	[2nd Major] fund	[3rd Major] fund2	Other governmental funds	Total governmental funds
Revenues						
Property taxes						
Intergovernmental grants and aid:						
Federal						
State						
_____ County						
Tuition						
Investment earnings						
Other						
Total revenues						
Expenditures						
Current:						
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						
Debt service:						
Principal						
Interest and other charges						
Bond issuance costs						
Capital outlay						
Total expenditures						
Excess (deficiency) of revenues over expenditures						
Other financing sources (uses)						
General obligation bonds issued						
Premium/Discount on general obligation bonds						
Tax anticipation notes issued						

See accompanying notes to financial statements.

_____ School District No. _____
Statement of revenues, expenditures, and changes in fund balances
Governmental funds
June 30, 2026

Lease agreement(s)						
Subscription-based information technology arrangement(s)						
Financed purchase(s)						
Sale of capital assets						
Transfers in						
Transfers out						
Total other financing sources and uses						
Unusual or infrequent item(s) <i>(for each unusual or infrequent item, display the inflows and outflows separately)</i>						
Total unusual or infrequent item(s)						
Net change in fund balances						
Fund balances, July 1, 2025						
Aggregate amount of adjustments to and restatements of beginning fund balances ¹						
Fund balances, July 1, 2025, as restated						
Changes in nonspendable resources:						
Increase (decrease) in inventories						
Increase (decrease) in prepaid items						
Fund balances, June 30, 2026						

¹ The aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, should be displayed for each reporting unit. For purposes of this requirement, each separate column in the basic financial statements, except for total columns, is a reporting unit (GASB Statement No. 100, paragraph 31 and footnote 2). Nothing precludes an entity from separately displaying here on the face of the financial statements the affects of each accounting change or error correction by reporting unit versus aggregation. If no accounting changes or error corrections (as defined by GASB Statement No. 100) occurred during the current reporting period, this additional presentation is not necessary and should be omitted.

Reconciliation of the governmental funds statement of revenues, expenditures, and changes in fund balances to the government-wide statement of activities

Year ended June 30, 2026

Net change in fund balances—total governmental funds

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Capital outlay

Depreciation/amortization expense

In the statement of activities, only the gain/loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of capital assets sold.

District pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the statement of activities.

District pension/OPEB contributions

Pension/OPEB expense

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. **OR** Collections of revenues in the governmental funds exceeded revenues reported in the statement of activities.

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are amortized in the statement of activities.

Debt issued or incurred

Leases incurred

Subscription-based information technology arrangements incurred

Principal repaid

Amortization of bond discount/premium

Amortization of deferred charge/credit on bond refunding

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses are reported regardless of when the financial resources are available.

(Increase **OR** Decrease) in compensated absences

(Increase **OR** Decrease) in claims and judgments

Some cash outlays, such as purchases of inventories, are reported as expenditures in the governmental funds when purchased. In the statement of activities, however, they are reported as expenses when consumed.

(Increase **OR** Decrease) in inventories

(Increase **OR** Decrease) in prepaids

Reconciliation of the governmental funds statement of revenues, expenditures, and changes in fund balances to the government-wide statement of activities

Year ended June 30, 2026

Internal service funds are used by management to charge the costs of certain activities, such as insurance, equipment maintenance, and telecommunications to individual funds. ***Modify as appropriate.*** The net revenue (expense) of certain internal service funds is reported with governmental activities in the statement of activities. ***Modify as appropriate.***

Change in net position of governmental activities =====

Statement of net position

Proprietary funds

June 30, 2026

Financial statement line item	Business-type activities—enterprise funds				Governmental activities— internal service funds
	[1st Major] fund	[2nd Major] fund	Other enterprise funds	Totals	
Assets					
Current assets:					
Cash and cash equivalents					
Investments					
Receivables (net of allowances for uncollectibles):					
Accounts					
Accrued interest					
Leases					
Other					
Due from other funds					
Due from other governments					
Inventories					
Prepaid items					
Total current assets					
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents					
Investments					
Cash and investments held by trustee(s) ¹					
Cash and investments held by pension plan—restricted for ASRS Contribution Prepayment Program					
Leases receivable					
Net other postemployment benefits asset					
Capital assets, net of accumulated depreciation/amortization, where applicable:					
Land					
Buildings, net					
Equipment, net					
Intangibles, net					
Construction in progress					
Total capital assets, net					
Total noncurrent assets					
Total assets					
Deferred outflows of resources					
Deferred outflows related to pensions and other postemployment benefits					
Deferred charge on debt refunding					
List other deferred outflows					
Total deferred outflows of resources					
Liabilities					
Current liabilities:					
Accounts payable					
Accrued payroll and employee benefits					
Contracts payable					

See accompanying notes to financial statements.

Statement of net position

Proprietary funds

June 30, 2026

Due to other funds				
Due to other governments				
Unearned revenue				
Compensated absences payable, current				
Claims and judgments payable, current portion				
Revenue bonds payable, current portion				
Notes payable, current portion				
Leases payable, current portion				
Subscriptions liability, current portion				
Financed purchases payable, current portion				
Total current liabilities				

Noncurrent liabilities:				
Compensated absences payable				
Claims and judgments payable				
Revenue bonds payable				
Notes payable				
Leases payable				
Subscriptions liability				
Financed purchases payable				
Net pension and other postemployment benefits liability				
Total noncurrent liabilities				
Total liabilities				

Deferred inflows of resources

Deferred inflows related to pensions and other postemployment benefits				
Deferred inflows related to leases				
Deferred credit on debt refunding				
Beneficial interest in irrevocable split-interest agreements				
List other deferred inflows				
Total deferred inflows of resources				

Net position

Net investment in capital assets				
Restricted for:				
Debt service				
Future pension contributions				
List and describe purpose of other restrictions.				
Unrestricted (deficit)				
Total net position				

¹ If the District has established a 115 trust to accumulate resources for future pension contributions, this line item can be used to report those amounts as restricted and held by trustee, and can be modified to be more descriptive as deemed appropriate.

_____ School District No. _____
Statement of revenues, expenses, and changes in fund net position
Proprietary funds
Year ended June 30, 2026

With the implementation of GASB Statement No. 103, GASB re-defined operating and nonoperating revenues and expenses for proprietary funds, and thus entities will need to use professional judgement to determine the proper classification of their activities for financial reporting purposes. This template provides a basic framework, but entities should apply the guidance provided in the footnotes below, in combination with the detailed guidance provided within GASB Statement No. 103, to their specific operations to determine proper financial statement presentation of operating and nonoperating revenues and expenses.

Financial statement line item	Business-type activities—enterprise funds			Totals	Governmental activities—internal service funds
	[1st Major] fund	[2nd Major] fund	Other enterprise funds		
Operating revenues: ¹					
Charges for services					
Insurance premiums					
Miscellaneous					
Total operating revenues					
Operating expenses: ¹					
Personal services					
Professional services					
Supplies					
Utilities					
Repairs and maintenance					
Insurance claims and services					
Depreciation and amortization					
Other					
Total operating expenses					
Operating income (loss)					
Noncapital subsidies: ²					
Intergovernmental revenue					
Transfers in					
Transfers out					
Other (modify accordingly)					
Total noncapital subsidies					
Operating income (loss) and noncapital subsidies					
Other nonoperating revenues (expenses): ^{1,2}					
Investment earnings					
Interest expense					
Gain (loss) on disposal of capital assets					
Capital contributions					
Transfers in—restricted for capital					
Transfers out—restricted for capital					
Other (modify accordingly)					
Total other nonoperating revenues (expenses)					
Income (loss) before unusual or infrequent items					
Unusual or infrequent item(s): (for each unusual or infrequent item, report the inflows and outflows separately)					

See accompanying notes to financial statements.

School District No. _____
Statement of revenues, expenses, and changes in fund net position
Proprietary funds
Year ended June 30, 2026

Increase (decrease) in net position

Net position, July 1, 2025					
Aggregate amount of adjustments to and restatements of beginning net position ³					
Net position, July 1, 2025, as restated					
Net position, June 30, 2026					

¹ Operating revenues and expenses are defined by GASB Statement No. 103 as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are (a) subsidies received and provided, (b) contributions to permanent and term endowments, (c) revenues and expenses related to financing, (d) resources from the disposal of capital assets and inventory, and (e) investment income and expenses. Revenues or expenses that otherwise would be classified as nonoperating in most proprietary funds' financial statements should be classified as operating revenues or operating expenses if those transactions constitute the proprietary fund's principal ongoing operations.

² Subsidies are defined by GASB Statement No. 103 as follows: a. Resources received from another party (1) for which the District does not provide goods and services to the other party and (2) that directly or indirectly keep the District's current or future fees and charges lower than they would be otherwise; and b. Resources provided to another party (1) for which the other party does not provide goods and services to the District and (2) that are recoverable through the District's current or future pricing policies. If the subsidy is restricted solely for capital purposes (e.g., to build or purchase capital assets), it is a capital subsidy reported in the "other nonoperating revenues and expenses" section of this statement.

³The aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, should be displayed for each reporting unit. For purposes of this requirement, each separate column in the basic financial statements, except for total columns, is a reporting unit (GASB Statement No. 100, paragraph 31 and footnote 2). Nothing precludes an entity from separately displaying here on the face of the financial statements the affects of each accounting change or error correction by reporting unit versus aggregation. If no accounting changes or error corrections (as defined by GASB Statement No. 100) occurred during the current reporting period, this additional presentation is not necessary and should be omitted.

School District No. _____

Statement of cash flows

Proprietary funds

Year ended June 30, 2026

With the implementation of GASB Statement No. 103, GASB re-defined operating and nonoperating revenues and expenses for proprietary funds as presented on the Statement of Revenues, Expenses, and Changes in Net Position (SRECNP). However, GASB did not revise the guidance for cash flow statements as presented in GASB Statement No. 9, which defines the various sections of the cash flow statement and what activities each section contains. Therefore, entities may have differing reconciling items in order to reconcile the revised format of the SRECNP to the operating activities section of the Statement of Cash Flows.

Financial statement line item	Business-type activities—enterprise funds			Governmental activities—internal service funds
	[1st Major] fund	[2nd Major] fund	Other enterprise funds	Totals
Cash flows from operating activities:				
Receipts from customers				
Receipts from other funds for goods and services provided				
Other receipts <i>Describe if necessary</i>				
Payments to suppliers and providers of goods and services				
Payments for employee wages and benefits				
Payments to other funds for goods and services				
Other payments <i>Describe if necessary</i>				
Net cash provided by (used for) operating activities				
Cash flows from noncapital financing activities:				
Noncapital grant receipts				
Cash transfers from other funds				
Cash transfers to other funds				
Net cash provided by (used for) noncapital financing activities				
Cash flows from capital and related financing activities:				
Proceeds from sale of revenue bonds				
Cash contributions for capital purposes				
Proceeds from sale of capital assets				
Purchases of capital assets				
Payments made to contractors				
Principal paid on revenue bond maturities				
Interest paid on revenue bonds				
Net cash provided by (used for) capital and related financing activities				
Cash flows from investing activities:				
Proceeds from sales and maturities of investments				
Interest received on investments				
Purchases of investments				
Net cash provided by (used for) investing activities				
Net increase (decrease) in cash and cash equivalents				
Cash and cash equivalents, July 1, 2025				
Cash and cash equivalents, June 30, 2026				

See accompanying notes to financial statements.

_____ School District No. _____

Statement of cash flows

Proprietary funds

Year ended June 30, 2026

Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:

Operating income (loss)

Adjustments to reconcile operating income (loss) to net cash provided by (used for)

operating activities:

Depreciation

Amortization

Provision for uncollectible accounts

Expenses incurred but not reported

Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:

Net other postemployment benefits asset

Net pension and other postemployment benefits liability

Deferred outflows related to pensions and other postemployment benefits

Deferred inflows related to pensions and other postemployment benefits

List other appropriate assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

Net cash provided by (used for) operating activities

If statement of net position line items are other than cash and cash equivalents, provide a reconciliation.

Noncash investing, capital, and noncapital financing activities:

(Report information about all investing, capital, and noncapital financing activities during the year that affected recognized assets, deferred outflows of resources, liabilities, or deferred inflows of resources but did not result in cash receipts or cash payments during the year. Present this information in a separate schedule, which may be in either a narrative or a tabular format, and clearly describe the cash and noncash aspects of transactions involving similar items. The schedule may be presented, if space permits, on the same page as the statement of cash flows.)

[School district name] School District No. [#]

Notes to financial statements

June 30, 2026

[Notes to financial statements]

User instructions:

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 name] School District No. [#]'s accounting policies conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

For the year ended June 30, 2026, the District implemented the provisions of *GASB Statement No. 103—Financial Reporting Model Improvements*. This statement establishes new accounting and financial reporting requirements—or modifies existing requirements—related to (1) management's discussion and analysis; (2) unusual or infrequent items; (3) presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; (4) information about major component units in the basic financial statements; (5) budgetary comparison information; and (6) financial trends information in the statistical section.

For the year ended June 30, 2026, the District also implemented the provisions of *GASB Statement No. 104—Disclosure of Certain Capital Assets*. This statement requires information about the following capital assets and related amortization to be disclosed separately: (1) lease assets, by major class of underlying asset; (2) intangible right-to-use assets recognized by an operator, by major class of underlying public-public partnership asset; (3) subscription assets; and (4) other intangible assets, by major class of asset. This statement also requires additional disclosures for capital assets held for sale.

The District's basic financial statements, disclosures, required supplementary information, and supplementary information, as applicable, have been modified to reflect the requirements of these new standards. [Modify as needed.]

User instructions: Modify the paragraphs above accordingly—include any new accounting standards adopted that had a material effect on the District's financial statements and a brief description of their impact on the District's financial statements.

A. 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.

User instructions: 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.

B. 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 and compared 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 needed 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.

[School district name] School District No. [#]

Notes to financial statements

June 30, 2026

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 are revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are (a) subsidies received and provided, (b) contributions to permanent and term endowments, (c) revenues and expenses related to financing, (d) resources from the disposal of capital assets and inventory, and (e) investment income and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise; (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies; and (3) all other transfers. If the subsidy is restricted solely for capital purposes (e.g., to build or purchase capital assets), it is a capital subsidy reported in other nonoperating revenues and expenses. [Modify as needed.]

User instructions: Modify the paragraph above as appropriate in accordance with *GASB Statement No. 103, paragraph 13*. Revenues or expenses that otherwise would be classified as nonoperating in most proprietary fund financial statements should be classified as operating revenues or operating expenses if those transactions constitute the proprietary fund's principal ongoing operations.

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.

[School district name] School District No. [#]

Notes to financial statements

June 30, 2026

The [Fund name] *Fund* accounts for [explain fund's purpose.]

User instructions: 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 name] *Fund* accounts for [explain fund's purpose].

User instructions: Repeat for each major enterprise fund.

The District reports the following fund types:

The *internal service funds* account for multi-government agreements and insurance [and...] provided within the District or to other governments on a cost-reimbursement basis.

User instructions: Modify the paragraph above as appropriate to describe any other goods or services applicable to the District's internal service funds.

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 as needed.]

User instructions: Modify the paragraph above 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

User instructions: Add the following paragraph to define the proprietary funds' cash and cash equivalents. Modify the paragraph as appropriate.

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 needed.]

All investments are stated at fair value. [Modify as needed.]

User instructions:

Modify the paragraph above 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].

User instructions: When the consumption method is used to account for governmental fund inventories, modify the above paragraph accordingly.

F. Property tax calendar

The [County Name] 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:

User instructions: Capitalization policies adopted by governments include many considerations such as finding an appropriate balance between ensuring that all significant capital assets, collectively, are capitalized and minimizing the cost of recordkeeping for capital assets. A government should capitalize assets whose individual

acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant. Computers, classroom furniture, and library books are examples of asset types that may not meet a capitalization policy on an individual basis, yet could be significant collectively. (*GASB Implementation Guide 2021-1, question 5.1*)

	Capitalization threshold	Depreciation/ Amortization method	Estimated useful life
Land		N/A	N/A
Land improvements		N/A	N/A
Buildings			
Equipment			
Intangibles: [list by major categories, see GASB No. 104, paragraph 4]			
Software [modify category as appropriate]			
Right-to-use subscription assets			
Right-to-use lease assets: [list by major underlying asset category]			
Land			
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 needed.]

User instructions: Modify the paragraph above 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, [authorized position], and [authorized position] to assign resources for a specific purpose.

User instructions: Modify the paragraph above 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.

User instructions: Modify the paragraph above 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

Compensated absences payable consists of [enter text].

User instructions:

District should disclose the types of compensated absences accrued as a liability in the financial statements and any significant policies the District applies concerning their recognition and measurement of the liability, including flow assumptions for leave usage—examples include vacation [or annual] leave, sick leave, paid time off [PTO], holidays, parental leave, bereavement leave, and certain types of sabbatical leave.

GASB Statement No. 101 requires that liabilities for compensated absences be recognized for [1] leave that has not been used and [2] leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if [a] the leave is attributable to services already rendered, [b] the leave accumulates, and [c] the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

L. Leases and subscription-based information technology arrangements

Leases

As lessee, the District recognizes lease liabilities with an initial, individual value of \$[Amount] 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 \$[Amount] 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 \$[Amount] 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 [X] – Accounting changes and error corrections

User instructions:

1. Accounting changes are (a) changes in accounting principles, (b) changes in accounting estimates, and (c) changes to or within the financial reporting entity (see *GASB Statement No. 100, paragraphs 4 through 11*, for specific definitions).

(a) Change in accounting principle

Financial reporting (*GASB Statement No. 100, paragraph 15*): A change in accounting principle should be reported retroactively by restating beginning net position, fund balance, or fund net position, as applicable, for the cumulative effect, if any, of the change to the newly adopted accounting principle on prior periods.

Disclosure requirements (*GASB Statement No. 100, paragraphs 17, 29 and 32-34*):

- The note disclosures required by *GASB Statement No. 100* should correspond to the reporting units. Each separate column in the basic financial statements, except for the total columns, is a reporting unit. Further, these disclosures should be made in the reporting period in which the accounting change occurs.
- The nature of the change in accounting principle, including (1) identification of the financial statement line items (excluding totals and subtotals) affected by the application of the new accounting principle and (2) for the implementation of a new pronouncement, identification of the pronouncement that was implemented.

- Except for the implementation of a new pronouncement, the reason for the change in accounting principle, including an explanation of why the newly adopted accounting principle is preferable.
- The effects on beginning net position, fund balance, or fund net position, as applicable. Those effects should be disclosed in a tabular format that reconciles beginning balances as previously reported to beginning balances as adjusted or restated for each reporting unit. If the government has separately displayed in the financial statements the effects of **each** accounting change or error correction by reporting unit, those effects need not be repeated in notes to financial statements. See the illustrative table at the end of this section for an example.
- For a change in accounting principle that does not have an effect on beginning net position, fund balance, or fund net position but that results in a **reclassification** in the financial statements, the disclosures required by *GASB Statement No. 100, paragraphs 17a and 17b*, should be included in the notes to financial statements.

(b) Change in accounting estimate

Financial reporting (*GASB Statement No. 100, paragraph 20*): A change in accounting estimate should be reported prospectively by recognizing the change in accounting estimate in the reporting period in which the change occurs.

Disclosure requirements (*GASB Statement No. 100, paragraphs 21 and 33-34*):

- The note disclosures required by *GASB Statement No. 100* should correspond to the reporting units. Each separate column in the basic financial statements, except for the total columns, is a reporting unit. Further, these disclosures should be made in the reporting period in which the accounting change occurs.
- A government should disclose the following in notes to financial statements in each circumstance in which a change **to** an input (that is, a change **to** the data, assumptions, or measurement methodologies) has a significant effect on the accounting estimate:
 - o The nature of the change in accounting estimate, including identification of the financial statement line items (excluding totals and subtotals) affected.
 - o If the change in accounting estimate results from a change in measurement methodology, (1) the reason for the change in measurement methodology and (2) except in circumstances in which the change in measurement methodology is **required** by a GASB pronouncement, an explanation of why the new measurement methodology is preferable.

(c) Change to or within the financial reporting entity

Financial reporting (*GASB Statement No. 100, paragraph 22*): Report a change to or within the financial reporting entity by adjusting the current reporting period's beginning

net position, fund balance, or fund net position, as applicable, for the effect of the change as if the change occurred as of the beginning of the reporting period.

Disclosure requirements (*GASB Statement No. 100, paragraphs 23 and 32-34*):

- The note disclosures required by *GASB Statement No. 100* should correspond to the reporting units. Each separate column in the basic financial statements, except for the total columns, is a reporting unit. Further, these disclosures should be made in the reporting period in which the accounting change occurs.
 - The nature of the change to or within the financial reporting entity.
 - The reason for the change to or within the financial reporting entity, except in circumstances in which a change in a fund's presentation results only from meeting or not meeting the quantitative threshold for major funds in paragraph 76 of Statement 34, as amended.
 - The effects on beginning net position, fund balance, or fund net position, as applicable. Those effects should be disclosed in a tabular format that reconciles beginning balances as previously reported to beginning balances as adjusted or restated for each reporting unit. If the government has separately displayed in the financial statements the effects of **each** accounting change or error correction by reporting unit, those effects need not be repeated in notes to financial statements. See the illustrative table at the end of this section for an example.
2. **Error correction**—An error results from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time the financial statements were issued about conditions that existed as of the financial statement date. Facts that existed at the time the financial statements were issued are those facts that could reasonably be expected to have been obtained and taken into account at that time about conditions that existed as of the financial statement date. A change from (a) applying an accounting principle that is not generally accepted to transactions or other events that previously were significant to (b) applying a generally accepted accounting principle to those transactions or other events is an error correction. (*GASB Statement No. 100, paragraphs 12 and 13*)

Financial reporting (*GASB Statement No. 100, paragraph 25*): An error correction should be reported retroactively by restating beginning net position, fund balance, and fund net position, as applicable, for the cumulative effect of the error correction on prior periods.

Disclosure requirements (*GASB Statement No. 100, paragraphs 27, 30, and 32-34*):

- The note disclosures required by *GASB Statement No. 100* should correspond to the reporting units. Each separate column in the basic financial statements, except for the

total columns, is a reporting unit. Further, these disclosures should be made in the reporting period in which the error is discovered and corrected.

- The nature of the error and its correction, including the periods affected by the error and identification of the financial statement line items (excluding totals and subtotals) affected by the error in prior periods.
- For financial statements that present a single period, the effect on the prior period's change in net position, fund balance, or fund net position, as applicable, had the error not occurred.
- The effects on beginning net position, fund balance, or fund net position, as applicable. Those effects should be disclosed in a tabular format that reconciles beginning balances as previously reported to beginning balances as adjusted or restated for **each** reporting unit. If the government has separately displayed in the financial statements the effects of each accounting change or error correction by reporting unit, those effects need not be repeated in notes to financial statements. See the illustrative table at the end of this section for an example.
- For an error correction that does not have an effect on beginning net position, fund balance, or fund net position but that results in a **reclassification** in the financial statements, the disclosures required by *GASB Statement No. 100, paragraph 27a*, should be included in the notes to financial statements.

When a material misstatement (error) is discovered subsequent to the issuance of the financial statements, management must take the following steps to ensure that anyone in receipt of the audited financial statements is informed of the situation, including that the audited financial statements are not to be relied upon. Management's steps may include the following, see AU-C §560:

- Notification to anyone who is known to be relying or who is likely to rely on the financial statements that the auditors' report and financial statements are not to be relied upon and that revised financial statements, together with a new auditors' report, will be issued.
- Issuing, as soon as practicable, revised financial statements with appropriate disclosure of the misstatement.
- Issuing the subsequent year's financial statements with the appropriate disclosure of the misstatement. This is usually appropriate when issuance of the subsequent year's financial statements is imminent.

The auditor should include an emphasis-of-matter paragraph in the auditors' report when there is an adjustment to correct a material misstatement in previously issued financial statements, see AU-C §708.

Adjustments to and restatements of beginning balances

Illustrative example: An illustrative example for adjustments to and restatements of beginning balances is presented below. For other illustrative disclosure examples, including an alternative tabular format to the presentation below, see *GASB Statement No. 100, Appendix C*.

During fiscal year 2026, accounting changes and error corrections resulted in adjustments to and restatements of beginning net position and/or fund balance, as follows:

	Net position/ fund balance June 30, 2025 as previously reported	Change in accounting principle— [use separate column for each change]	Change to or within the reporting entity—[use separate column for each change]	Error correction— [use separate column for each change]	Net position/ fund balance July 1, 2025 as restated
Government-wide					
Governmental activities	\$	\$	\$	\$	\$
Business-type activities					
Total primary government	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Governmental funds					
Major funds:					
General fund	\$	\$	\$	\$	\$
[Major] fund					
Nonmajor funds					
Total governmental funds	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Proprietary funds					
Major funds:					
[Major] enterprise fund	\$	\$	\$	\$	\$
Nonmajor enterprise funds					
Internal service funds					
Total proprietary funds	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Note [X] – Reconciliations of certain information in governmental fund statements to information in government-wide statements

User instructions: 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 [X] – Stewardship, compliance, and accountability

Violations of finance-related legal and contractual provisions

User instructions: 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

User instructions: 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, 2026, 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 [X] – Deposits and investments

User instructions:

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 \$[XX] was recorded in the debt service fund. [Delete preceding sentence, if appropriate.]

User instructions: Delete the last sentence of the paragraph above 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, 2026, the carrying amount of the District’s deposits was \$[XX], and the bank balance was \$[XX]. [Description.]

User instructions:

Fill the [Description] placeholder above with a description of 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, 2026, \$[XX] 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	
	\$

User instructions: 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 \$[XX] at June 30, 2026. The District categorizes certain investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles as follows:

User instructions: 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*.

Investments by fair value level	Amount	Fair value measurement using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
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. [Applicable descriptions and disclosures for Levels 2 or 3.]

User instructions: 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

User instructions: Briefly describe the District’s formal investment policy with respect to credit risk or indicate that it does not have one.

At June 30, 2026, 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	
			\$ _____

User instructions: 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.

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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.]

User instructions: If the District had any category 3 investments at fiscal year-end, add the following paragraph and modify as necessary.

At June 30, 2026, the District had \$[XX] of [investment type] that was uninsured, not registered in the District's name, and held by the counterparty, and \$[XX] 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.

User instructions:

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

User instructions: 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, 2026, of 5 percent or more in [investment type] and [investment type]. These investments were [XX] percent and [XX] percent, respectively, of the District's total investments.

User instructions: 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

User instructions:
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, 2026, the District had the following investments in debt securities:

User instructions: Choose one of the options presented below.

[Option 1: Segmented time distribution. Example below.]

Investment type	Amount	Investment maturities			
		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 Option 2: Specific identification. Example below.]

Investment type	Maturity	Amount
Local government bonds		
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 Option 3: Weighted average maturity. Example below.]

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		
	\$	\$

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

[OR Option 4: Duration.]

User instructions: See Illustration 4 in *GASB Statement No. 40*.

OR Option 5: Simulation model.]

User instructions:
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

User instructions: 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	<u>\$</u>

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	<u>\$</u>	<u>\$</u>	<u>\$</u>

Note [X] – Receivables

User instructions: 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

User instructions: 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 accordingly—the District should provide a general description of its leasing arrangements.]

During the fiscal year ended June 30, 2026, the District recognized total lease-related revenues of \$[XX].

User instructions:

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 Statement No. 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 Statement No. 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, 2026, the District recognized revenues of \$[XX] 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, 2026, the District recognized revenues of \$[XX] for other payments not included in the measurement of the lease receivables.

User instructions:

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

- Leases of assets that are investments (see *GASB Statement No. 87, paragraph 41*)
- Certain regulated leases (see *GASB Statement No. 87, paragraph 60*)
- Sublease transactions (see *GASB Statement No. 87, paragraph 81*)
- Sale-leaseback transactions (see *GASB Statement No. 87, paragraph 85*)
- Lease-leaseback transactions (see *GASB Statement No. 87, paragraph 87*)

Note [X] – Public-private and public-public partnerships

User instructions:

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 Statement No. 94, paragraphs 35-36*):

- a. 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.
- b. The nature and amounts of assets and deferred inflows of resources related to P3s that are recognized in the financial statements.
- c. The discount rate or rates applied to the measurement of the receivable for installment payments, if any.

- d. 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.
- e. The nature and extent of rights retained by the transferor or granted to the operator under the P3 arrangements.
- f. 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 Statement No. 94, paragraphs 57-59*):

- a. 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.
- b. The nature and amounts of assets, liabilities, and deferred outflows of resources related to P3s that are recognized in the financial statements.
- c. The discount rate or rates applied to the measurement of the liability for installment payments, if any.
- d. 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.
- e. 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.
- f. The nature and extent of rights granted to the operator or retained by the transferor under P3 arrangements.
- g. The components of any loss associated with an impairment (the impairment loss and any related change in the liability).
- h. 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 [X] – Capital assets

User instructions:

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 Statement No. 87, paragraph 32)

Note that if an agreement meets the GASB definition of a lease (GASB Statement No. 87, paragraph 4) or SBITA (GASB Statement No. 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, 2026, was as follows:

	Balance July 1, 2025	Increases	Decreases	Balance June 30, 2026
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*]				
Software [modify category as appropriate]				
Right-to-use subscription assets				
Right-to-use lease assets: [modify underlying assets as appropriate]				
Land				
Land improvements				
Buildings				

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	Balance July 1, 2025	Increases	Decreases	Balance June 30, 2026
Equipment				
Total				
Less accumulated depreciation/amortization for:				
Land improvements				
Buildings				
Equipment				
Intangibles: [list by major categories*]				
Software [modify category as appropriate]				
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*]				
Software [modify category as appropriate]				
Right-to-use subscription assets				
Right-to-use lease assets: [modify underlying assets as appropriate]				
Land				
Land improvements				

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	Balance July 1, 2025	Increases	Decreases	Balance June 30, 2026
Buildings				
Equipment				
Total				
Less accumulated depreciation/amortization for:				
Land improvements				
Buildings				
Equipment				
Intangibles: [list by major categories*]				
Software [modify category as appropriate]				
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				

*GASB Statement No. 104 requires information about the following capital assets and related amortization to be disclosed separately: (1) lease assets, by major class of underlying asset; (2) intangible right-to-use assets recognized by an operator, by major class of underlying public-public partnership asset; (3) subscription assets; and (4) other intangible assets, by major class of asset. (GASB Statement No. 104, paragraph 4)

Included in capital assets are buildings [modify as appropriate] that are capital assets held for sale. They have a total historical cost of \$[XX] and an accumulated depreciation of \$[XX], and they are pledged as collateral for debt with a balance of \$[XX]. [Modify as appropriate.]

User instructions:

The District should evaluate whether a capital asset is a capital asset held for sale each reporting period. A capital asset is a capital asset held for sale if [a] the District has decided to pursue the sale of the asset and [b] it is probable [likely to occur] that the sale will be finalized within one year of the financial statement date. A capital asset held for sale should continue to be reported within the appropriate major class of capital assets. Additionally, the District should disclose capital assets held for sale, with separate disclosure of historical cost and accumulated depreciation [or amortization], by major class of asset. The District should also disclose the carrying amount of debt for which capital assets held for sale are pledged as collateral, for each major class of asset. GASB Statement No. 104, paragraphs 5 - 8)

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 [X] – Construction and other commitments

The District had major contractual commitments related to various capital projects at June 30, 2026, for the construction of [list projects]. At June 30, 2026, the District had spent \$[XX] on these projects and had remaining contractual commitments with contractors of \$[XX]. 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, 2026, for [list lease assets by major classes]. At June 30, 2026, the District had made payments of \$[XX] to the lessors and had remaining contractual commitments with lessors of \$[XX], including the lease liabilities that will be recognized at the commencement of the lease terms. [GASB Statement No. 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, 2026, for [describe IT software and/or underlying IT assets]. At June 30, 2026, the District had made

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payments of \$[XX] to the vendors and had remaining contractual commitments with vendors of \$[XX], including the subscription liabilities that will be recognized at the commencement of the subscription terms. [GASB Statement No. 96, paragraph 60 [f]]

User instructions: 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 [X] – 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 [X] – Short-term liabilities

Payables

User instructions: 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

User instructions: 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*.

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Note [X] – Long-term liabilities

The following schedule details the District's long-term liability and obligation activity for the year ended June 30, 2026:

	Balance July 1, 2025	Additions	Reductions	Balance June 30, 2026	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					

[* The District should present either (a) the separate increases and decreases or (b) a net increase or a net decrease in its liability for compensated absences. If the District presents a net amount, it should indicate that it is a net amount.]

User instructions: 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 \$[XX].

User instructions:

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 Statement No. 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 \$[XX] to [describe the purpose].

Of the total amount(s) originally authorized, \$[XX] remains unissued. [If all the authorized bonds were issued, delete the preceding sentence.] The following bonds were outstanding at June 30, 2026:

Description	Original amount issued	Maturity ranges	Interest rates	Outstanding principal
General obligation bonds	\$			\$
General obligation bonds—refunding				
[List any other type of bonds]				

User instructions: 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, 2026:

Year ending June 30	Governmental activities		Business-type activities	
	General obligation bonds		[Use separate columns as needed]	
	Principle	Interest	Principle	Interest
2027				
2028				
2029				
2030				
2031				
2032-36				
2037-41				
2042-46				
2047-51				
2052-56				
Total				

User instructions:

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:

- a. Identification of the specific revenue pledged and the approximate pledge amount.
- b. Identification of, and general purpose for, the debt the pledged revenue secures.
- c. Commitment term.

- d. 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).
- e. 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, 2026, the District issued general obligation bonds with an average interest rate of [XX] percent to advance-refund older, higher-rate issues with an average interest rate of [XX] percent. The District realized net proceeds of \$[XX] after payment of \$[XX] in underwriting fees, insurance, and other issuance costs, plus \$[XX] of [description] 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)

User instructions: 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, 2026, the District defeased \$[XX] 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 \$[XX] 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 \$[XX] on the defeased debt.

User instructions: 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, 2026, the following outstanding bonds were considered defeased:

Description	Amount
[List types of bonds]	[principal balance of defeased bonds outstanding at June 30, 2026]

User instructions:

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 \$[XX]. The following schedule details debt service requirements to maturity for the District’s financed purchases at June 30, 2026:

Year ending June 30	Governmental activities		Business-type activities	
	Principle	Interest	Principle	Interest
2027				
2028				
2029				
2030				
2031				
2032-36				
2037-41				

Year ending June 30	Governmental activities		Business-type activities	
	Principle	Interest	Principle	Interest
2042-46				
2047-51				
2052-56				
Total				

Leases

User instructions: 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 Statement No. 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, 2026:

Year ending June 30	Governmental activities		Business-type activities	
	Principle	Interest	Principle	Interest
2027				
2028				
2029				
2030				
2031				
2032-36				
2037-41				
2042-46				
2047-51				
2052-56				
Total				

User instructions: 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 Statement No. 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, 2026, the District recognized expenses of \$[XX] 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, 2026, the District recognized expenses of \$[XX] for other payments not included in the measurement of the lease liabilities.

User instructions:

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 Statement No. 87, paragraph 37 [h]*)
- Sublease transactions (see *GASB Statement No. 87, paragraph 81*)
- Sale-leaseback transactions (see *GASB Statement No. 87, paragraph 85*)
- Lease-leaseback transactions (see *GASB Statement No. 87, paragraph 87*)

Subscription-based information technology arrangements (SBITAs)

User instructions:

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 Statement No. 96, paragraph 60 [b]]

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

The following schedule details minimum subscription payments to maturity for the District’s subscriptions liability at June 30, 2026:

Year ending		
June 30	Principle	Interest
2027		
2028		
2029		
2030		
2031		
2032-36		
2037-41		
2042-46		
Total		

User instructions: 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 Statement No. 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, 2026, the District recognized expenses of \$[XX] 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, 2026, the District recognized expenses of \$[XX] for other payments not included in the measurement of the subscriptions liability.

User instructions: 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 Statement No. 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 \$[XX] for each claim, not to exceed an annual aggregate of \$[XX]. 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 \$[XX] at June 30, 2026, 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, 2025 and 2026, were as follows:

	2025	2026
Claims payable, beginning of year		
Current-year claims and changes in estimates		
Claim payments		
Claims payable, end of year		

Claims and judgments

Claims and judgments are generally paid from the fund that accounts for the activity that gave rise to the claim. During fiscal year 2026, the District paid for claims and judgments as follows: [XX] percent from the General Fund and [XX] percent from the [name of fund] fund. [Modify as appropriate.]

Asset retirement obligations

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

Note [X] – Conduit debt

User instructions:

The District (as the issuer) should disclose the following general information about conduit debt obligations (*GASB Statement No. 91, paragraph 25*):

- a. A general description of the issuer's conduit debt obligation(s).
- b. A general description of the issuer's limited commitment(s).
- c. A general description of the issuer's voluntary commitment(s).
- d. 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).
- e. 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 Statement No. 91, paragraphs 10-17*, it should make additional disclosures as follows (*GASB Statement No. 91, paragraph 26*):

- a. 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.
- b. Cumulative amounts of payments that have been made on the recognized liability at the reporting date, if any.
- c. Amounts expected to be recovered from those payments, if any.

Note [X] – Fund balance classifications of the governmental funds

The fund balance classifications of the governmental funds as of June 30, 2026, 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				

User instructions:

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*)

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 [X] – 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 [X] – Pensions and other postemployment benefits

User instructions:

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 www.azasrs.gov.

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:

ASRS	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, 2026, statute required active ASRS members to contribute at the actuarially determined rate of 12.00 percent (11.86 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 12.00 percent (11.83 percent for retirement, 0.03 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 9.75 percent (9.72 percent for retirement and 0.03 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, 2026, were \$[XX], \$[XX], and \$[XX], respectively. [Source: District records]

During fiscal year 2026, the District paid for pension and OPEB contributions as follows: [XX] percent from the General Fund, [XX] percent from major funds, and [XX] percent from other funds.

Liability

At June 30, 2026, 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]

ASRS	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, 2025. 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, 2024, to the measurement date of June 30, 2025. The total liabilities as of June 30, 2025, reflect changes in actuarial

assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2024, including increasing the inflation rate from 2.3 percent to 2.4 percent and changing the projected salary increases from 2.9–8.4 percent to 3.0–8.4 percent.

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, 2025, and the change from its proportions measured as of June 30, 2024, 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]

ASRS	Proportion	Increase (decrease) from
Pension	June 30, 2025	June 30, 2024
	%	
Health insurance premium benefit		
Long-term disability		

User instructions: 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, 2026, the District recognized the following pension and OPEB expense. [Source: ASRS schedule of pension/OPEB amounts by employer]

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

Deferred outflows/inflows of resources

At June 30, 2026, 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
ASRS						
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, 2027. 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, 2026 (measurement date), ASRS schedule amount for the District’s June 30, 2027 (reporting date).]

Year ending June 30	Pension	Health insurance premium benefit	Long-term disability
2027			
2028			
2029			
2030			
2031			
Thereafter			

Actuarial assumptions

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

ASRS	
Actuarial valuation date	June 30, 2024
Actuarial roll forward date	June 30, 2025
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	3.0-8.4%
Inflation	2.4%
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, 2024, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2024.

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:

ASRS asset class	Target allocation	Long-term expected geometric real rate of return
Public equity	44%	4.48%
Credit	23%	4.40%
Real estate	17%	6.05%
Private equity	10%	6.11%
Interest rate sensitive	6%	(0.45)%
Total	100%	

Discount rate

At June 30, 2025, the discount 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]

ASRS District’s proportionate share of the	1% Decrease (6.0%)	Current discount rate (7.0%)	1% Increase (8.0%)
Net pension liability	\$	\$	\$
Net 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 \$[XX] of outstanding pension and OPEB contribution amounts payable to ASRS for the year ended June 30, 2026.

User instructions: 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 [X] Interfund balances and activity

Interfund receivables and payables

Interfund balances at June 30, 2026, were as follows:

Payable from	Payable to						Total
	General Fund	[Major] Fund	Nonmajor governmental funds	[Major] Enterprise Fund	Nonmajor enterprise funds	Internal service fund(s)	
[List funds]							
Total							

User instructions: 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, 2026, were as follows:

Transfer from	Transfer to						Total
	General Fund	[Major] Fund	Nonmajor governmental funds	[Major] Enterprise Fund	Nonmajor enterprise funds	Internal service fund(s)	
[List funds]							
Total							

User instructions:

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 [X] – Concentrations and constraints

User instructions:

Required disclosures (*GASB Statement No. 102, paragraph 9*. Illustrative examples can be found in *GASB Statement No. 102, Appendix C*.)

For each concentration or constraint that meets **ALL** the disclosure criteria described in *GASB Statement No. 102, paragraph 7*, the District should disclose the information required by subparagraphs (a)–(c) below. The District should provide information in sufficient detail to enable financial statement users to understand the nature of the circumstances disclosed and the District’s vulnerability to the risk of a substantial impact associated with the concentration or constraint. The disclosures should be made in accordance with the general principles outlined in *GASB Statement No. 102, paragraph 8*, and should include descriptions of the following:

a. The concentration or constraint.

- b. Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements.
- c. Actions taken by the District prior to the issuance of the financial statements to mitigate the risk.

Note [X] – Unusual or infrequent items

User instructions:

The District should disclose the program, function, or identifiable activity to which an unusual or infrequent item is related, if applicable, and whether that item is within the control of management. (*GASB Statement No. 103, paragraph 10*)

Note [X] – Other disclosures

User instructions:

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*); restricted assets obscured by aggregation; or discretely presented component units (*GASB Statement No. 61, paragraph 11*), disclose the details here. Also, see the financial statement disclosure checklist for a list of other disclosures that may apply.

[Required supplementary information]

[General guidance (*GASB Statement No. 100, paragraphs 35-39*)]:

User instructions:

Change in accounting principle and change to or within the financial reporting entity

- For reporting periods that are presented in the basic financial statements, information for those periods that is presented in required supplementary information (RSI) (including management's discussion and analysis [MD&A]) or supplementary information (SI) should be consistent with the manner in which the information for those periods is presented in the basic financial statements. (That is, the reporting periods should be adjusted or restated in the same manner as the basic financial statements.)
- For prior reporting periods that are **earlier** than those presented in the basic financial statements, information for those prior periods that is presented in RSI (including MD&A) or SI should **not** be restated for a change in accounting principles or a change to or within the financial reporting entity.
- If prior-period information presented in RSI (including MD&A) or SI is not consistent with current-period information as a result of a change in accounting principle or a change to or within the financial reporting entity, an explanation of why the information is not consistent should be provided in RSI (including MD&A) or SI, as applicable. In MD&A, that explanation should include a reference to the related note disclosure in the basic financial statements.

Error correction

- For reporting periods that are presented in the basic financial statements, information for those periods that is presented in RSI (including MD&A) or SI should be restated. If the error affects periods **earlier** than those presented in the basic financial statements, **all affected information should be corrected** by restating the information for those prior periods in RSI (including MD&A) or SI, if practicable.
- Information presented in RSI (including MD&A) or SI that is affected by an error should be identified as restated or not restated, as appropriate, and an explanation about the nature of the error should be provided in RSI (including MD&A) or SI, as applicable. In addition, if it is not practicable to restate information in RSI or SI, an explanation of why it is not practicable to restate should be provided in RSI (including MD&A) or SI, as applicable.

_____ School District No. _____

Required supplementary information

Budgetary comparison schedule

General Fund¹

Year ended June 30, 2026

Financial statement line item	Original budgeted amounts	Final budgeted amounts	Variance with original budget— over (under) final budget	Actual amounts	Variance with final budget— over (under) actual amounts
Revenues: ²					
Property taxes					
Intergovernmental grants and aid:					
Federal					
State					
_____ County					
Tuition					
Investment earnings					
Other					
Total revenues					
Expenditures:					
Current:					
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					
Capital outlay					
Total expenditures					
Excess (deficiency) of revenues over expenditures					
Other financing sources (uses):					
Tax anticipation notes issued					
Lease agreement(s)					
Subscription-based information technology arrangement(s)					
Financed purchase(s)					
Transfers in					
Transfers out					
Total other financing sources and uses					
Unusual or infrequent item(s): <i>(for each unusual or infrequent item, report the inflows and outflows separately)</i>					
Total unusual or infrequent items					
Net change in fund balances					
Fund balances, July 1, 2025					

See accompanying notes to budgetary comparison schedules.

Required supplementary information
Budgetary comparison schedule

General Fund¹

Year ended June 30, 2026

Aggregate amount of adjustments
to and restatements of beginning
fund balances³

Fund balances, July 1, 2025, as
restated

Changes in nonspendable

resources:

 Increase (decrease) in
 inventories

 Increase (decrease) in prepaid
 items

Fund balances, June 30, 2026

¹ Present additional schedules for each major special revenue fund that has a legally adopted annual budget.

² The District should include estimated revenues used in preparing the budget even though those revenue estimates are not "legally adopted. "

³ The aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, should be displayed for each reporting unit. For purposes of this requirement, each separate column in the basic financial statements, except for total columns, is a reporting unit (GASB Statement No. 100, paragraph 31 and footnote 2). Nothing precludes an entity from separately displaying here on the face of the financial statements the affects of each accounting change or error correction by reporting unit versus aggregation. If no accounting changes or error corrections (as defined by GASB Statement No. 100) occurred during the current reporting period, this additional presentation is not necessary and should be omitted.

Note 1 – Budgeting and budgetary control

User instructions: 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			

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	General Fund	[Major Special Revenue] Fund	[Major Special Revenue] Fund
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, 2026, 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]	
[Name of fund] Fund	

User instructions: 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.

Note 4 – Significant variances

User instructions: An explanation of significant variations between original and final budget amounts and final budget amounts and actual results is required to be presented in notes to RSI. See GASB Statement No. 103, Appendix C, Exhibit 17: Notes to Budgetary Comparison Schedules for a tabular illustrative example.

[School district name] School District No. [#]

Required supplementary information

Notes to budgetary comparison schedules

June 30, 2026

BUDGETARY REVENUES:

Differences—original budget to final budget:

- General fund: [provide explanation of significant variances]
- [Major special revenue] fund: [provide explanation of significant variances]

Differences—final budget to actual:

- General fund: [provide explanation of significant variances]
- [Major special revenue] fund: [provide explanation of significant variances]

BUDGETARY EXPENDITURES:

Differences—original budget to final budget:

- General fund: [provide explanation of significant variances]
- [Major special revenue] fund: [provide explanation of significant variances]

Differences—final budget to actual:

- General fund: [provide explanation of significant variances]
- [Major special revenue] fund: [provide explanation of significant variances]

BUDGETARY OTHER FINANCING SOURCES (USES):

Differences—original budget to final budget:

- General fund: [provide explanation of significant variances]
- [Major special revenue] fund: [provide explanation of significant variances]

Differences—final budget to actual:

- General fund: [provide explanation of significant variances]
- [Major special revenue] fund: [provide explanation of significant variances]

[School district name] School District No. [#]

Required supplementary information

Notes to budgetary comparison schedules

June 30, 2026

UNUSUAL OR INFREQUENT ITEMS:

Differences—original budget to final budget:

- General fund: [provide explanation of significant variances]
- [Major special revenue] fund: [provide explanation of significant variances]

Differences—final budget to actual:

- General fund: [provide explanation of significant variances]
- [Major special revenue] fund: [provide explanation of significant variances]

[School district name] School District No. [#]

Required supplementary information

Schedule of the District's proportionate share of the net pension/OPEB liability

June 30, 2026

[Schedule of the District's proportionate share of the net pension/OPEB liability]

User instructions:

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 2026 column (the District's fiscal year-end) should be the payroll for fiscal year 2025 (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)									
	2026 (2025)	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)
District's proportion of the net pension liability	%	%	%	%	%	%	%	%	%	%
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	78.78%	76.93%	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%

See accompanying notes to pension/OPEB plan schedules.

[School district name] School District No. [#]

Required supplementary information

Schedule of the District's proportionate share of the net pension/OPEB liability

June 30, 2026

ASRS—Health insurance premium benefit

	Reporting fiscal year (Measurement date)										
	2026 (2025)	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	
District's proportion of the net OPEB (asset)	%	%	%	%	%	%	%	%	%	%	Information Not Available
District's proportionate share of the net OPEB (asset)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	Information Not Available
District's covered payroll	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	Information Not Available
District's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	%	%	%	%	%	%	%	%	%	%	Information Not Available
Plan fiduciary net position as a percentage of the total OPEB liability	144.12%	137.51%	134.37%	137.79%	130.24%	104.33%	101.62%	102.20%	103.57%		Information Not Available

ASRS—Long-term disability

	Reporting fiscal year (Measurement date)										
	2026 (2025)	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	
District's proportion of the net OPEB liability	%	%	%	%	%	%	%	%	%	%	Information Not Available
District's proportionate share of the net OPEB liability	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	Information Not Available
District's covered payroll	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	Information Not Available

See accompanying notes to pension/OPEB plan schedules.

[School district name] School District No. [#]

Required supplementary information

Schedule of the District's proportionate share of the net pension/OPEB liability

June 30, 2026

	Reporting fiscal year (Measurement date)									
	2026 (2025)	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	%	%	%	%	%	%	%	%	%	Information Not Available
Plan fiduciary net position as a percentage of the total OPEB liability	110.50%	98.77%	93.70%	95.40%	90.38%	68.01%	72.85%	77.83%	84.44%	Information Not Available

See accompanying notes to pension/OPEB plan schedules.

[Schedule of District pension/OPEB contributions]

User instructions:

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									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
District’s contributions in relation to the statutorily required contribution										
District’s contribution deficiency (excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
District’s covered payroll	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

See accompanying notes to pension/OPEB plan schedules.

[School district name] School District No. [#]
Required supplementary information
Schedule of District pension/OPEB contributions
June 30, 2026

	Reporting fiscal year									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's contributions as a percentage of covered payroll	%	%	%	%	%	%	%	%	%	%

ASRS—Health insurance premium benefit

	Reporting fiscal year									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
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—Long-term disability

	Reporting fiscal year									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
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	%	%	%	%	%	%	%	%	%	%

See accompanying notes to pension/OPEB plan schedules.

[School district name] School District No. [#]
Required supplementary information
Schedule of District pension/OPEB contributions
June 30, 2026

Note 1 – Factors that affect trends

User instructions:

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.