
KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022



KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28

TEMPE, ARIZONA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Issued by:
Business and Finance Department

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28

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INTRODUCTORY SECTION

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December 5, 2022

Citizens and Governing Board
Kyrene Elementary School District No. 28
8700 South Kyrene Rd.
Tempe, AZ 85284-2197

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Kyrene Elementary School District No. 28 (District) for the fiscal year ended June 30, 2022.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

LEARNING. LEADING. ACHIEVING.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Reporting Package.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE DISTRICT

The District is one of 58 public school districts located in Maricopa County, Arizona and provides a program of public education from preschool through grade eight. The projected enrollment for fiscal year 2022-23 is 14,308 students who are served by 17 elementary schools, six middle schools, and three K-8 schools.

The District's mission is to "commit to student success for all, by providing engaging, challenging educational environments which promote and inspire passion for learning, leading, and achieving transformative life outcomes." The vision for Kyrene Elementary School District is "all students achieve at their maximum potential to become problem solvers, creators, and visionaries of tomorrow."

In support of these objectives, the District provides an excellent education to students with academic support, outstanding teachers and staff, and excellent facilities. Kyrene School District has been offering students an exceptional education for more than 130 years, and the success is evident in the District's accolades. Kyrene schools receive high rankings across the state of Arizona and students excel by consistently outperforming charter schools and peer districts on statewide assessment testing.

Additional highlights include:

1. 16 Kyrene schools are Arizona Educational Foundation (AEF) A+ Schools of Excellence.
2. Kyrene had an 88% teacher retention rate in the 2021-22 school year.
3. Kyrene is home to 23 National Board Certified Teachers.
4. 12 Kyrene schools are A-rated by Niche.com; 5 schools are ranked in the top 50 Arizona schools by U.S. News & World Report; 6 schools are ranked in the top 100 Arizona schools by SchoolDigger.com; 8 schools are ranked in the top 10% by the Public School Review.
5. Kyrene has two National Blue Ribbon Schools, Kyrene Traditional Academy and Kyrene de la Sierra Elementary School, and an AVID Site of Distinction, Kyrene Aprende Middle School.

The District's Governing Board is organized under Section 15-321 of the Arizona Revised Statutes (A.R.S.). Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expenditures/expenses.

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services and athletic functions.

The annual expenditure budget serves as the foundation for the District's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual expenditure budget approved by the District's Governing Board.

The expenditure budget is prepared by fund for all Governmental Funds, and includes function and object code detail for the General Fund and some Special Revenue and Capital Projects Funds. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have over-expenditures of budgeted funds. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented. However, this does not affect the District's ability to expend monies.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy. Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,222 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such towns as Gilbert, Paradise Valley and Fountain Hills. Maricopa County is currently the nation's fourth largest county in terms of population size and the fifteenth in land area. The County's 2020 population was 4.4 million.

The County has a diverse economy and is home to a growing high-tech industry, tourism, manufacturing, service-based industries and construction. The County's major employers include education, retail, services, healthcare, government entities and aerospace.

The District is located across Tempe, Chandler and Phoenix. A few of the major companies represented in this metropolitan area include Banner Health Systems, State Farm Insurance, Wells Fargo, Honeywell and Intel. In addition, this metropolitan area continues to provide excellent educational and training opportunities through ten community colleges, multiple private colleges and graduate schools and one state university.

Long-term Financial Planning. The District has developed a strategic plan that identifies goals in the following areas: High Performing Students, High Quality Talent, Inclusive Culture, Responsive Organization and Collective Governance. Under the goal of Responsive Organization, strategies have been developed to enhance resources, ensure efficient operations and implement continuous process improvements.

As part of the strategy to enhance resources, the District has developed a comprehensive Capital Master Plan to identify capital spending requirements over the next 10 years. This long-term capital planning allows the District to identify projects necessary to keep schools, technology, and facilities operating at high functioning levels as the average age of the buildings in the District is over 30 years.

The District has a balanced budget, maintains cost and budget controls, forecasts future enrollment trends, and aligns spending programs to long-term strategic initiatives. The District has also achieved the highest bond ratings in the state of Arizona as a result of a robust financial position coupled with a large and stable tax base. The District maintains a bond rating of "Aaa" from Moody's and "AA" from Standard and Poor's. The Aaa rating from Moody's is the highest rating assigned to any institution and judges the creditworthiness of the District to be of the highest quality, with minimal credit risk.

The District maintains strong ties and support from the local community. In November 2021, community members in the Kyrene School District voted to approve the continuation of a 15% Maintenance and Operations override. The District also received community support in November 2017 for the continuation of a Capital Override in the amount of \$6.8 million per year and also authorized the District to issue \$116.95 million in new bond sales.

AWARDS AND ACKNOWLEDGMENTS

Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting and the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for annual comprehensive financial reports for the year ended June 30, 2021. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2022 certificates.

Acknowledgments. The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Governing Board, preparation of this report would not have been possible.

Respectfully submitted,



Laura Toenjes
Superintendent



Chris Herrmann
Chief Financial Officer



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Kyrene Elementary School District 28

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'William A. Sutter'.

William A. Sutter
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Kyrene Elementary School District No. 28
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

SUPERINTENDENT



Chris Herrmann, MBA
Chief Financial Officer
Kyrene School District



Email: cherrmann@kyrene.org

DIRECT REPORTS:

Brian Lockery, Director | Business Services
Josh Glider, Director | Community Education
Eric Nethercutt, Director | Facilities & Maintenance

Carrie Furedy, M.A.Ed.
Executive Director
School Effectiveness

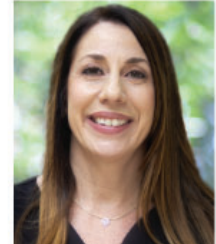


Email: cfuredy@kyrene.org

DIRECT REPORTS:

Principals | Elementary/Middle/K-8 Schools
Lisa Connor, Director | School Effectiveness
Erin Schroeder | Federal Programs & Outreach

Lisa Gibson, M.A.Ed.
Executive Director
Talent Management



Email: lgibson@kyrene.org

DIRECT REPORTS:

Mark Knight, Co-Director | Personnel
Mary Jane Rincon, Co-Director | Personnel
Deb Spurgin, Chief Benefits Officer

Damian Nichols
Executive Director
*Information Technology
& Emergency Management*



Email: dnichols@kyrene.org

DIRECT REPORTS:

Pete Flocken, Assistant Director |
Information Technology
David Staneart | Emergency Management

Sandra Laine, Ed.D.
Executive Director
Inclusive Student Services



Email: slaine@kyrene.org

DIRECT REPORTS:

Tzipi Turner, Director |
Exceptional Student Services

Christie McDougall, Ph.D.
Executive Director
Teaching & Learning



Email: cmcdougall@kyrene.org

DIRECT REPORTS:

Jo Shurman, Ph.D., Director |
Professional Growth & Development
Principal | Kyrene Digital Academy

Erin Helm
Executive Director
Communications & Marketing



Email: ehelm@kyrene.org

DIRECT REPORTS:

Carolyn Wood, Assistant Director |
Communications & Strategic Partnerships

Susie Ostmeyer, Ph.D.
Executive Director
Accountability & Performance Management



Email: sostmeyer@kyrene.org

DIRECT REPORTS:

Rebecca Bolnick, Ph.D., Director |
Research & Evaluation

LEARNING. LEADING. ACHIEVING.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Kevin Walsh, President

Margaret Pratt, Vice President

Michelle Fahy, Member

Wanda Kolomyjec, Member

Margaret Wright, Member

ADMINISTRATIVE STAFF

Laura Toenjes, Superintendent

Chris Herrmann, Chief Financial Officer

Carrie Furedy, Executive Director of School Effectiveness

Lisa Gibson, Executive Director of Talent Management

Erin Helm, Executive Director of Communications and Marketing

Dr. Sandra Laine, Executive Director of Inclusive Student Services

Dr. Christie McDougall, Executive Director of Teaching and Learning

Damian Nichols, Executive Director of Information Technology and Emergency Management

Dr. Susie Ostmeyer, Executive Director of Accountability and Performance Management

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FINANCIAL SECTION

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Independent Auditor's Report

Governing Board
Kyrene Elementary School District No. 28

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kyrene Elementary School District No. 28 (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Kyrene Elementary School District No. 28, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Kyrene Elementary School District No. 28 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, and net pension liability information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2022, on our consideration of Kyrene Elementary School District No. 28's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Kyrene Elementary School District No. 28's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kyrene Elementary School District No. 28's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 5, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information)

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**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

As management of the Kyrene Elementary School District No. 28 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$10.8 million which represents a 41 percent increase from the prior fiscal year primarily as a result of an increase in the Classroom Site Fund allocation and an increase in the prior year's property tax collections.
- General revenues accounted for \$157.5 million in revenue, or 82 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$35.5 million or 18 percent of total current fiscal year revenues.
- The District had approximately \$182.1 million in expenses related to governmental activities, an increase of two percent from the prior fiscal year. The increase is primarily related to an increase in salaries and an increase in the per pupil funding.
- Among major funds, the General Fund had \$113.1 million current fiscal year revenues, which primarily consisted of Classroom Site Fund revenue and increased property tax collections from the prior year, and \$108.0 million in expenditures. The General Fund's fund balance increased from \$29.0 million at the prior fiscal year end, to \$36.1 million at the end of the current fiscal year.
- The Debt Service Fund had \$23.5 million in revenues and \$24.6 million in expenditures. The Debt Service Fund's fund balance decreased \$0.8 million due to the satisfaction of debt requirements.
- The Bond Building Fund's fund balance increased \$14.7 million due to the issuance of school improvement bonds.
- Net position for the Internal Service Funds increased \$2.2 million from the prior fiscal year primarily due to lower than anticipated expenditures in both Print Shop and Employee Benefit Trust self-insurance, and includes required imprest amounts for health care. Operating revenues of \$16.7 million exceeded operating expenses of \$14.5 million at the end of the current fiscal year.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for the government-wide financial statements.

The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues. The governmental activities of the District include instruction, support services, operation and maintenance of plant services, student transportation services, operation of non-instructional services, and interest on long-term debt.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting and focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

OVERVIEW OF FINANCIAL STATEMENTS

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Debt Service, and Bond Building Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

Proprietary funds. The District maintains one type of proprietary fund. The internal service funds are accounting devices used to accumulate and allocate costs internally among the District's various functions. The internal service funds include (1) the District Services Fund which accounts for the operation of District functions that provide goods or services to other District departments and surrounding Districts on a cost reimbursement basis, (2) the Intergovernmental Agreements Fund which accounts for financial activities related to agreements with other governments where the District is the fiscal agent, (3) the Employee Benefit Trust Fund which provides employee health insurance and (4) the Workers Compensation Fund which accounts for financial activities associated with the insurance program for employee workers' compensation. Because these activities predominately benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

OVERVIEW OF FINANCIAL STATEMENTS

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process and pension plan. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund as required supplementary information. Schedules for the pension plan have also been provided as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$37.4 million at the current fiscal year end.

The largest portion of the District's positive net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to its citizens and creditors.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2022 and June 30, 2021.

	As of June 30, 2022	As of June 30, 2021
Current and other assets	\$ 282,928,349	\$ 122,399,832
Capital assets, net	252,628,784	260,368,612
Total assets	<u>535,557,133</u>	<u>382,768,444</u>
Deferred outflows	<u>30,234,473</u>	<u>31,808,304</u>
Current liabilities	21,284,661	18,321,951
Long-term liabilities	344,884,058	373,153,347
Total liabilities	<u>366,168,719</u>	<u>391,475,298</u>
Deferred inflows	<u>162,223,515</u>	
Net position:		
Net investment in capital assets	72,749,664	79,015,926
Restricted	33,911,079	23,350,574
Unrestricted	(69,261,371)	(79,265,050)
Total net position	<u>\$ 37,399,372</u>	<u>\$ 23,101,450</u>

At the end of the current fiscal year, the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission, reported a deficit of \$69.3 million. The deficit arose due to the District's proportionate share of the state pension unfunded liabilities. The same situation held true for the prior fiscal year.

The District's financial position is the product of several financial transactions including the net result of activities, the acquisition and payment of debt, and the acquisition and disposal of capital assets. The following are significant current year transactions that had an impact on the Statement of Net Position.

- The addition of \$11.7 million in capital assets through school improvements and the purchase of vehicles, furniture and equipment.
- The addition of \$19.0 million in accumulated depreciation due to the current year depreciation expense.
- The decrease of \$40.0 million in pension liabilities.
- The principal retirement of \$19.2 million of bonds.
- The issuance of \$30.1 million in School Improvement Bonds.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

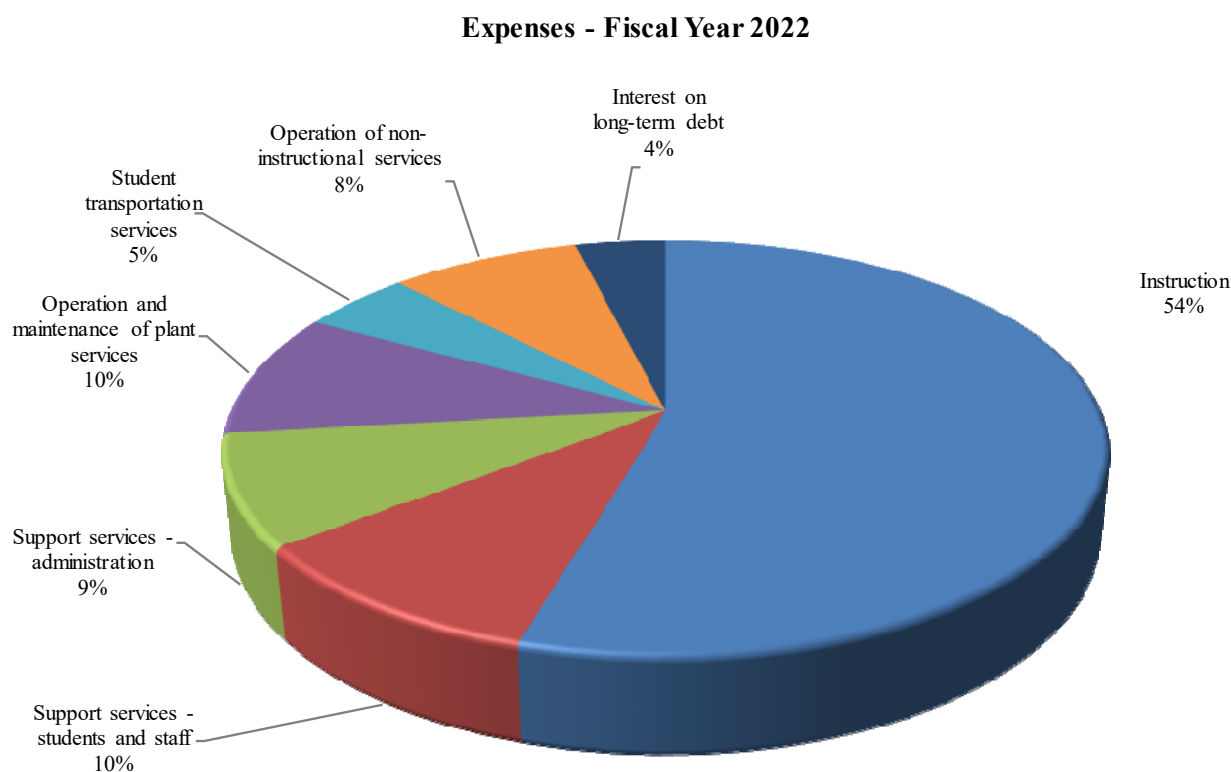
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$193.0 million. The total cost of all programs and services was \$182.1 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2022 and June 30, 2021.

	Fiscal Year Ended <u>June 30, 2022</u>	Fiscal Year Ended <u>June 30, 2021</u>
Revenues:		
Program revenues:		
Charges for services	\$ 10,327,224	\$ 4,009,497
Operating grants and contributions	25,096,465	21,631,674
Capital grants and contributions	49,447	11,906
General revenues:		
Property taxes	82,522,623	78,508,216
Investment income	826,967	792,812
Unrestricted county aid	4,617,273	4,876,726
Unrestricted state aid	68,260,551	62,744,088
Unrestricted federal aid	1,254,235	824,069
Total revenues	<u>192,954,785</u>	<u>173,398,988</u>
Expenses:		
Instruction	99,294,987	100,534,508
Support services - students and staff	18,478,120	19,073,214
Support services - administration	15,773,971	17,191,517
Operation and maintenance of plant services	17,518,999	17,274,280
Student transportation services	8,769,081	8,306,277
Operation of non-instructional services	15,144,253	8,793,108
Interest on long-term debt	7,143,882	7,260,703
Total expenses	<u>182,123,293</u>	<u>178,433,607</u>
Changes in net position	10,831,492	(5,034,619)
Net position, beginning, as restated	<u>26,567,880</u>	<u>28,136,069</u>
Net position, ending	<u><u>\$ 37,399,372</u></u>	<u><u>\$ 23,101,450</u></u>

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



The following are significant current year transactions that have had an impact on the change in net position.

- Instructional expenses decreased \$1.2 million primarily as a result of vacant positions remaining unfilled during the fiscal year.
- Operating grants and contributions increased \$3.5 million as a result of increased grant funding related to the COVID-19 pandemic.
- Charges for services increased \$6.3 million due to increased activity in the Community Education program due to COVID-19 subsiding.
- Unrestricted state aid increased \$5.5 million due to an increase in Classroom Site funding formula for the current year.
- Property tax revenue increased \$4.0 million due to an increase in the prior year's property tax collections.
- Operation of non-instructional expenses increased \$6.4 million, primarily due to food service expenditures as a result of COVID-19.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents the cost of the District's major functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

	Year Ended June 30, 2022		Year Ended June 30, 2021	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 99,294,987	\$ (88,139,240)	\$ 100,534,508	\$ (88,680,661)
Support services - students and staff	18,478,120	(16,708,658)	19,073,214	(16,170,201)
Support services - administration	15,773,971	(8,172,264)	17,191,517	(16,150,131)
Operation and maintenance of plant services	17,518,999	(16,569,676)	17,274,280	(16,351,267)
Student transportation services	8,769,081	(8,398,842)	8,306,277	(7,597,467)
Operation of non-instructional services	15,144,253	(1,517,595)	8,793,108	(570,100)
Interest on long-term debt	7,143,882	(7,143,882)	7,260,703	(7,260,703)
Total	<u>\$ 182,123,293</u>	<u>\$(146,650,157)</u>	<u>\$ 178,433,607</u>	<u>\$(152,780,530)</u>

- The cost of all governmental activities this year was \$182.1 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$35.5 million.
- Net cost of governmental activities of \$146.7 million was financed by general revenues, which are made up of primarily property taxes of \$82.5 million and state and county aid of \$72.9 million. Investment earnings accounted for \$826,967 of funding.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$112.8 million due primarily to the issuance of school improvement bonds.

The General Fund comprises 32 percent of the total fund balance. Approximately \$34.4 million, or 95 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance increased \$7.0 million in the General Fund to \$36.1 million as of fiscal year end. General Fund revenues increased \$2.6 million as a result of an increase in the prior year property tax collections. General Fund expenditures decreased \$0.4 million, which is less than one percent.

The Debt Service Fund had \$23.5 million in current fiscal year revenues and \$24.6 million in expenditures. The Debt Service Fund's fund balance decreased from \$1.9 million as of prior fiscal year end to \$1.2 million as of the current fiscal year end primarily due to bond repayments.

The fund balance in the Bond Building Fund increased \$14.7 million to \$48.7 million as of year end primarily due to the issuance of school improvement bonds.

Proprietary funds. Total net position of the Internal Service Funds increased \$2.2 million to \$5.1 million as of fiscal year end primarily as a result of lower than anticipated expenditures in both Print Shop and Employee Benefit Trust self insurance, and includes required imprest amounts for health care. Operating revenues of \$16.7 million exceeded operating expenses of \$14.5 million.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$2.2 million increase, or two percent.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The favorable variance of \$13.9 million in instruction was a result of incorporating the budget carryforward balance in order to maximize budget capacity and provide capacity for possible contingencies in future years.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$513.5 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$9.7 million from the prior fiscal year, primarily due to an increase in buildings and improvements. Total depreciation expense for the current fiscal year was \$19.0 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2022 and June 30, 2021.

	As of June 30, 2022	As of June 30, 2021
Capital assets - non-depreciable	\$ 27,278,033	\$ 30,928,261
Capital assets - depreciable, net	225,350,751	229,440,351
Total	<u>\$ 252,628,784</u>	<u>\$ 260,368,612</u>

The estimated cost to complete current construction projects is \$3.2 million.

Additional information on the District's capital assets can be found in Note 7.

Debt Administration. At year end, the District had \$232.1 million in long-term debt outstanding, \$16.6 million due within one year. Long-term debt increased by \$12.2 million due to the issuance of school improvement bonds.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the total net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$457.1 million and the current Class B debt limit for the District is \$304.8 million which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 9 and 10.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2022-23 budget. Among them:

- Fiscal year 2021-22 budget balance carryforward (estimated \$14,600,000).
- District student average daily membership (estimated 13,668).

Also considered in the development of the budget is the local economy and inflation of the surrounding area.

Budgeted expenditures in the General Fund increased five percent to \$6.6 million in fiscal year 2022-23 to \$127.5 million. State aid and property taxes are expected to be the primary funding sources. No new programs were added in the fiscal year 2022-23.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department; Kyrene Elementary School District No. 28; 8700 South Kyrene Road; Tempe, Arizona 85284-2197.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 136,898,085
Property taxes receivable	1,183,947
Accounts receivable	148,348
Due from governmental entities	19,472,771
Inventory	276,700
Leases receivable	124,948,498
Total current assets	<u>282,928,349</u>
Noncurrent assets:	
Capital assets not being depreciated	27,278,033
Capital assets, net of accumulated depreciation	<u>225,350,751</u>
Total noncurrent assets	<u>252,628,784</u>
Total assets	<u><u>535,557,133</u></u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding	3,576,011
Pension plan items	<u>26,658,462</u>
Total deferred outflows of resources	<u>30,234,473</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	11,132,746
Claims payable	1,720,600
Accrued payroll and employee benefits	4,348,338
Compensated absences payable	2,000,000
Accrued interest payable	4,082,977
Bonds payable	<u>16,600,000</u>
Total current liabilities	<u>39,884,661</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>326,284,058</u>
Total noncurrent liabilities	<u>326,284,058</u>
Total liabilities	<u><u>366,168,719</u></u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	37,295,450
Leases	<u>124,928,065</u>
Total deferred inflows of resources	<u>162,223,515</u>
<u>NET POSITION</u>	
Net investment in capital assets	72,749,664
Restricted for:	
Instruction	17,244,462
Food service	2,499,692
Non-instructional purposes	3,515,411
Debt service	1,285,992
Capital outlay	9,365,522
Unrestricted	<u>(69,261,371)</u>
Total net position	<u><u>\$ 37,399,372</u></u>

The notes to the basic financial statements are an integral part of this statement.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 99,294,987	\$ 725,728	\$ 10,428,183	\$ 1,836	\$ (88,139,240)
Support services - students and staff	18,478,120	124,420	1,645,042		(16,708,658)
Support services - administration	15,773,971	7,318,518	283,189		(8,172,264)
Operation and maintenance of plant services	17,518,999	411,404	490,308	47,611	(16,569,676)
Student transportation services	8,769,081		370,239		(8,398,842)
Operation of non-instructional services	15,144,253	1,747,154	11,879,504		(1,517,595)
Interest on long-term debt	7,143,882				(7,143,882)
Total governmental activities	<u>\$ 182,123,293</u>	<u>\$ 10,327,224</u>	<u>\$ 25,096,465</u>	<u>\$ 49,447</u>	<u>(146,650,157)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	52,007,031
Property taxes, levied for debt service	23,447,497
Property taxes, levied for capital outlay	7,068,095
Investment income	826,967
Unrestricted county aid	4,617,273
Unrestricted state aid	68,260,551
Unrestricted federal aid	1,254,235
Total general revenues	<u>157,481,649</u>

Changes in net position 10,831,492

Net position, beginning of year, as restated 26,567,880

Net position, end of year \$ 37,399,372

The notes to the basic financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
<u>ASSETS</u>			
Cash and investments	\$ 21,525,489	\$ 21,651,588	\$ 57,728,417
Property taxes receivable	773,751	317,381	
Accounts receivable			
Due from governmental entities	14,870,909		
Due from other funds	2,956,439		
Inventory	222,883		
Leases receivable	124,948,498		
Total assets	<u><u>\$ 165,297,969</u></u>	<u><u>\$ 21,968,969</u></u>	<u><u>\$ 57,728,417</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 612,136	\$	\$ 9,068,477
Due to other funds			
Accrued payroll and employee benefits	3,327,472		
Bonds payable		16,600,000	
Bond interest payable		4,082,977	
Total liabilities	<u><u>3,939,608</u></u>	<u><u>20,682,977</u></u>	<u><u>9,068,477</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	350,076	126,543	
Unavailable revenues - intergovernmental			
Leases	124,928,065		
Total deferred inflows of resources	<u><u>125,278,141</u></u>	<u><u>126,543</u></u>	
Fund balances (deficits):			
Nonspendable	222,883		
Restricted	1,458,009	1,159,449	48,659,940
Unassigned	34,399,328		
Total fund balances	<u><u>36,080,220</u></u>	<u><u>1,159,449</u></u>	<u><u>48,659,940</u></u>
Total liabilities, deferred inflows of resources			
and fund balances	<u><u>\$ 165,297,969</u></u>	<u><u>\$ 21,968,969</u></u>	<u><u>\$ 57,728,417</u></u>

The notes to the basic financial statements are an integral part of this statement.

Non-Major Governmental Funds	Total Governmental Funds
\$ 29,178,069	\$ 130,083,563
92,815	1,183,947
30,000	30,000
4,524,889	19,395,798
	2,956,439
53,817	276,700
	124,948,498
<u>\$ 33,879,590</u>	<u>\$ 278,874,945</u>

\$ 880,591	\$ 10,561,204
2,956,439	2,956,439
1,001,079	4,328,551
	16,600,000
	4,082,977
<u>4,838,109</u>	<u>38,529,171</u>

37,801	514,420
2,125,597	2,125,597
	124,928,065
<u>2,163,398</u>	<u>127,568,082</u>

53,817	276,700
28,949,863	80,227,261
(2,125,597)	32,273,731
<u>26,878,083</u>	<u>112,777,692</u>

<u>\$ 33,879,590</u>	<u>\$ 278,874,945</u>
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KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total governmental fund balances **\$ 112,777,692**

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.

Governmental capital assets	\$ 513,523,064	
Less accumulated depreciation	<u>(260,894,280)</u>	252,628,784

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

Property taxes	514,420	
Intergovernmental	<u>2,125,597</u>	2,640,017

Deferred items related to the refunding of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds. 3,576,011

Deferred inflows and outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	26,658,462	
Deferred inflows of resources related to pensions	<u>(37,295,450)</u>	(10,636,988)

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds and to account for internal and external activities related to cost reimbursable activities and agreements. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position. 4,697,914

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(6,299,165)	
Net pension liability	(106,469,822)	
Bonds payable	<u>(215,515,071)</u>	<u>(328,284,058)</u>

Net position of governmental activities **\$ 37,399,372**

The notes to the basic financial statements are an integral part of this statement.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 4,384,083	\$ 12,152	\$ 355,600
Property taxes	52,546,710	23,463,842	
State aid and grants	54,891,811		
Federal aid, grants and reimbursements	1,254,235		
Total revenues	<u>113,076,839</u>	<u>23,475,994</u>	<u>355,600</u>
Expenditures:			
Current -			
Instruction	63,303,103		
Support services - students and staff	14,726,703		
Support services - administration	11,389,564		
Operation and maintenance of plant services	13,641,433		
Student transportation services	4,357,371		
Operation of non-instructional services	530,798		
Capital outlay	39,887		18,229,066
Debt service -			
Principal retirement		16,600,000	
Interest and fiscal charges		7,990,337	
Bond issuance costs			379,211
Total expenditures	<u>107,988,859</u>	<u>24,590,337</u>	<u>18,608,277</u>
Excess (deficiency) of revenues over expenditures	<u>5,087,980</u>	<u>(1,114,343)</u>	<u>(18,252,677)</u>
Other financing sources (uses):			
Transfer in	1,836,211	355,212	
Transfer out			(355,212)
Issuance of school improvement bonds			30,105,000
Premium on sale of bonds			3,223,157
Proceeds from sale of capital assets	85,835		
Total other financing sources (uses)	<u>1,922,046</u>	<u>355,212</u>	<u>32,972,945</u>
Changes in fund balances	<u>7,010,026</u>	<u>(759,131)</u>	<u>14,720,268</u>
Fund balances, beginning of year, as restated	28,996,036	1,918,580	33,939,672
Increase (decrease) in reserve for inventory	74,158		
Fund balances, end of year	<u>\$ 36,080,220</u>	<u>\$ 1,159,449</u>	<u>\$ 48,659,940</u>

The notes to the basic financial statements are an integral part of this statement.

Non-Major Governmental Funds	Total Governmental Funds
\$ 11,545,438	\$ 16,297,273
7,072,074	83,082,626
15,791,528	70,683,339
21,772,640	23,026,875
<u>56,181,680</u>	<u>193,090,113</u>
18,304,821	81,607,924
3,918,230	18,644,933
2,005,070	13,394,634
1,045,076	14,686,509
972,263	5,329,634
14,137,604	14,668,402
5,165,855	23,434,808
	16,600,000
	7,990,337
	379,211
<u>45,548,919</u>	<u>196,736,392</u>
<u>10,632,761</u>	<u>(3,646,279)</u>
	2,191,423
(1,836,211)	(2,191,423)
	30,105,000
	3,223,157
	85,835
<u>(1,836,211)</u>	<u>33,413,992</u>
<u>8,796,550</u>	<u>29,767,713</u>
18,027,716	82,882,004
53,817	127,975
<u>\$ 26,878,083</u>	<u>\$ 112,777,692</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Changes in fund balances - total governmental funds **\$ 29,767,713**

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capitalized assets	\$ 11,716,270	
Less current year depreciation	<u>(18,994,997)</u>	(7,278,727)

Issuance of school improvement bonds and premium provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position.		(33,328,157)
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Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(560,003)	
Intergovernmental	<u>263,844</u>	(296,159)

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		16,600,000
--	--	------------

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred items, is reported as pension expense in the Statement of Activities.

Current year pension contributions	10,876,721	
Pension expense	<u>(8,684,065)</u>	2,192,656

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Inventory	127,975	
Deferred bond items on issuance of refunding debt	(1,072,418)	
Loss on disposal of assets	(461,101)	
Amortization of deferred bond items	1,918,873	
Compensated absences	<u>454,054</u>	967,383

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The changes in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities.

2,206,783

Changes in net position in governmental activities **\$ 10,831,492**

The notes to the basic financial statements are an integral part of this statement.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 6,814,522
Accounts receivable	118,348
Due from governmental entities	76,973
Due from other funds	76,900
Total current assets	<u>7,086,743</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>365,403</u>
Total noncurrent assets	<u>365,403</u>
Total assets	<u><u>7,452,146</u></u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	571,542
Claims payable	1,720,600
Due to other funds	76,900
Accrued payroll and employee benefits	<u>19,787</u>
Total current liabilities	<u>2,388,829</u>
Total liabilities	<u><u>2,388,829</u></u>
<u>NET POSITION</u>	
Investment in capital assets	365,403
Unrestricted	<u>4,697,914</u>
Total net position	<u><u>\$ 5,063,317</u></u>

The notes to the basic financial statements are an integral part of this statement.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities: Internal Service Funds
Operating revenues:	
Contributions	\$ 15,471,969
Charges for services	1,179,928
Total operating revenues	<u>16,651,897</u>
Operating expenses:	
Depreciation	52,039
Claims	10,164,137
Premiums	1,793,563
Administrative fees	1,612,087
Cost of services	911,823
Total operating expenses	<u>14,533,649</u>
Operating income (loss)	<u>2,118,248</u>
Nonoperating revenues (expenses):	
Investment income	74,996
Loss on disposal of assets	(10,754)
Total nonoperating revenues (expenses)	<u>64,242</u>
Changes in net position	<u>2,182,490</u>
Total net position, beginning of year, as restated	2,880,827
Total net position, end of year	<u><u>\$ 5,063,317</u></u>

The notes to the basic financial statements are an integral part of this statement.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Governmental Activities: Internal Service Funds
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from contributions	\$ 15,432,412
Cash received from other sources	1,176,321
Cash payments to suppliers for goods and services	(4,067,586)
Cash payments for claims	(10,299,137)
	<hr/>
Net cash provided by/used for operating activities	2,242,010
	<hr/>
Cash flows from investing activities:	
Investment income	74,996
	<hr/>
Net cash provided by/used for investing activities	74,996
	<hr/>
Cash flows from noncapital financing activities:	
Advances from (to) other funds	(38,500)
	<hr/>
Net cash provided by/used for noncapital financing activities	(38,500)
	<hr/>
Net increase/decrease in cash and cash equivalents	2,278,506
	<hr/>
Cash and cash equivalents, beginning of year	4,536,016
	<hr/>
Cash and cash equivalents, end of year	\$ 6,814,522
	<hr/> <hr/>

Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities

Operating income/loss	\$ 2,118,248
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Depreciation expense	52,039
Changes in assets and liabilities:	
Increase/decrease in deposits	(3,607)
Increase/decrease in accounts receivable	(39,557)
Increase/decrease in due from other funds	(26,379)
Increase/decrease in prepaid items	(1,097)
Increase/decrease in accounts payable	(46,862)
Increase/decrease in claims payable	(135,000)
Increase/decrease in unearned revenue	297,846
Increase/decrease in due to other funds	26,379
	<hr/>
Total adjustments	123,762
	<hr/>
Net cash provided by/used for operating activities	\$ 2,242,010
	<hr/> <hr/>

The notes to the basic financial statements are an integral part of this statement.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Kyrene Elementary School District No. 28 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2022, the District implemented the provisions of GASB Statement No. 87, *Leases*. This Statement increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. The statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District's analysis of contracts and agreements in effect at the beginning of the year resulted in no changes to beginning balances reported in the financial statements due to the implementation of this standard.

The more significant of the District's accounting policies are described below.

A. Reporting Entity

The Governing Board is organized under Section 15-321 of the Arizona Revised Statutes (A.R.S.). Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expenses/expenditures.

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools.

The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services and athletic functions.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities or fiduciary activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted federal, state, and county aid, and other items not included among program revenues are reported instead as general revenues.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amount approximating their external exchange value.

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. As permitted by generally accepted accounting principles the District applies the “early recognition” option for debt service payments. Property tax resources are provided in the Debt Service Fund during the current year for the payment of debt service principal and interest due early in the following year (less than one month). Therefore, the expenditures and related liabilities have been recognized in the current period.

Property taxes, federal, state, and county aid, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Food services and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Unearned revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Delinquent property taxes and other receivables that will not be collected within the available period have been reported as unavailable revenues on the governmental fund financial statements.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The Internal Service Funds are presented in a single column on the face of the proprietary fund statements.

The District reports the following major governmental funds:

General Fund – The General Fund is the District’s primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District’s Maintenance and Operation Fund as well as certain activities budgeted in separate funds in accordance with A.R.S. These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

Bond Building Fund – The Bond Building Fund accounts for proceeds from District bond issues that are expended on the acquisition or lease of sites; construction or renovation of school buildings; supplying school buildings with furniture, equipment, and technology; improving school grounds; or purchasing pupil transportation vehicles.

Additionally, the District reports the following fund types:

Proprietary Funds – The Proprietary Funds are Internal Service Funds that account for activities related to (1) the operation of District functions that provide goods and services to other districts and internal departments on a cost reimbursement basis, (2) activities related to agreements with other governments where the District is the fiscal agent, (3) the District’s self-insurance program for employee benefits and (4) the District’s insurance program to pay for workers’ compensation insurance premiums.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Proprietary Fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting and are presented in a single column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges for health and welfare benefits and charges to District departments for goods and services. Operating expenses for internal service funds include the cost of goods and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Investments

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year end were cash in bank and cash and investments held by the County Treasurer.

A.R.S. 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 of the Debt Service and Bond Building Funds that may be invested separately. Interest earned from investments purchased with pooled monies is allocated to each of the District's funds based on their average balances. As required by statute, interest earnings of the Bond Building Fund are recorded initially in that fund, but then transferred to the Debt Service Fund. All investments are stated at fair value.

Statute authorizes the District to separately invest monies of the Bond Building and Debt Service Funds in the State Treasurer's investment pools; obligations issued and 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. Monies in these funds may also be invested. 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.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Arizona statute requires a pooled collateral program for public deposits and a Statewide Collateral Pool Administrator (Administrator) in the State Treasurer's Office. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured with collateral of 102 percent of the public deposits, less any applicable federal depository insurance. An eligible depository may not retain or accept any public deposit unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depository's compliance with the program.

E. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is included in other local revenue in the governmental fund financial statements and in nonoperating revenues in the proprietary fund financial statements.

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Interfund balances between governmental funds are eliminated on the Statement of Net Position.

All receivables, including property taxes receivable, are shown net of an allowance for uncollectibles.

G. Property Tax Calendar

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The county levies real and personal property taxes on or before the third Monday in August that become due and payable in two 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.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pursuant to A.R.S., a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

H. Inventory

Inventories are valued at cost using the average cost method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as expenses when consumed in the government-wide financial statements and as expenditures when purchased in the fund financial statements.

J. Capital Assets

Capital assets, which include land and improvements; buildings and improvements; vehicles, furniture, and equipment; construction in progress; and intangible right-to-use assets are reported in the government-wide financial statements.

Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life of more than one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets are depreciated using the straight line method over the following estimated useful lives.

Land improvements	10 – 50 years
Buildings and improvements	2 – 50 years
Vehicles, furniture and equipment	5 – 25 years

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

L. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay in varying amounts. Only benefits considered vested are recognized in the financial statements. The liability for vacation and sick leave is reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

M. Leases

As lessor, the District recognizes lease receivables with an initial, individual value of \$1.0 million 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. If there is no stated interest rate in the lease contract the implicit rate cannot be determined, the District uses an interest rate based on the Applicable Federal Rate as the discount rate to measure lease receivables.

N. Pensions

For purposes of measuring the net pension liability, related deferred outflows of resources and deferred inflows of resources, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's 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.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

P. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

Q. Net Position Flow Assumption

In the government-wide and proprietary fund financial statements the District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

R. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – FUND BALANCE CLASSIFICATIONS

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. 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.

Nonspendable. The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact.

Restricted. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District does not have a formal policy or procedures for the utilization of committed fund balance, accordingly, no committed fund balance amounts are reported.

Assigned. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or a management official delegated that authority by the formal Governing Board action. The District does not have a formal policy or procedures for the utilization of assigned fund balance, accordingly, no assigned fund balance amounts are reported.

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had be restricted, committed, or assigned.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – FUND BALANCE CLASSIFICATIONS

The District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The table below provides detail of the major components of the District's fund balance classifications at year end.

	General Fund	Debt Service Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	\$ 222,883	\$	\$	\$ 53,817
Restricted:				
Debt service		1,159,449		
Capital projects				9,134,254
Bond building projects			48,659,940	
Voter approved initiatives				9,288,702
Federal and state projects				3,181,126
Auxiliary operations				665,185
Food service				2,445,875
Civic center				549,837
Community school				1,692,724
Extracurricular activities				1,202,444
Gifts and donations				427,865
Student activities				258,815
Other purposes	1,458,009			103,036
Unassigned	34,399,328			(2,125,597)
Total fund balances	<u>\$ 36,080,220</u>	<u>\$ 1,159,449</u>	<u>\$ 48,659,940</u>	<u>\$ 26,878,083</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balances – At year end, the following individual non-major governmental funds reported deficits in fund balance.

	<u>Deficit</u>
Non-Major Governmental Funds:	
Title I Grants	\$ 216,705
Professional Development and Technology Grants	22,220
Limited English and Immigrant Students	21,123
Special Education Grants	235,112
Other Federal Projects	1,324,018
Other State Projects	306,419

The deficits arose because of pending grant reimbursements. Additional revenues received in fiscal year 2022-23 are expected to eliminate the deficits.

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$1,663,360 and the bank balance was \$1,576,944. In addition, the District had \$3,771,882 of deposits held with fiscal agents.

Fair Value Measurements. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs

The County Treasurer's pool is an external investment pool with no regulatory oversight. The pool is not required to register (and is not registered) with the Securities and Exchange Commission. The fair value of each participant's position in the County Treasurer investment pool approximates the value of the participant's shares in the pool and the participants' shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 – CASH AND INVESTMENTS

At year end, the District's investments consisted of the following:

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	623 days	\$ 131,549,259

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The District has no investment policy that would further limit its investment choices. As of year end, the District's investment in the County Treasurer's investment pool did not receive a credit quality rating from a national rating agency.

Custodial Credit Risk – Investments. The District's investment in the County Treasurer's investment pool represents a proportionate interest in the pool's portfolio; however, the District's portion is not identified with specific investments and is not subject to custodial credit risk.

NOTE 5 – RECEIVABLES

Receivable balances, net of allowance for uncollectibles, have been disaggregated by type and presented separately in the financial statements with the exception of due from governmental entities. Due from governmental entities, net of allowance for uncollectibles, as of year end for the District's individual major, non-major governmental, and internal service funds in the aggregate, were as follows:

	<u>General Fund</u>	<u>Non-Major Governmental and Other Funds</u>
Due from other governmental entities:		
Due from federal government	\$ 45,192	\$ 3,931,085
Due from state government	14,825,717	593,804
Due from other districts		76,973
Net due from governmental entities	<u>\$ 14,870,909</u>	<u>\$ 4,601,862</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 – LEASES RECEIVABLE

The District leases land to an unrelated party under the provisions of a contract classified as a lease. The related receivable under the lease agreement has been recorded at the present value of its future minimum lease payments as of the inception date. Lease revenue and related interest revenue are recorded as other local revenue in the School Plant Fund.

Future minimum lease payments to be received under the lease agreement at year end are summarized as follows:

Year ending June 30:

2023	\$	380,001
2024		800,004
2025		800,004
2026		800,004
2027		800,004
2028-32		4,425,003
2033-37		4,978,125
2038-42		5,600,397
2043-47		5,937,366
2048-52		6,615,489
2053-57		7,442,436
2058-62		8,372,697
2063-67		8,876,496
2068-72		9,890,286
2073-77		11,126,574
2078-82		12,517,383
2083-87		13,270,548
2088-92		14,786,166
2093-97		16,634,457
2098-2102		2,537,460
Total		<u>\$ 136,590,900</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 – CAPITAL ASSETS

A summary of capital asset activity for the current fiscal year follows:

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 25,307,042	\$	\$	\$ 25,307,042
Construction in process	5,621,219	1,515,000	5,165,228	1,970,991
Total capital assets, not being depreciated	30,928,261	1,515,000	5,165,228	27,278,033
Capital assets, being depreciated:				
Land improvements	46,465,287			46,465,287
Buildings and improvements	395,030,416	14,441,989		409,472,405
Vehicles, furniture and equipment	31,398,817	924,509	2,015,987	30,307,339
Total capital assets being depreciated	472,894,520	15,366,498	2,015,987	486,245,031
Less accumulated depreciation for:				
Land improvements	(29,888,354)	(1,675,049)		(31,563,403)
Buildings and improvements	(198,665,810)	(15,431,462)		(214,097,272)
Vehicles, furniture and equipment	(14,900,005)	(1,888,486)	(1,554,886)	(15,233,605)
Total accumulated depreciation	(243,454,169)	(18,994,997)	(1,554,886)	(260,894,280)
Total capital assets, being depreciated, net	229,440,351	(3,628,499)	461,101	225,350,751
Governmental activities capital assets, net	\$ 260,368,612	\$ (2,113,499)	\$ 5,626,329	\$ 252,628,784

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 14,308,922
Support services – students and staff	53,200
Support services – administration	628,996
Operation and maintenance of plant services	2,486,503
Student transportation services	1,375,410
Operation of non-instructional services	141,966
Total depreciation expense – governmental activities	<u>\$ 18,994,997</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the remodeling of various schools for exterior weatherization projects. At year end, the District had spent \$2.0 million on the projects and had estimated remaining contractual commitments of \$3.2 million. These projects are being funded with bond proceeds.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 – SHORT TERM DEBT – REVOLVING LINE OF CREDIT

The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$4.5 million in unused line of credit.

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$18.5 million remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2022	Due Within One Year
Governmental Activities:					
General obligation bonds:					
2010 School Improvement Bonds, Series B (Class B)	\$ 40,000,000	4.00-5.50%	7/1/22-30	\$ 1,400,000	\$ 550,000
2010 School Improvement Bonds, Series C (Class B)	40,000,000	3.00-5.00%	7/1/26-34	38,650,000	
Refunding Bonds, Series 2015	24,120,000	3.00-5.00%	7/1/22-27	18,120,000	4,075,000
2010 School Improvement Bonds, Series D (Class B)	32,025,000	3.00-4.00%	7/1/22-36	22,025,000	
Refunding Bonds, Series 2016A (Class B)	17,450,000	5.00%	7/1/22-27	15,215,000	2,160,000
Refunding Bonds, Series 2016B (2019 Crossover)	7,360,000	2.50-6.20%	7/1/24-28	7,360,000	
Refunding Bonds, Series 2017A (2019 Crossover)	6,885,000	5.00%	7/1/22-23	3,190,000	1,520,000
Refunding Bonds, Series 2017B (2020 Crossover)	12,395,000	2.00-5.00%	7/1/22-28	10,985,000	1,470,000
Refunding Bonds, Series 2017C	25,085,000	4.00-5.50%	7/1/24-30	25,085,000	
2017 School Improvement Bonds, Series A (Class B)	29,965,000	2.00-5.00%	7/1/22-38	19,075,000	2,125,000
2017 School Improvement Bonds, Series B (Class B)	28,005,000	1.00-5.00%	7/1/22-40	21,850,000	2,050,000
2017 School Improvement Bonds, Series C (Class B)	30,105,000	5.00%	7/1/22-41	30,105,000	2,650,000
Total				<u>\$ 213,060,000</u>	<u>\$ 16,600,000</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

Annual debt service requirements to maturity on general obligation bonds at year end are summarized as follows:

Year ending June 30:	Governmental Activities	
	Principal	Interest
2023	\$ 16,600,000	\$ 8,405,013
2024	15,985,000	8,290,775
2025	17,325,000	7,520,476
2026	12,330,000	6,840,600
2027	12,555,000	6,282,851
2028-32	63,400,000	23,342,012
2033-37	50,615,000	10,449,775
2038-42	24,250,000	2,356,750
Total	<u>\$213,060,000</u>	<u>\$ 73,488,252</u>

Defeased Debt – In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year end, \$25.5 million of defeased bonds are still outstanding.

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the current fiscal year was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$202,190,000	\$30,105,000	\$ 19,235,000	\$213,060,000	\$16,600,000
Premium	17,750,787	3,223,157	1,918,873	19,055,071	
Total bonds payable	<u>219,940,787</u>	<u>33,328,157</u>	<u>21,153,873</u>	<u>232,115,071</u>	<u>16,600,000</u>
Net pension liability	146,459,341		39,989,519	106,469,822	
Compensated absences payable	<u>6,753,219</u>	<u>3,782,602</u>	<u>4,236,656</u>	<u>6,299,165</u>	<u>2,000,000</u>
Governmental activity long-term liabilities	<u>\$373,153,347</u>	<u>\$37,110,759</u>	<u>\$ 65,380,048</u>	<u>\$344,884,058</u>	<u>\$18,600,000</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds – At year end, several non-major governmental funds had negative cash balances in the Treasurer’s pooled cash accounts of \$3.0 million. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year. In addition, the Intergovernmental Agreements Fund had a negative cash balance of \$76,900 at year end that was reduced by interfund borrowing with the District Services Fund. Both funds were non-major internal services funds.

Interfund transfers:

	Transfers in		
	General	Debt	
Transfers out	Fund	Service	Total
Bond Building Fund	\$	\$ 355,212	\$ 355,212
Non-Major Governmental Funds	1,836,211		1,836,211
Total	<u>\$ 1,836,211</u>	<u>\$ 355,212</u>	<u>\$ 2,191,423</u>

Transfers between funds are used to (1) move investment income and premium earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund and (2) to move federal grant funds restricted for indirect costs to the Indirect Costs Fund, which is reported in the General Fund.

NOTE 12 – CONTINGENT LIABILITIES

Compliance – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures/expenses that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Lawsuits – The District is a party to a number of various types of lawsuits, many of which normally occur in governmental operations. The ultimate outcome of the actions is not determinable, however, District management believes that the outcome of these proceedings, either individually or in the aggregate, will not have a materially adverse effect on the accompanying financial statements.

Arbitrage – Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense or expenditure prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year end.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 – RISK MANAGEMENT

The District was unable to obtain general property and liability insurance at a cost it considered to be economically justifiable. Therefore, the District joined the Arizona School Risk Retention Trust, Inc. (ASRRT). ASRRT is a public entity risk pool currently operating as a common risk management and insurance program for school districts and community colleges in the State. The District pays an annual premium to ASRRT for its general insurance coverage. The agreement provides that ASRRT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

The District joined the Arizona School Alliance for Workers' Compensation, Inc. (Alliance) together with other school districts in the state for risks of loss related to workers' compensation claims. The Alliance is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays quarterly premiums to the Alliance for its employee workers' compensation coverage. The agreement provides that the Alliance will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

The District established the Employee Benefit Trust Fund, an Internal Service Fund, to account for and finance the uninsured risks of loss related to employee health. Under this program, the Fund provides coverage for up to a maximum of \$250,000 for each claim. The Fund purchases commercial insurance for claims in excess of this coverage. Settled claims have not exceeded this coverage in any of the past three fiscal years.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. The fund balance for the Employee Benefit Trust Fund was \$3.7 million at year end.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 – RISK MANAGEMENT

Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Changes in the balances of claims liabilities during the past two years are as follows:

	<u>Year ended</u> <u>June 30, 2022</u>	<u>Year ended</u> <u>June 30, 2021</u>
Claims payable, beginning of fiscal year	\$ 1,855,600	\$ 1,994,000
Current year claims and adjustments	10,164,137	9,970,281
Claim payments	<u>(10,299,137)</u>	<u>(10,108,681)</u>
Claims payable, end of fiscal year	<u>\$ 1,720,600</u>	<u>\$ 1,855,600</u>

NOTE 14 – PENSIONS

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. 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 the ASRS website at www.azasrs.gov.

The ASRS OPEB plans are not further disclosed because of their relative insignificance to the District's financial statements.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 – PENSIONS

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

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* Any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* Any years, age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 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 earnings. 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 survivor benefit is determined by the retirement benefit option chosen. 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.

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 current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.41 percent (12.22 percent for retirement and 0.19 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.41 percent (12.01 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.19 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2022 were \$10,876,721.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 – PENSIONS

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 10.22 percent (10.13 for retirement and 0.09 percent for long-term disability). ACR contributions are included in employer contributions presented above.

The District's pension plan contributions are paid by the same funds as the employee's salary, with the largest component coming from the General Fund.

Pension Liability. The net pension liability was measured as of June 30, 2021. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2020, to the measurement date of June 30, 2021. The District's proportion of the net liability was based on the District's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2021. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7-7.2 percent to 2.9-8.4 percent.

At June 30, 2022, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2021, the District's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2020 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 106,469,822	0.810	(0.035)

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District's pension expense for the year ended June 30, 2022 was \$8,684,065.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 – PENSIONS

The District reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,623,034	\$
Changes of assumptions or other inputs	13,857,899	
Net difference between projected and actual earnings on pension investments		33,733,385
Changes in proportion and differences between contributions and proportionate share of contributions	300,808	3,562,065
Contributions subsequent to the measurement date	10,876,721	
Total	<u>\$ 26,658,462</u>	<u>\$ 37,295,450</u>

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:

2023	\$ (1,147,487)
2024	(1,304,961)
2025	(7,436,483)
2026	(11,624,778)

Actuarial Assumptions. The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2020
Actuarial roll forward date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Inflation	2.3%
Projected salary increases	2.9-8.4%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 – PENSIONS

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

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 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, excluding any expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Equity	50%	4.90%
Credit	20	5.20
Interest rate sensitive bonds	10	0.70
Real estate	20	5.70
Total	<u>100%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.0 percent. The discount rate was lowered in the roll forward for the year June 30, 2021 from 7.5 percent, which was used for the actuarial assumptions at the valuation date. 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 plan's 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 investments was applied to all periods of projected benefit payments to determine the total pension liability.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 – PENSIONS

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 167,468,113	\$ 106,469,822	\$ 55,614,126

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

NOTE 15 – PRIOR PERIOD ADJUSTMENT

The July 1, 2021, government-wide net position and the fund balance of the General Fund and Employee Benefit Trust Fund do not agree to the prior year financial statements due to a correction of an error. The District has two deposits held with fiscal agents that were not previously recorded as a result of an error.

	Statement of Activities	Governmental Funds General Fund	Internal Service Funds Employee Benefit Trust Fund
Net position/fund balance, June 30, 2021, as previously reported	\$ 23,101,450	\$ 25,827,452	\$ 1,506,951
Deposits held with fiscal agents	3,466,430	3,168,584	297,846
Net position/fund balance, July 1, 2021, as restated	<u>\$ 26,567,880</u>	<u>\$ 28,996,036</u>	<u>\$ 1,804,797</u>

REQUIRED SUPPLEMENTARY INFORMATION

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Non-GAAP	Variance with
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
Revenues:				
Other local	\$	\$	\$ 4,210,468	\$ 4,210,468
Property taxes			52,546,710	52,546,710
State aid and grants			54,891,811	54,891,811
Total revenues			<u>111,648,989</u>	<u>111,648,989</u>
Expenditures:				
Current -				
Instruction	77,804,026	77,214,411	63,296,795	13,917,616
Support services - students and staff	13,618,205	14,450,490	14,319,059	131,431
Support services - administration	9,600,597	10,448,446	10,451,671	(3,225)
Operation and maintenance of plant services	13,264,161	14,138,575	13,417,366	721,209
Student transportation services	4,338,854	4,542,053	4,336,325	205,728
Operation of non-instructional services	156,130	161,130	530,798	(369,668)
Total expenditures	<u>118,781,973</u>	<u>120,955,105</u>	<u>106,352,014</u>	<u>14,603,091</u>
Changes in fund balances	<u>(118,781,973)</u>	<u>(120,955,105)</u>	<u>5,296,975</u>	<u>126,252,080</u>
Fund balances, beginning of year, as restated			21,731,033	21,731,033
Increase (decrease) in reserve for prepaid items			1,210,535	1,210,535
Increase (decrease) in reserve for inventory			74,158	74,158
Fund balances (deficits), end of year	<u>\$ (118,781,973)</u>	<u>\$ (120,955,105)</u>	<u>\$ 28,312,701</u>	<u>\$ 149,267,806</u>

See accompanying notes to this schedule.

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KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
District's proportion of the net pension (assets) liability	0.81%	0.85%	0.84%	0.83%
District's proportionate share of the net pension (assets) liability	\$ 106,469,822	\$ 146,459,341	\$ 122,042,063	\$ 115,596,800
District's covered payroll	\$ 91,200,403	\$ 91,960,943	\$ 88,737,970	\$ 82,069,404
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	116.74%	159.26%	137.53%	140.85%
Plan fiduciary net position as a percentage of the total pension liability	78.58%	69.33%	73.24%	73.40%

SCHEDULE OF PENSION CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 10,876,721	\$ 10,624,847	\$ 10,529,528	\$ 9,920,905
Contributions in relation to the actuarially determined contribution	<u>10,876,721</u>	<u>10,624,847</u>	<u>10,529,528</u>	<u>9,920,905</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 90,563,872	\$ 91,200,403	\$ 91,960,943	\$ 88,737,970
Contributions as a percentage of covered payroll	12.01%	11.65%	11.45%	11.18%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.82%	0.81%	0.85%	0.82%
\$ 127,917,606	\$ 130,157,833	\$ 132,478,207	\$ 121,650,116
\$ 79,874,722	\$ 75,593,152	\$ 78,285,620	\$ 79,933,336
160.15%	172.18%	169.22%	152.19%
69.92%	67.06%	68.35%	69.49%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 8,945,565	\$ 8,610,495	\$ 8,201,857	\$ 8,525,304
<u>8,945,565</u>	<u>8,610,495</u>	<u>8,201,857</u>	<u>8,525,304</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 82,069,404	\$ 79,874,722	\$ 75,593,152	\$ 78,285,620
10.90%	10.78%	10.85%	10.89%

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The District budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, 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.
- Employee insurance expenditures are budgeted in the year the employee insurance account is funded.

The following schedule reconciles expenditures and fund balances at the end of year.

	<u>Total Expenditures</u>	<u>Fund Balances End of Year</u>
Statement of Revenues, Expenditures and Changes in		
Fund Balances – Governmental Funds	\$ 107,988,859	\$ 36,080,220
Activity budgeted as special revenue funds	(1,837,370)	(7,539,715)
Activity budgeted as capital projects funds	(45,354)	(193,467)
Current-year prepaid items	1,210,535	
Prior-year prepaid items	(964,016)	
Employee insurance account	(640)	(34,337)
Schedule of Revenues, Expenditures and Changes in		
Fund Balances – Budget and Actual – General Fund	<u>\$ 106,352,014</u>	<u>\$ 28,312,701</u>

NOTE 2 – PENSION PLAN SCHEDULES

Actuarial Assumptions for Valuations Performed. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7-7.2 percent to 2.9-8.4 percent.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

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GOVERNMENTAL FUNDS

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2022

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 19,843,945	\$ 9,334,124	\$ 29,178,069
Property taxes receivable		92,815	92,815
Accounts receivable	30,000		30,000
Due from governmental entities	4,524,889		4,524,889
Inventory	53,817		53,817
Total assets	<u><u>\$ 24,452,651</u></u>	<u><u>\$ 9,426,939</u></u>	<u><u>\$ 33,879,590</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 625,707	\$ 254,884	\$ 880,591
Due to other funds	2,956,439		2,956,439
Accrued payroll and employee benefits	1,001,079		1,001,079
Total liabilities	<u>4,583,225</u>	<u>254,884</u>	<u>4,838,109</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		37,801	37,801
Unavailable revenues - intergovernmental	2,125,597		2,125,597
Total deferred inflows of resources	<u>2,125,597</u>	<u>37,801</u>	<u>2,163,398</u>
Fund balances (deficits):			
Nonspendable	53,817		53,817
Restricted	19,815,609	9,134,254	28,949,863
Unassigned	(2,125,597)		(2,125,597)
Total fund balances	<u>17,743,829</u>	<u>9,134,254</u>	<u>26,878,083</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 24,452,651</u></u>	<u><u>\$ 9,426,939</u></u>	<u><u>\$ 33,879,590</u></u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2022

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 10,846,239	\$ 699,199	\$ 11,545,438
Property taxes		7,072,074	7,072,074
State aid and grants	15,791,528		15,791,528
Federal aid, grants and reimbursements	21,772,640		21,772,640
Total revenues	<u>48,410,407</u>	<u>7,771,273</u>	<u>56,181,680</u>
Expenditures:			
Current -			
Instruction	18,304,821		18,304,821
Support services - students and staff	3,918,230		3,918,230
Support services - administration	2,005,070		2,005,070
Operation and maintenance of plant services	1,045,076		1,045,076
Student transportation services	972,263		972,263
Operation of non-instructional services	14,137,604		14,137,604
Capital outlay	86,080	5,079,775	5,165,855
Total expenditures	<u>40,469,144</u>	<u>5,079,775</u>	<u>45,548,919</u>
Excess (deficiency) of revenues over expenditures	<u>7,941,263</u>	<u>2,691,498</u>	<u>10,632,761</u>
Other financing sources (uses):			
Transfer out	(1,836,211)		(1,836,211)
Total other financing sources (uses)	<u>(1,836,211)</u>		<u>(1,836,211)</u>
Changes in fund balances	<u>6,105,052</u>	<u>2,691,498</u>	<u>8,796,550</u>
Fund balances, beginning of year	11,584,960	6,442,756	18,027,716
Increase (decrease) in reserve for inventory	53,817		53,817
Fund balances, end of year	<u>\$ 17,743,829</u>	<u>\$ 9,134,254</u>	<u>\$ 26,878,083</u>

SPECIAL REVENUE FUNDS

Classroom Site - to account for the financial activity for the portion of state sales tax collections and permanent state school fund earnings as approved by the voters in 2000.

Instructional Improvement - to account for the activity of monies received from gaming revenue.

English Language Learner - to account for monies received to provide for the incremental cost of instruction to English language learners.

Title I Grants - to account for financial assistance received for the purpose of improving the teaching and learning of children failing, or most at-risk of failing, to meet challenging state academic standards.

Professional Development and Technology Grants - to account for financial assistance received to increase student academic achievement through improving teacher quality.

Limited English and Immigrant Students - to account for financial assistance received for educational services and costs for limited English and immigrant children.

Indian Education - to account for financial assistance received for Indian education at preschool, elementary, secondary and adult levels.

Special Education Grants - to account for supplemental financial assistance received to provide a free, appropriate public education to disabled children.

Medicaid Reimbursement - to account for reimbursements related to specific health services provided to eligible students.

E-Rate - to account for financial assistance received for broadband internet and telecommunication costs.

Other Federal Projects - to account for financial assistance received for other supplemental federal projects.

Results-based Funding - to account for financial assistance received for academic performance results in accordance with A.R.S. §15-249.08.

Other State Projects - to account for financial assistance received for other state projects.

School Plant - to account for proceeds from the sale or lease of school property.

Food Service - to account for the financial activity of school activities that have as their purpose the preparation and serving of regular and incidental meals and snacks in connection with school functions.

Civic Center - to account for monies received from the rental of school facilities for civic activities.

Community School - to account for activity related to academic and skill development for all citizens.

Auxiliary Operations - to account for activity arising from bookstore, athletic and miscellaneous District related operations.

Extracurricular Activities Fees Tax Credit - to account for activity related to monies collected in support of extracurricular activities to be taken as a tax credit by the tax payer in accordance with A.R.S. §43-1089.01.

Gifts and Donations - to account for activity related to gifts, donations, bequests and private grants made to the District.

Fingerprint - to account for activity of fingerprinting employees as mandated by the State.

Textbooks - to account for monies received from students to replace or repair lost or damaged textbooks.

Indirect Costs - to account for monies received from federal projects for administrative costs.

Grants and Gifts to Teachers - to account for grants and gifts under \$1,500 received from private sources that are designated for use by a teacher for instructional purposes.

Advertisement - to account for monies received from the sale of advertising.

Student Activities - to account for monies raised by students to finance student clubs and organizations.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>English Language Learner</u>
<u>ASSETS</u>			
Cash and investments	\$ 6,250,007	\$ 3,048,765	\$
Accounts receivable			
Due from governmental entities		269,097	18,288
Inventory			
Total assets	<u><u>\$ 6,250,007</u></u>	<u><u>\$ 3,317,862</u></u>	<u><u>\$ 18,288</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 213	\$	\$
Due to other funds			
Accrued payroll and employee benefits	254,399	24,555	18,288
Total liabilities	<u>254,612</u>	<u>24,555</u>	<u>18,288</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			
Restricted	5,995,395	3,293,307	
Unassigned			
Total fund balances	<u>5,995,395</u>	<u>3,293,307</u>	
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 6,250,007</u></u>	<u><u>\$ 3,317,862</u></u>	<u><u>\$ 18,288</u></u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Limited English and Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>E-Rate</u>
\$	\$	\$	\$	\$	\$ 537,631
216,705	22,220	21,123	11,887	251,313	446,611
<u>\$ 216,705</u>	<u>\$ 22,220</u>	<u>\$ 21,123</u>	<u>\$ 11,887</u>	<u>\$ 251,313</u>	<u>\$ 984,242</u>
\$ 107,418	\$ 13,228	\$	\$ 1,351	\$ 2,401	\$
69,215	8,992	10,217	10,536	142,486	
40,072		10,906		106,426	
<u>216,705</u>	<u>22,220</u>	<u>21,123</u>	<u>11,887</u>	<u>251,313</u>	
<u>216,705</u>	<u>22,220</u>	<u>21,123</u>		<u>235,112</u>	
(216,705)	(22,220)	(21,123)		(235,112)	984,242
<u>(216,705)</u>	<u>(22,220)</u>	<u>(21,123)</u>		<u>(235,112)</u>	<u>984,242</u>
<u>\$ 216,705</u>	<u>\$ 22,220</u>	<u>\$ 21,123</u>	<u>\$ 11,887</u>	<u>\$ 251,313</u>	<u>\$ 984,242</u>

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	<u>Other Federal Projects</u>	<u>Results-based Funding</u>	<u>Other State Projects</u>
<u>ASSETS</u>			
Cash and investments	\$	\$ 2,263,710	\$
Accounts receivable			
Due from governmental entities	2,956,415		306,419
Inventory			
Total assets	<u>\$ 2,956,415</u>	<u>\$ 2,263,710</u>	<u>\$ 306,419</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 263,407	\$ 28,437	\$
Due to other funds	2,408,574		306,419
Accrued payroll and employee benefits	284,434	38,389	
Total liabilities	<u>2,956,415</u>	<u>66,826</u>	<u>306,419</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>1,324,018</u>		<u>306,419</u>
Fund balances (deficits):			
Nonspendable			
Restricted		2,196,884	
Unassigned	(1,324,018)		(306,419)
Total fund balances	<u>(1,324,018)</u>	<u>2,196,884</u>	<u>(306,419)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,956,415</u>	<u>\$ 2,263,710</u>	<u>\$ 306,419</u>

Food Service	Civic Center	Community School	Auxiliary Operations	Extracurricular Activities Fees Tax Credit	Gifts and Donations
\$ 2,531,624	\$ 568,850	\$ 1,943,380 30,000	\$ 671,356	\$ 1,213,210	\$ 439,248
4,811 53,817					
<u>\$ 2,590,252</u>	<u>\$ 568,850</u>	<u>\$ 1,973,380</u>	<u>\$ 671,356</u>	<u>\$ 1,213,210</u>	<u>\$ 439,248</u>
\$ 90,560	\$ 952	\$ 75,107	\$ 6,171	\$ 10,766	\$ 11,383
	18,061	205,549			
<u>90,560</u>	<u>19,013</u>	<u>280,656</u>	<u>6,171</u>	<u>10,766</u>	<u>11,383</u>
53,817 2,445,875	549,837	1,692,724	665,185	1,202,444	427,865
<u>2,499,692</u>	<u>549,837</u>	<u>1,692,724</u>	<u>665,185</u>	<u>1,202,444</u>	<u>427,865</u>
<u>\$ 2,590,252</u>	<u>\$ 568,850</u>	<u>\$ 1,973,380</u>	<u>\$ 671,356</u>	<u>\$ 1,213,210</u>	<u>\$ 439,248</u>

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KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Grants and Gifts to Teachers</u>
<u>ASSETS</u>			
Cash and investments	\$ 8,308	\$ 90,735	\$ 3,993
Accounts receivable			
Due from governmental entities			
Inventory			
Total assets	<u>\$ 8,308</u>	<u>\$ 90,735</u>	<u>\$ 3,993</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Total liabilities			
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			
Restricted	8,308	90,735	3,993
Unassigned			
Total fund balances	<u>8,308</u>	<u>90,735</u>	<u>3,993</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,308</u>	<u>\$ 90,735</u>	<u>\$ 3,993</u>

<u>Student Activities</u>	<u>Totals</u>
\$ 273,128	\$ 19,843,945
	30,000
	4,524,889
	53,817
<u>\$ 273,128</u>	<u>\$ 24,452,651</u>

\$ 14,313	\$ 625,707
	2,956,439
	1,001,079
<u>14,313</u>	<u>4,583,225</u>

	<u>2,125,597</u>
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	53,817
258,815	19,815,609
	(2,125,597)
<u>258,815</u>	<u>17,743,829</u>

<u>\$ 273,128</u>	<u>\$ 24,452,651</u>
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KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Classroom Site	Instructional Improvement	English Language Learner
Revenues:			
Other local	\$ 49,454	\$ 3,147	\$
State aid and grants	12,519,069	849,671	325,827
Federal aid, grants and reimbursements			
Total revenues	<u>12,568,523</u>	<u>852,818</u>	<u>325,827</u>
Expenditures:			
Current -			
Instruction	10,617,496	446,608	325,827
Support services - students and staff	93,459	33,997	
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>10,710,955</u>	<u>480,605</u>	<u>325,827</u>
Excess (deficiency) of revenues over expenditures	<u>1,857,568</u>	<u>372,213</u>	
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>1,857,568</u>	<u>372,213</u>	
Fund balances (deficits), beginning of year	4,137,827	2,921,094	
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ 5,995,395</u>	<u>\$ 3,293,307</u>	<u>\$</u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Limited English and Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>E-Rate</u>
\$	\$	\$	\$	\$	\$ 10,909
1,368,469	406,978	76,866	230,936	2,734,794	310,093
<u>1,368,469</u>	<u>406,978</u>	<u>76,866</u>	<u>230,936</u>	<u>2,734,794</u>	<u>321,002</u>
477,384		21,284	53,488	1,984,955	
545,474	272,189	72,783	147,348	270,879	
280,211	110,115	971	2,620	18,756	
			240		
136,519			1,176	424,070	
<u>1,439,588</u>	<u>382,304</u>	<u>95,038</u>	<u>204,872</u>	<u>2,698,660</u>	
<u>(71,119)</u>	<u>24,674</u>	<u>(18,172)</u>	<u>26,064</u>	<u>36,134</u>	<u>321,002</u>
<u>(36,519)</u>	<u>(8,574)</u>	<u>(2,951)</u>		<u>(82,841)</u>	
<u>(36,519)</u>	<u>(8,574)</u>	<u>(2,951)</u>		<u>(82,841)</u>	
<u>(107,638)</u>	<u>16,100</u>	<u>(21,123)</u>	<u>26,064</u>	<u>(46,707)</u>	<u>321,002</u>
(109,067)	(38,320)		(26,064)	(188,405)	663,240
<u>\$ (216,705)</u>	<u>\$ (22,220)</u>	<u>\$ (21,123)</u>	<u>\$</u>	<u>\$ (235,112)</u>	<u>\$ 984,242</u>

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Other Federal Projects	Results-based Funding	Other State Projects
Revenues:			
Other local	\$	\$	\$
State aid and grants		1,347,222	749,739
Federal aid, grants and reimbursements	4,861,532		
Total revenues	<u>4,861,532</u>	<u>1,347,222</u>	<u>749,739</u>
Expenditures:			
Current -			
Instruction	2,473,871	249,198	87,274
Support services - students and staff	967,210	333,509	968,884
Support services - administration	217,925	7,333	
Operation and maintenance of plant services	544,526		
Student transportation services	272,260		
Operation of non-instructional services	217,454		
Capital outlay		1,836	
Total expenditures	<u>4,693,246</u>	<u>591,876</u>	<u>1,056,158</u>
Excess (deficiency) of revenues over expenditures	<u>168,286</u>	<u>755,346</u>	<u>(306,419)</u>
Other financing sources (uses):			
Transfer out	(64,326)		
Total other financing sources (uses)	<u>(64,326)</u>		
Changes in fund balances	<u>103,960</u>	<u>755,346</u>	<u>(306,419)</u>
Fund balances (deficits), beginning of year	(1,427,978)	1,441,538	
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (1,324,018)</u>	<u>\$ 2,196,884</u>	<u>\$ (306,419)</u>

Food Service	Civic Center	Community School	Auxiliary Operations	Extracurricular Activities Fees Tax Credit	Gifts and Donations
\$ 337,684	\$ 305,131	\$ 8,749,784	\$ 600,366	\$ 454,634	\$ 188,571
11,782,972					
<u>12,120,656</u>	<u>305,131</u>	<u>8,749,784</u>	<u>600,366</u>	<u>454,634</u>	<u>188,571</u>
		635,452	392,270	410,234	128,235
	1,509	41,366	24,523	6,236	40,467
194,553		1,116,753	41,530		14,303
95,621	378,200	8,188	3,686	239	14,376
	81,683		7,031	49,302	222
8,201,385	243	5,717,740			782
40,643		3,926	1,426	11,773	25,677
<u>8,532,202</u>	<u>461,635</u>	<u>7,523,425</u>	<u>470,466</u>	<u>477,784</u>	<u>224,062</u>
<u>3,588,454</u>	<u>(156,504)</u>	<u>1,226,359</u>	<u>129,900</u>	<u>(23,150)</u>	<u>(35,491)</u>
(1,641,000)					
<u>(1,641,000)</u>					
<u>1,947,454</u>	<u>(156,504)</u>	<u>1,226,359</u>	<u>129,900</u>	<u>(23,150)</u>	<u>(35,491)</u>
498,421	706,341	466,365	535,285	1,225,594	463,356
53,817					
<u>\$ 2,499,692</u>	<u>\$ 549,837</u>	<u>\$ 1,692,724</u>	<u>\$ 665,185</u>	<u>\$ 1,202,444</u>	<u>\$ 427,865</u>

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Grants and Gifts to Teachers</u>
Revenues:			
Other local	\$ 9	\$ 17,779	\$ 2,404
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>9</u>	<u>17,779</u>	<u>2,404</u>
Expenditures:			
Current -			
Instruction			1,245
Support services - students and staff		3,872	
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		68	731
Total expenditures		<u>3,940</u>	<u>1,976</u>
Excess (deficiency) of revenues over expenditures	<u>9</u>	<u>13,839</u>	<u>428</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>9</u>	<u>13,839</u>	<u>428</u>
Fund balances (deficits), beginning of year	8,299	76,896	3,565
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 8,308</u>	<u>\$ 90,735</u>	<u>\$ 3,993</u>

<u>Student Activities</u>	<u>Totals</u>
\$ 126,367	\$ 10,846,239
	15,791,528
	21,772,640
<u>126,367</u>	<u>48,410,407</u>
	18,304,821
94,525	3,918,230
	2,005,070
	1,045,076
	972,263
	14,137,604
	86,080
<u>94,525</u>	<u>40,469,144</u>
<u>31,842</u>	<u>7,941,263</u>
	(1,836,211)
	<u>(1,836,211)</u>
<u>31,842</u>	<u>6,105,052</u>
226,973	11,584,960
	53,817
<u>\$ 258,815</u>	<u>\$ 17,743,829</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 49,454	\$ 49,454
State aid and grants		12,519,069	12,519,069
Federal aid, grants and reimbursements			
Total revenues		<u>12,568,523</u>	<u>12,568,523</u>
Expenditures:			
Current -			
Instruction	16,530,385	10,617,496	5,912,889
Support services - students and staff	129,119	93,459	35,660
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>16,659,504</u>	<u>10,710,955</u>	<u>5,948,549</u>
Excess (deficiency) of revenues over expenditures	<u>(16,659,504)</u>	<u>1,857,568</u>	<u>18,517,072</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(16,659,504)</u>	<u>1,857,568</u>	<u>18,517,072</u>
Fund balances (deficits), beginning of year		4,137,827	4,137,827
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (16,659,504)</u>	<u>\$ 5,995,395</u>	<u>\$ 22,654,899</u>

Instructional Improvement			English Language Learner		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 3,147 849,671	\$ 3,147 849,671	\$	\$ 325,827	\$ 325,827
	852,818	852,818		325,827	325,827
3,776,108	446,608 33,997	3,329,500 (33,997)	326,116	325,827	289
3,776,108	480,605	3,295,503	326,116	325,827	289
(3,776,108)	372,213	4,148,321	(326,116)		326,116
(3,776,108)	372,213	4,148,321	(326,116)		326,116
	2,921,094	2,921,094			
\$ (3,776,108)	\$ 3,293,307	\$ 7,069,415	\$ (326,116)	\$	\$ 326,116

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Title I Grants		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		1,368,469	1,368,469
Total revenues		<u>1,368,469</u>	<u>1,368,469</u>
Expenditures:			
Current -			
Instruction		477,384	(477,384)
Support services - students and staff	1,786,205	545,474	1,240,731
Support services - administration		280,211	(280,211)
Operation and maintenance of plant services			
Student transportation services		136,519	(136,519)
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,786,205</u>	<u>1,439,588</u>	<u>346,617</u>
Excess (deficiency) of revenues over expenditures	<u>(1,786,205)</u>	<u>(71,119)</u>	<u>1,715,086</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(36,519)	(36,519)
Proceeds from sale of capital assets			
Total other financing sources (uses)		<u>(36,519)</u>	<u>(36,519)</u>
Changes in fund balances	<u>(1,786,205)</u>	<u>(107,638)</u>	<u>1,678,567</u>
Fund balances (deficits), beginning of year		(109,067)	(109,067)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (1,786,205)</u>	<u>\$ (216,705)</u>	<u>\$ 1,569,500</u>

Professional Development and Technology Grants			Limited English and Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	406,978	406,978		76,866	76,866
	406,978	406,978		76,866	76,866
467,658	272,189	195,469	103,281	21,284	(21,284)
	110,115	(110,115)		72,783	30,498
				971	(971)
467,658	382,304	85,354	103,281	95,038	8,243
(467,658)	24,674	492,332	(103,281)	(18,172)	85,109
	(8,574)	(8,574)		(2,951)	(2,951)
	(8,574)	(8,574)		(2,951)	(2,951)
(467,658)	16,100	483,758	(103,281)	(21,123)	82,158
	(38,320)	(38,320)			
\$ (467,658)	\$ (22,220)	\$ 445,438	\$ (103,281)	\$ (21,123)	\$ 82,158

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Indian Education		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		230,936	230,936
Total revenues		<u>230,936</u>	<u>230,936</u>
Expenditures:			
Current -			
Instruction		53,488	(53,488)
Support services - students and staff	208,105	147,348	60,757
Support services - administration		2,620	(2,620)
Operation and maintenance of plant services		240	(240)
Student transportation services		1,176	(1,176)
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>208,105</u>	<u>204,872</u>	<u>3,233</u>
Excess (deficiency) of revenues over expenditures	<u>(208,105)</u>	<u>26,064</u>	<u>234,169</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(208,105)</u>	<u>26,064</u>	<u>234,169</u>
Fund balances (deficits), beginning of year		(26,064)	(26,064)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (208,105)</u>	<u>\$</u>	<u>\$ 208,105</u>

Special Education Grants			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 24,576	\$ 24,576
	2,734,794	2,734,794		1,254,235	1,254,235
	2,734,794	2,734,794		1,278,811	1,278,811
4,539,583	1,984,955	2,554,628		6,308	(6,308)
	270,879	(270,879)		406,634	(406,634)
	18,756	(18,756)	2,694,316	703,619	1,990,697
	424,070	(424,070)		67,263	(67,263)
				6,900	(6,900)
				9,887	(9,887)
4,539,583	2,698,660	1,840,923	2,694,316	1,200,611	1,493,705
(4,539,583)	36,134	4,575,717	(2,694,316)	78,200	2,772,516
	(82,841)	(82,841)			
	(82,841)	(82,841)			
(4,539,583)	(46,707)	4,492,876	(2,694,316)	78,200	2,772,516
	(188,405)	(188,405)		3,059,674	3,059,674
\$ (4,539,583)	\$ (235,112)	\$ 4,304,471	\$ (2,694,316)	\$ 3,137,874	\$ 5,832,190

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	E-Rate		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 10,909	\$ 10,909
State aid and grants			
Federal aid, grants and reimbursements		310,093	310,093
Total revenues		<u>321,002</u>	<u>321,002</u>
Expenditures:			
Current -			
Instruction	804,424		804,424
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>804,424</u>		<u>804,424</u>
Excess (deficiency) of revenues over expenditures	<u>(804,424)</u>	<u>321,002</u>	<u>1,125,426</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(804,424)</u>	<u>321,002</u>	<u>1,125,426</u>
Fund balances (deficits), beginning of year		663,240	663,240
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (804,424)</u>	<u>\$ 984,242</u>	<u>\$ 1,788,666</u>

Other Federal Projects			Results-based Funding		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	4,861,532	4,861,532		1,347,222	1,347,222
	4,861,532	4,861,532		1,347,222	1,347,222
19,620,498	2,473,871	17,146,627		249,198	(249,198)
	967,210	(967,210)	2,788,757	333,509	2,455,248
	217,925	(217,925)		7,333	(7,333)
	544,526	(544,526)			
	272,260	(272,260)			
	217,454	(217,454)			
				1,836	(1,836)
19,620,498	4,693,246	14,927,252	2,788,757	591,876	2,196,881
(19,620,498)	168,286	19,788,784	(2,788,757)	755,346	3,544,103
	(64,326)	(64,326)			
	(64,326)	(64,326)			
(19,620,498)	103,960	19,724,458	(2,788,757)	755,346	3,544,103
	(1,427,978)	(1,427,978)		1,441,538	1,441,538
\$ (19,620,498)	\$ (1,324,018)	\$ 18,296,480	\$ (2,788,757)	\$ 2,196,884	\$ 4,985,641

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Other State Projects		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		749,739	749,739
Federal aid, grants and reimbursements			
Total revenues		<u>749,739</u>	<u>749,739</u>
Expenditures:			
Current -			
Instruction		87,274	(87,274)
Support services - students and staff	1,398,466	968,884	429,582
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,398,466</u>	<u>1,056,158</u>	<u>342,308</u>
Excess (deficiency) of revenues over expenditures	<u>(1,398,466)</u>	<u>(306,419)</u>	<u>1,092,047</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(1,398,466)</u>	<u>(306,419)</u>	<u>1,092,047</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (1,398,466)</u>	<u>\$ (306,419)</u>	<u>\$ 1,092,047</u>

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 123,438	\$ 123,438	\$	\$ 337,684	\$ 337,684
				11,782,972	11,782,972
	<u>123,438</u>	<u>123,438</u>		<u>12,120,656</u>	<u>12,120,656</u>
1,269,126	53,450	1,215,676		194,553	(194,553)
				95,621	(95,621)
			10,447,828	8,201,385	2,246,443
	30,000	(30,000)		40,643	(40,643)
<u>1,269,126</u>	<u>83,450</u>	<u>1,185,676</u>	<u>10,447,828</u>	<u>8,532,202</u>	<u>1,915,626</u>
<u>(1,269,126)</u>	<u>39,988</u>	<u>1,309,114</u>	<u>(10,447,828)</u>	<u>3,588,454</u>	<u>14,036,282</u>
				(1,641,000)	(1,641,000)
	85,835	85,835			
	<u>85,835</u>	<u>85,835</u>		<u>(1,641,000)</u>	<u>(1,641,000)</u>
<u>(1,269,126)</u>	<u>125,823</u>	<u>1,394,949</u>	<u>(10,447,828)</u>	<u>1,947,454</u>	<u>12,395,282</u>
	1,125,450	1,125,450		498,421	498,421
				53,817	53,817
<u>\$ (1,269,126)</u>	<u>\$ 1,251,273</u>	<u>\$ 2,520,399</u>	<u>\$ (10,447,828)</u>	<u>\$ 2,499,692</u>	<u>\$ 12,947,520</u>

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Civic Center		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 305,131	\$ 305,131
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>305,131</u>	<u>305,131</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff		1,509	(1,509)
Support services - administration			
Operation and maintenance of plant services	923,496	378,200	545,296
Student transportation services		81,683	(81,683)
Operation of non-instructional services		243	(243)
Capital outlay			
Total expenditures	<u>923,496</u>	<u>461,635</u>	<u>461,861</u>
Excess (deficiency) of revenues over expenditures	<u>(923,496)</u>	<u>(156,504)</u>	<u>766,992</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(923,496)</u>	<u>(156,504)</u>	<u>766,992</u>
Fund balances (deficits), beginning of year		706,341	706,341
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (923,496)</u>	<u>\$ 549,837</u>	<u>\$ 1,473,333</u>

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 8,749,784	\$ 8,749,784	\$	\$ 600,366	\$ 600,366
	<u>8,749,784</u>	<u>8,749,784</u>		<u>600,366</u>	<u>600,366</u>
	635,452	(635,452)	1,963,282	392,270	1,571,012
	41,366	(41,366)		24,523	(24,523)
	1,116,753	(1,116,753)		41,530	(41,530)
	8,188	(8,188)		3,686	(3,686)
				7,031	(7,031)
8,221,567	5,717,740	2,503,827			
	3,926	(3,926)		1,426	(1,426)
<u>8,221,567</u>	<u>7,523,425</u>	<u>698,142</u>	<u>1,963,282</u>	<u>470,466</u>	<u>1,492,816</u>
<u>(8,221,567)</u>	<u>1,226,359</u>	<u>9,447,926</u>	<u>(1,963,282)</u>	<u>129,900</u>	<u>2,093,182</u>
<u>(8,221,567)</u>	<u>1,226,359</u>	<u>9,447,926</u>	<u>(1,963,282)</u>	<u>129,900</u>	<u>2,093,182</u>
	466,365	466,365		535,285	535,285
<u>\$ (8,221,567)</u>	<u>\$ 1,692,724</u>	<u>\$ 9,914,291</u>	<u>\$ (1,963,282)</u>	<u>\$ 665,185</u>	<u>\$ 2,628,467</u>

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 454,634	\$ 454,634
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>454,634</u>	<u>454,634</u>
Expenditures:			
Current -			
Instruction	1,986,912	410,234	1,576,678
Support services - students and staff		6,236	(6,236)
Support services - administration			
Operation and maintenance of plant services		239	(239)
Student transportation services		49,302	(49,302)
Operation of non-instructional services			
Capital outlay		11,773	(11,773)
Total expenditures	<u>1,986,912</u>	<u>477,784</u>	<u>1,509,128</u>
Excess (deficiency) of revenues over expenditures	<u>(1,986,912)</u>	<u>(23,150)</u>	<u>1,963,762</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(1,986,912)</u>	<u>(23,150)</u>	<u>1,963,762</u>
Fund balances (deficits), beginning of year		1,225,594	1,225,594
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (1,986,912)</u>	<u>\$ 1,202,444</u>	<u>\$ 3,189,356</u>

Gifts and Donations			Fingerprint		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 188,571	\$ 188,571	\$	\$ 9	\$ 9
	188,571	188,571		9	9
822,508	128,235	694,273	12,000		12,000
	40,467	(40,467)			
	14,303	(14,303)			
	14,376	(14,376)			
	222	(222)			
	782	(782)			
	25,677	(25,677)			
822,508	224,062	598,446	12,000		12,000
(822,508)	(35,491)	787,017	(12,000)	9	12,009
(822,508)	(35,491)	787,017	(12,000)	9	12,009
	463,356	463,356		8,299	8,299
\$ (822,508)	\$ 427,865	\$ 1,250,373	\$ (12,000)	\$ 8,308	\$ 20,308

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Textbooks		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 17,779	\$ 17,779
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>17,779</u>	<u>17,779</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	124,832	3,872	120,960
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		68	(68)
Total expenditures	<u>124,832</u>	<u>3,940</u>	<u>120,892</u>
Excess (deficiency) of revenues over expenditures	<u>(124,832)</u>	<u>13,839</u>	<u>138,671</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(124,832)</u>	<u>13,839</u>	<u>138,671</u>
Fund balances (deficits), beginning of year		76,896	76,896
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (124,832)</u>	<u>\$ 90,735</u>	<u>\$ 215,567</u>

Indirect Costs			Grants and Gifts to Teachers		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,245	\$ 2,245	\$	\$ 2,404	\$ 2,404
	2,245	2,245		2,404	2,404
	1,010	(1,010)	5,427	1,245	4,182
	176,548	(176,548)			
2,630,173	371,358	2,258,815			
	757	(757)			
				731	(731)
2,630,173	549,673	2,080,500	5,427	1,976	3,451
(2,630,173)	(547,428)	2,082,745	(5,427)	428	5,855
	1,836,211	1,836,211			
	1,836,211	1,836,211			
(2,630,173)	1,288,783	3,918,956	(5,427)	428	5,855
	1,848,516	1,848,516		3,565	3,565
\$ (2,630,173)	\$ 3,137,299	\$ 5,767,472	\$ (5,427)	\$ 3,993	\$ 9,420

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Advertisement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	25,818	3,636	22,182
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	25,818	3,636	22,182
Excess (deficiency) of revenues over expenditures	(25,818)	(3,636)	22,182
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	(25,818)	(3,636)	22,182
Fund balances (deficits), beginning of year		16,905	16,905
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (25,818)	\$ 13,269	\$ 39,087

Student Activities			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 126,367	\$ 126,367	\$	\$ 10,996,498	\$ 10,996,498
				15,791,528	15,791,528
				23,026,875	23,026,875
	<u>126,367</u>	<u>126,367</u>		<u>49,814,901</u>	<u>49,814,901</u>
525,811	94,525	431,286	50,387,243	18,311,129	32,076,114
			7,532,234	4,325,874	3,206,360
			3,989,260	2,942,323	1,046,937
			3,553,669	1,483,697	2,069,972
				979,920	(979,920)
			18,669,395	14,137,604	4,531,791
				125,967	(125,967)
<u>525,811</u>	<u>94,525</u>	<u>431,286</u>	<u>84,131,801</u>	<u>42,306,514</u>	<u>41,825,287</u>
<u>(525,811)</u>	<u>31,842</u>	<u>557,653</u>	<u>(84,131,801)</u>	<u>7,508,387</u>	<u>91,640,188</u>
				1,836,211	1,836,211
				(1,836,211)	(1,836,211)
				85,835	85,835
				<u>85,835</u>	<u>85,835</u>
<u>(525,811)</u>	<u>31,842</u>	<u>557,653</u>	<u>(84,131,801)</u>	<u>7,594,222</u>	<u>91,726,023</u>
	226,973	226,973		17,635,505	17,635,505
				53,817	53,817
<u>\$ (525,811)</u>	<u>\$ 258,815</u>	<u>\$ 784,626</u>	<u>\$ (84,131,801)</u>	<u>\$ 25,283,544</u>	<u>\$ 109,415,345</u>

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DEBT SERVICE FUND

Debt Service - to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Debt Service		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 12,152	\$ 12,152
Property taxes		23,463,842	23,463,842
Total revenues		<u>23,475,994</u>	<u>23,475,994</u>
Expenditures:			
Debt service -			
Principal retirement	16,600,000	16,600,000	
Interest and fiscal charges	7,990,338	7,990,337	1
Total expenditures	<u>24,590,338</u>	<u>24,590,337</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>(24,590,338)</u>	<u>(1,114,343)</u>	<u>23,475,995</u>
Other financing sources (uses):			
Transfer in		355,212	355,212
Total other financing sources (uses)		<u>355,212</u>	<u>355,212</u>
Changes in fund balances	<u>(24,590,338)</u>	<u>(759,131)</u>	<u>23,831,207</u>
Fund balances, beginning of year		1,918,580	1,918,580
Fund balances (deficits), end of year	<u>\$ (24,590,338)</u>	<u>\$ 1,159,449</u>	<u>\$ 25,749,787</u>

CAPITAL PROJECTS FUNDS

Insurance Proceeds - to account for the monies received from insurance claims.

Litigation Recovery - to account for monies received for and derived from litigation.

Unrestricted Capital Outlay - to account for transactions relating to the acquisition of capital items.

Adjacent Ways - to account for monies received to finance improvements of public ways adjacent to school property.

Bond Building - to account for proceeds from District bond issues that are expended on the acquisition or lease of sites; construction or renovation of school buildings; supplying school buildings with furniture, equipment, and technology; improving school grounds; or purchasing pupil transportation vehicles.

Gifts and Donations - Capital - to account for gifts and donations to be expended for capital acquisitions.

Condemnation - to account for monies received from proceeds from sales by condemnation or right-of-way settlements.

Energy and Water Savings - to account for capital investment monies, energy related rebate, or grant monies and monies from other funding sources to fund energy or water savings projects in school facilities in accordance with A.R.S. §15-910.02.

Building Renewal Grant - to account for building renewal grant monies requested from the School Facilities Board that are used for infrastructure or for major upgrades, repairs, or renovations to areas, systems, or buildings that will maintain or extend their useful life.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2022

	<u>Litigation Recovery</u>	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>
<u>ASSETS</u>			
Cash and investments	\$ 42,093	\$ 8,594,028	\$ 641,474
Property taxes receivable		92,815	
Total assets	<u><u>\$ 42,093</u></u>	<u><u>\$ 8,686,843</u></u>	<u><u>\$ 641,474</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	253,901	\$
Total liabilities	<u>253,901</u>	<u>253,901</u>	
Deferred inflows of resources:			
Unavailable revenues - property taxes		37,801	
Fund balances:			
Restricted	42,093	8,395,141	641,474
Total fund balances	<u>42,093</u>	<u>8,395,141</u>	<u>641,474</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 42,093</u></u>	<u><u>\$ 8,686,843</u></u>	<u><u>\$ 641,474</u></u>

<u>Gifts and Donations - Capital</u>	<u>Condemnation</u>	<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$ 37,558	\$ 2,552	\$ 9,655	\$ 6,764	\$ 9,334,124
				92,815
<u>\$ 37,558</u>	<u>\$ 2,552</u>	<u>\$ 9,655</u>	<u>\$ 6,764</u>	<u>\$ 9,426,939</u>
\$ 983	\$	\$	\$	\$ 254,884
<u>983</u>				<u>254,884</u>
				<u>37,801</u>
36,575	2,552	9,655	6,764	9,134,254
<u>36,575</u>	<u>2,552</u>	<u>9,655</u>	<u>6,764</u>	<u>9,134,254</u>
<u>\$ 37,558</u>	<u>\$ 2,552</u>	<u>\$ 9,655</u>	<u>\$ 6,764</u>	<u>\$ 9,426,939</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Litigation Recovery	Unrestricted Capital Outlay	Adjacent Ways
Revenues:			
Other local	\$ 222	\$ 646,324	\$ 5,228
Property taxes		7,072,074	
Total revenues	<u>222</u>	<u>7,718,398</u>	<u>5,228</u>
Expenditures:			
Capital outlay	<u>38,500</u>	<u>5,018,783</u>	
Total expenditures	<u>38,500</u>	<u>5,018,783</u>	
Changes in fund balances	<u>(38,278)</u>	<u>2,699,615</u>	<u>5,228</u>
Fund balances, beginning of year	80,371	5,695,526	636,246
Fund balances, end of year	<u>\$ 42,093</u>	<u>\$ 8,395,141</u>	<u>\$ 641,474</u>

<u>Gifts and Donations - Capital</u>	<u>Condemnation</u>	<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$ 47,099	\$ 2	\$	\$ 324	\$ 699,199
<u>47,099</u>	<u>2</u>		<u>324</u>	<u>7,072,074</u>
				<u>7,771,273</u>
22,492				5,079,775
<u>22,492</u>				<u>5,079,775</u>
24,607	2		324	2,691,498
11,968	2,550	9,655	6,440	6,442,756
<u>\$ 36,575</u>	<u>\$ 2,552</u>	<u>\$ 9,655</u>	<u>\$ 6,764</u>	<u>\$ 9,134,254</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Insurance Proceeds		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 23,319	\$ 23,319
Property taxes			
Total revenues		<u>23,319</u>	<u>23,319</u>
Expenditures:			
Current -			
Instruction			
Operation and maintenance of plant services	222,941	31,965	190,976
Student transportation services		13,389	(13,389)
Capital outlay			
Debt service -			
Bond issuance costs			
Total expenditures	<u>222,941</u>	<u>45,354</u>	<u>177,587</u>
Excess (deficiency) of revenues over expenditures	<u>(222,941)</u>	<u>(22,035)</u>	<u>200,906</u>
Other financing sources (uses):			
Transfer out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)			
Changes in fund balances	<u>(222,941)</u>	<u>(22,035)</u>	<u>200,906</u>
Fund balances, beginning of year		215,502	215,502
Fund balances (deficits), end of year	<u>\$ (222,941)</u>	<u>\$ 193,467</u>	<u>\$ 416,408</u>

Litigation Recovery			Unrestricted Capital Outlay		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 222	\$ 222	\$	\$ 646,324	\$ 646,324
				7,072,074	7,072,074
	222	222		7,718,398	7,718,398
79,717	38,500	41,217	19,099,035	5,018,783	14,080,252
79,717	38,500	41,217	19,099,035	5,018,783	14,080,252
(79,717)	(38,278)	41,439	(19,099,035)	2,699,615	21,798,650
(79,717)	(38,278)	41,439	(19,099,035)	2,699,615	21,798,650
	80,371	80,371		5,695,526	5,695,526
\$ (79,717)	\$ 42,093	\$ 121,810	\$ (19,099,035)	\$ 8,395,141	\$ 27,494,176

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Adjacent Ways		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 5,228	\$ 5,228
Property taxes			
Total revenues		<u>5,228</u>	<u>5,228</u>
Expenditures:			
Current -			
Instruction			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay	631,159		631,159
Debt service -			
Bond issuance costs			
Total expenditures	<u>631,159</u>		<u>631,159</u>
Excess (deficiency) of revenues over expenditures	<u>(631,159)</u>	<u>5,228</u>	<u>636,387</u>
Other financing sources (uses):			
Transfer out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)			
Changes in fund balances	<u>(631,159)</u>	<u>5,228</u>	<u>636,387</u>
Fund balances, beginning of year		636,246	636,246
Fund balances (deficits), end of year	<u>\$ (631,159)</u>	<u>\$ 641,474</u>	<u>\$ 1,272,633</u>

Bond Building			Gifts and Donations - Capital		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 355,600	\$ 355,600	\$	\$ 47,099	\$ 47,099
	355,600	355,600		47,099	47,099
31,299,507	18,229,066	13,070,441	71,382	22,492	48,890
	379,211	(379,211)			
31,299,507	18,608,277	12,691,230	71,382	22,492	48,890
(31,299,507)	(18,252,677)	13,046,830	(71,382)	24,607	95,989
	(355,212)	(355,212)			
	30,105,000	30,105,000			
	3,223,157	3,223,157			
	32,972,945	32,972,945			
(31,299,507)	14,720,268	46,019,775	(71,382)	24,607	95,989
	33,939,672	33,939,672		11,968	11,968
\$ (31,299,507)	\$ 48,659,940	\$ 79,959,447	\$ (71,382)	\$ 36,575	\$ 107,957

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Condemnation		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 2	\$ 2
Property taxes			
Total revenues		<u>2</u>	<u>2</u>
Expenditures:			
Current -			
Instruction			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay	2,533		2,533
Debt service -			
Bond issuance costs			
Total expenditures	<u>2,533</u>		<u>2,533</u>
Excess (deficiency) of revenues over expenditures	<u>(2,533)</u>	<u>2</u>	<u>2,535</u>
Other financing sources (uses):			
Transfer out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)			
Changes in fund balances	<u>(2,533)</u>	<u>2</u>	<u>2,535</u>
Fund balances, beginning of year		2,550	2,550
Fund balances (deficits), end of year	<u>\$ (2,533)</u>	<u>\$ 2,552</u>	<u>\$ 5,085</u>

Energy and Water Savings			Building Renewal Grant		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 324	\$ 324
				324	324
9,655		9,655	6,736		6,736
9,655		9,655	6,736		6,736
(9,655)		9,655	(6,736)	324	7,060
(9,655)		9,655	(6,736)	324	7,060
	9,655	9,655		6,440	6,440
\$ (9,655)	\$ 9,655	\$ 19,310	\$ (6,736)	\$ 6,764	\$ 13,500

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,078,118	\$ 1,078,118
Property taxes		7,072,074	7,072,074
Total revenues		<u>8,150,192</u>	<u>8,150,192</u>
Expenditures:			
Current -			
Operation and maintenance of plant services	222,941	31,965	190,976
Student transportation services		13,389	(13,389)
Capital outlay	51,199,724	23,308,841	27,890,883
Debt service -			
Bond issuance costs		379,211	(379,211)
Total expenditures	<u>51,422,665</u>	<u>23,733,406</u>	<u>27,689,259</u>
Excess (deficiency) of revenues over expenditures	<u>(51,422,665)</u>	<u>(15,583,214)</u>	<u>35,839,451</u>
Other financing sources (uses):			
Transfer out		(355,212)	(355,212)
Issuance of school improvement bonds		30,105,000	30,105,000
Premium on sale of bonds		3,223,157	3,223,157
Total other financing sources (uses)		<u>32,972,945</u>	<u>32,972,945</u>
Changes in fund balances	<u>(51,422,665)</u>	<u>17,389,731</u>	<u>68,812,396</u>
Fund balances, beginning of year		40,597,930	40,597,930
Fund balances (deficits), end of year	<u>\$ (51,422,665)</u>	<u>\$ 57,987,661</u>	<u>\$ 109,410,326</u>

INTERNAL SERVICE FUNDS

District Services - to account for the operation of District functions that provide goods or services to other District and internal departments on a cost-reimbursement basis.

Intergovernmental Agreements - to account for the financial activities relating to agreements with other governments, where the District is the fiscal agent.

Employee Benefit Trust - to account for the financial activity associated with the District's self-insurance program.

Workers Compensation – to account for the financial activity associated with the program for employee workers' compensation.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF NET POSITION -
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2022

	<u>District Services</u>	<u>Intergovernmental Agreements</u>	<u>Employee Benefit Trust</u>
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 777,038	\$ 18,980	\$ 5,289,595
Accounts receivable			118,348
Due from governmental entities	18,980	57,993	
Due from other funds	76,900		
Total current assets	<u>872,918</u>	<u>76,973</u>	<u>5,407,943</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	<u>365,403</u>		
Total noncurrent assets	<u>365,403</u>		
Total assets	<u>1,238,321</u>	<u>76,973</u>	<u>5,407,943</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	21,876		9,287
Claims payable			1,720,600
Due to other funds		76,900	
Accrued payroll and employee benefits	14,334		5,453
Total current liabilities	<u>36,210</u>	<u>76,900</u>	<u>1,735,340</u>
Total liabilities	<u>36,210</u>	<u>76,900</u>	<u>1,735,340</u>
<u>NET POSITION</u>			
Investment in capital assets	365,403		
Unrestricted	836,708	73	3,672,603
Total net position	<u>\$ 1,202,111</u>	<u>\$ 73</u>	<u>\$ 3,672,603</u>

<u>Workers Compensation</u>	<u>Totals</u>
\$ 728,909	\$ 6,814,522
	118,348
	76,973
	76,900
<u>728,909</u>	<u>7,086,743</u>
	<u>365,403</u>
	<u>365,403</u>
<u>728,909</u>	<u>7,452,146</u>
540,379	571,542
	1,720,600
	76,900
	19,787
<u>540,379</u>	<u>2,388,829</u>
<u>540,379</u>	<u>2,388,829</u>
	365,403
188,530	4,697,914
<u>\$ 188,530</u>	<u>\$ 5,063,317</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>District Services</u>	<u>Intergovernmental Agreements</u>	<u>Employee Benefit Trust</u>
Operating revenues:			
Contributions	\$	\$	\$ 14,829,569
Charges for services	935,397	244,531	
Total operating revenues	<u>935,397</u>	<u>244,531</u>	<u>14,829,569</u>
Operating expenses:			
Depreciation	52,039		
Claims			10,164,137
Premiums			1,253,184
Administrative fees			1,612,087
Cost of services	667,320	244,503	
Total operating expenses	<u>719,359</u>	<u>244,503</u>	<u>13,029,408</u>
Operating income (loss)	<u>216,038</u>	<u>28</u>	<u>1,800,161</u>
Nonoperating revenues (expenses):			
Investment income	7,351		67,645
Loss on disposal of assets	(10,754)		
Total nonoperating revenues (expenses)	<u>(3,403)</u>		<u>67,645</u>
Changes in net position	<u>212,635</u>	<u>28</u>	<u>1,867,806</u>
Total net position, beginning of year, as restated	989,476	45	1,804,797
Total net position, end of year	<u>\$ 1,202,111</u>	<u>\$ 73</u>	<u>\$ 3,672,603</u>

<u>Workers Compensation</u>	<u>Totals</u>
\$ 642,400	\$ 15,471,969
	1,179,928
<u>642,400</u>	<u>16,651,897</u>
	52,039
	10,164,137
540,379	1,793,563
	1,612,087
	911,823
<u>540,379</u>	<u>14,533,649</u>
<u>102,021</u>	<u>2,118,248</u>
	74,996
	(10,754)
	<u>64,242</u>
<u>102,021</u>	<u>2,182,490</u>
86,509	2,880,827
<u>\$ 188,530</u>	<u>\$ 5,063,317</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF CASH FLOWS - ALL INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	<u>District Services</u>	<u>Intergovernmental Agreements</u>
<u>Increase/Decrease in Cash and Cash Equivalents</u>		
Cash flows from operating activities:		
Cash received from contributions	\$	\$
Cash received from other sources	912,838	263,483
Cash payments to suppliers for goods and services	(664,914)	(244,503)
Cash payments for claims		
Net cash provided by/used for operating activities	<u>247,924</u>	<u>18,980</u>
Cash flows from investing activities:		
Purchase of investments		
Investment income	7,351	
Proceeds from sales and maturities of investments		
Net cash provided by/used for investing activities	<u>7,351</u>	
Cash flows from noncapital financing activities:		
Advances from (to) other funds	(38,500)	
Transfers in		
Net cash provided by/used for noncapital financing activities	<u>(38,500)</u>	
Net increase/decrease in cash and cash equivalents	<u>255,275</u>	<u>18,980</u>
Cash and cash equivalents, beginning of year	<u>560,263</u>	
Cash and cash equivalents, end of year	<u>\$ 815,538</u>	<u>\$ 18,980</u>
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>		
Operating income/loss	\$ 216,038	\$ 28
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:		
Depreciation expense	52,039	
Changes in assets and liabilities:		
Increase/decrease in deposits	3,820	(7,427)
Increase/decrease in accounts receivable		
Increase/decrease in due from other funds	(26,379)	
Increase/decrease in prepaid items	(219)	
Increase/decrease in accounts payable	2,625	
Increase/decrease in claims payable		
Increase/decrease in unearned revenue		
Increase/decrease in due to other funds		26,379
Total adjustments	<u>31,886</u>	<u>18,952</u>
Net cash provided by/used for operating activities	<u>\$ 247,924</u>	<u>\$ 18,980</u>

<u>Employee Benefit Trust</u>	<u>Workers' Compensation</u>	<u>Totals</u>
\$ 14,790,012	\$ 642,400	\$ 15,432,412
(2,602,953)	(555,216)	1,176,321
<u>(10,299,137)</u>		<u>(4,067,586)</u>
		<u>(10,299,137)</u>
<u>1,887,922</u>	<u>87,184</u>	<u>2,242,010</u>
67,645		74,996
<u>67,645</u>		<u>74,996</u>
		(38,500)
		<u>(38,500)</u>
<u>1,955,567</u>	<u>87,184</u>	<u>2,278,506</u>
<u>3,334,028</u>	<u>641,725</u>	<u>4,536,016</u>
\$ <u><u>5,289,595</u></u>	\$ <u><u>728,909</u></u>	\$ <u><u>6,814,522</u></u>
\$ 1,800,161	\$ 102,021	\$ 2,118,248
		52,039
		(3,607)
(39,557)		(39,557)
		(26,379)
(878)		(1,097)
(34,650)	(14,837)	(46,862)
(135,000)		(135,000)
297,846		297,846
		<u>26,379</u>
<u>87,761</u>	<u>(14,837)</u>	<u>123,762</u>
\$ <u><u>1,887,922</u></u>	\$ <u><u>87,184</u></u>	\$ <u><u>2,242,010</u></u>

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STATISTICAL SECTION

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information presented below.

Financial Trends

These schedules contain information on financial trends to help the reader understand how the District's financial position and financial activities have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate revenue.

Debt Capacity

These schedules present information to help the reader evaluate the District's current levels of outstanding debt as well as assess the District's ability to make debt payments and/or issue additional debt in the future.

Demographic and Economic Information

These schedules present various demographic and economic indicators to help the reader understand the environment in which the District's financial activities take place and to help make comparisons with other school districts.

Operating Information

These schedules contain information about the District's operations and various resources to help the reader draw conclusions as to how the District's financial information relates to the services provided by the District.

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to five percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

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KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Position:					
Net investment in capital assets	\$ 72,749,664	\$ 79,015,926	\$ 72,383,417	\$ 89,872,546	\$ 98,482,098
Restricted	33,911,079	23,350,574	39,378,225	55,106,379	56,405,890
Unrestricted	<u>(69,261,371)</u>	<u>(79,265,050)</u>	<u>(82,975,141)</u>	<u>(106,742,723)</u>	<u>(117,505,906)</u>
Total net position	<u><u>\$ 37,399,372</u></u>	<u><u>\$ 23,101,450</u></u>	<u><u>\$ 28,786,501</u></u>	<u><u>\$ 38,236,202</u></u>	<u><u>\$ 37,382,082</u></u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net Position:					
Net investment in capital assets	\$ 106,426,708	\$ 108,943,728	\$ 111,473,166	\$ 114,206,682	\$ 117,106,859
Restricted	36,150,556	28,705,673	28,863,347	22,849,053	18,256,725
Unrestricted	<u>(104,166,424)</u>	<u>(92,436,793)</u>	<u>(92,651,215)</u>	<u>42,530,346</u>	<u>40,219,781</u>
Total net position	<u><u>\$ 38,410,840</u></u>	<u><u>\$ 45,212,608</u></u>	<u><u>\$ 47,685,298</u></u>	<u><u>\$ 179,586,081</u></u>	<u><u>\$ 175,583,365</u></u>

Source: The source of this information is the District's financial records.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Expenses					
Instruction	\$ 99,294,987	\$ 100,534,508	\$ 104,942,309	\$ 95,095,674	\$ 88,041,606
Support services - students and staff	18,478,120	19,073,214	18,875,148	15,624,233	13,753,213
Support services - administration	15,773,971	17,191,517	17,585,115	15,699,409	14,031,266
Operation and maintenance of plant services	17,518,999	17,274,280	16,281,746	16,172,484	15,057,684
Student transportation services	8,769,081	8,306,277	8,976,254	9,148,432	8,139,676
Operation of non-instructional services	15,144,253	8,793,108	12,389,654	13,235,212	11,305,128
Interest on long-term debt	7,143,882	7,260,703	7,108,146	8,637,522	8,527,959
Total expenses	<u>182,123,293</u>	<u>178,433,607</u>	<u>186,158,372</u>	<u>173,612,966</u>	<u>158,856,532</u>
Program Revenues					
Charges for services:					
Instruction	725,728	319,921	1,712,345	2,509,115	2,662,304
Operation of non-instructional services	1,747,154	3,332,804	8,973,714	673,747	8,097,264
Other activities	7,854,342	356,772	459,479	13,157,225	3,982,375
Operating grants and contributions	25,096,465	21,631,674	10,803,586	13,580,735	11,187,969
Capital grants and contributions	49,447	11,906	2,183,622	119,173	
Total program revenues	<u>35,473,136</u>	<u>25,653,077</u>	<u>24,132,746</u>	<u>30,039,995</u>	<u>25,929,912</u>
Net (Expense)/Revenue	<u>\$ (146,650,157)</u>	<u>\$ (152,780,530)</u>	<u>\$ (162,025,626)</u>	<u>\$ (143,572,971)</u>	<u>\$ (132,926,620)</u>

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses					
Instruction	\$ 93,265,995	\$ 82,271,525	\$ 84,344,746	\$ 82,030,946	\$ 79,578,214
Support services - students and staff	19,164,537	17,787,181	19,530,043	15,255,810	13,744,870
Support services - administration	12,767,901	11,814,132	12,744,530	10,824,855	10,744,152
Operation and maintenance of plant services	15,471,919	14,566,646	13,355,060	13,604,651	15,415,775
Student transportation services	8,099,841	7,147,466	8,650,420	8,034,589	7,724,844
Operation of non-instructional services	10,985,302	10,252,874	10,445,127	10,189,894	9,398,642
Interest on long-term debt	7,481,976	7,945,137	5,266,898	6,144,252	6,121,401
Total expenses	<u>167,237,471</u>	<u>151,784,961</u>	<u>154,336,824</u>	<u>146,084,997</u>	<u>142,727,898</u>
Program Revenues					
Charges for services:					
Instruction	2,563,576	2,669,654	2,220,714	2,657,161	1,577,531
Operation of non-instructional services	7,234,196	6,862,562	7,908,447	8,463,195	7,469,785
Other activities	3,972,469	3,952,249	2,718,150	1,604,568	2,213,596
Operating grants and contributions	<u>10,367,665</u>	<u>10,087,362</u>	<u>10,897,019</u>	<u>10,118,955</u>	<u>10,448,125</u>
Total program revenues	<u>24,137,906</u>	<u>23,571,827</u>	<u>23,744,330</u>	<u>22,843,879</u>	<u>21,709,037</u>
Net (Expense)/Revenue	<u>\$ (143,099,565)</u>	<u>\$ (128,213,134)</u>	<u>\$ (130,592,494)</u>	<u>\$ (123,241,118)</u>	<u>\$ (121,018,861)</u>

Source: The source of this information is the District's financial records.

(Concluded)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net (Expense)/Revenue	\$ (146,650,157)	\$ (152,780,530)	\$ (162,025,626)	\$ (143,572,971)	\$ (132,926,620)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	52,007,031	48,311,764	49,850,126	48,402,729	46,766,250
Property taxes, levied for debt service	23,447,497	23,426,892	21,836,871	20,530,328	18,589,695
Property taxes, levied for capital outlay	7,068,095	6,769,560	6,895,667	6,873,298	6,737,208
Investment income	826,967	792,812	2,716,704	2,783,584	862,894
Unrestricted county aid	4,617,273	4,876,726	4,741,273	4,683,039	4,406,194
Unrestricted state aid	68,260,551	62,744,088	65,453,346	61,287,147	53,793,847
Unrestricted federal aid	1,254,235	824,069	853,771	801,814	719,884
Total general revenues	<u>157,481,649</u>	<u>147,745,911</u>	<u>152,347,758</u>	<u>145,361,939</u>	<u>131,875,972</u>
Changes in Net Position	<u>\$ 10,831,492</u>	<u>\$ (5,034,619)</u>	<u>\$ (9,677,868)</u>	<u>\$ 1,788,968</u>	<u>\$ (1,050,648)</u>

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net (Expense)/Revenue	\$ (143,099,565)	\$ (128,213,134)	\$ (130,592,494)	\$ (123,241,118)	\$ (121,018,861)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	46,546,960	41,579,462	44,177,896	41,745,333	47,826,175
Property taxes, levied for debt service	21,647,698	15,416,696	13,971,878	15,937,345	13,477,061
Property taxes, levied for capital outlay	7,589,029	7,511,148	7,381,938	8,528,086	7,118,860
Investment income	616,662	540,339	365,799	341,662	198,855
Unrestricted county aid	4,341,246	4,376,677	4,305,332	4,575,232	4,546,551
Unrestricted state aid	54,946,955	55,845,262	52,565,740	55,854,282	52,503,042
Unrestricted federal aid	609,247	470,860	426,271	261,894	242,139
Special Item - Gain on sale of assets			3,385,892		
Total general revenues	<u>136,297,797</u>	<u>125,740,444</u>	<u>126,580,746</u>	<u>127,243,834</u>	<u>125,912,683</u>
Changes in Net Position	<u>\$ (6,801,768)</u>	<u>\$ (2,472,690)</u>	<u>\$ (4,011,748)</u>	<u>\$ 4,002,716</u>	<u>\$ 4,893,822</u>

Source: The source of this information is the District's financial records.

(Concluded)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Fund:					
Nondisposable	\$ 222,883	\$ 148,725	\$ 388,795	\$ 1,450,147	\$ 300,593
Restricted	1,458,009	1,357,857	1,311,117	1,244,506	1,062,500
Unassigned	34,399,328	24,320,870	21,678,989	19,099,528	19,182,848
Total General Fund	<u>\$ 36,080,220</u>	<u>\$ 25,827,452</u>	<u>\$ 23,378,901</u>	<u>\$ 21,794,181</u>	<u>\$ 20,545,941</u>
All Other Governmental Funds:					
Nondisposable	\$ 53,817	\$	\$	\$	\$
Restricted	78,769,252	55,675,802	57,417,708	92,232,811	83,373,231
Unassigned	(2,125,597)	(1,789,834)	(521,202)	(410,376)	(533,342)
Total all other governmental funds	<u>\$ 76,697,472</u>	<u>\$ 53,885,968</u>	<u>\$ 56,896,506</u>	<u>\$ 91,822,435</u>	<u>\$ 82,839,889</u>

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:					
Nondisposable	\$ 1,340,670	\$ 292,838	\$ 1,258,311	\$ 261,235	\$ 591,938
Unassigned	17,437,224	17,172,492	12,546,351	18,977,332	19,940,697
Total General Fund	<u>\$ 20,325,087</u>	<u>\$ 22,413,345</u>	<u>\$ 18,757,808</u>	<u>\$ 19,238,567</u>	<u>\$ 20,532,635</u>
All Other Governmental Funds:					
Nondisposable	\$ 11,103	\$ 11,103	\$ 14,843	\$ 39,265	\$ 117,024
Restricted	79,794,454	55,176,477	81,500,545	63,638,865	22,275,315
Unassigned				(113,397)	
Total all other governmental funds	<u>\$ 79,805,557</u>	<u>\$ 55,187,580</u>	<u>\$ 81,515,388</u>	<u>\$ 63,564,733</u>	<u>\$ 22,392,339</u>

Source: The source of this information is the District's financial records.

(Concluded)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Federal sources:					
Federal grants	\$ 11,243,903	\$ 13,318,124	\$ 6,040,051	\$ 8,394,384	\$ 5,626,976
National School Lunch Program	11,782,972	4,623,873	2,712,187	2,962,804	2,949,517
Total federal sources	<u>23,026,875</u>	<u>17,941,997</u>	<u>8,752,238</u>	<u>11,357,188</u>	<u>8,576,493</u>
State sources:					
State equalization assistance	54,891,811	54,363,935	57,779,788	52,759,114	45,895,173
State grants	2,422,788	1,955,491	1,987,575	1,643,021	1,708,598
School Facilities Board			1,080,829		1,144
Other revenues	13,368,740	8,850,973	8,774,065	8,859,433	7,898,674
Total state sources	<u>70,683,339</u>	<u>65,170,399</u>	<u>69,622,257</u>	<u>63,261,568</u>	<u>55,503,589</u>
Local sources:					
Property taxes	83,082,626	80,865,210	78,320,533	76,102,294	72,333,374
County aid	4,617,273	4,876,726	4,741,273	4,683,039	4,406,194
Food service sales	292,747	80,227	1,902,872	3,074,877	2,764,486
Investment income	751,971	769,996	2,661,990	2,667,536	754,449
Other revenues	10,635,282	4,491,490	10,216,214	14,442,388	13,227,703
Total local sources	<u>99,379,899</u>	<u>91,083,649</u>	<u>97,842,882</u>	<u>100,970,134</u>	<u>93,486,206</u>
Total revenues	<u><u>\$ 193,090,113</u></u>	<u><u>\$ 174,196,045</u></u>	<u><u>\$ 176,217,377</u></u>	<u><u>\$ 175,588,890</u></u>	<u><u>\$ 157,566,288</u></u>

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Federal sources:					
Federal grants	\$ 6,116,228	\$ 5,573,267	\$ 6,268,603	\$ 6,010,715	\$ 6,066,833
National School Lunch Program	3,048,550	3,085,815	2,960,070	2,712,642	2,833,523
Total federal sources	<u>9,164,778</u>	<u>8,659,082</u>	<u>9,228,673</u>	<u>8,723,357</u>	<u>8,900,356</u>
State sources:					
State equalization assistance	47,972,153	48,929,863	45,893,602	49,161,855	47,125,634
State grants	650,240	618,425	638,634	414,272	295,618
Other revenues	6,974,802	6,915,206	6,672,138	6,692,610	5,377,408
Total state sources	<u>55,597,195</u>	<u>56,463,494</u>	<u>53,204,374</u>	<u>56,268,737</u>	<u>52,798,660</u>
Local sources:					
Property taxes	75,810,064	66,275,827	65,723,617	66,048,091	66,326,114
County aid	4,341,246	4,376,677	4,305,332	4,575,232	4,546,551
Food service sales	2,300,419	2,511,753	2,695,415	2,875,837	2,906,863
Investment income	566,914	468,542	297,482	276,616	136,354
Other revenues	12,515,822	12,320,635	11,538,487	11,130,330	9,603,344
Total local sources	<u>95,534,465</u>	<u>85,953,434</u>	<u>84,560,333</u>	<u>84,906,106</u>	<u>83,519,226</u>
Total revenues	<u>\$ 160,296,438</u>	<u>\$ 151,076,010</u>	<u>\$ 146,993,380</u>	<u>\$ 149,898,200</u>	<u>\$ 145,218,242</u>

Source: The source of this information is the District's financial records.

(Concluded)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Expenditures:					
Current -					
Instruction	\$ 81,607,924	\$ 81,920,816	\$ 82,927,583	\$ 81,509,745	\$ 75,068,795
Support services - students and staff	18,644,933	18,122,026	17,572,453	15,630,889	14,087,734
Support services - administration	13,394,634	13,789,303	13,676,583	13,330,441	12,556,856
Operation and maintenance of plant services	14,686,509	14,432,564	12,426,646	15,421,865	12,521,437
Student transportation services	5,329,634	4,261,746	4,570,540	5,616,762	5,649,980
Operation of non-instructional services	14,668,402	8,088,885	11,521,706	12,942,410	11,188,747
Capital outlay	23,434,808	23,526,093	29,896,789	30,162,750	23,800,573
Debt service -					
Interest and fiscal charges	7,990,337	8,195,636	7,648,147	9,255,572	8,976,586
Principal retirement	16,600,000	19,235,000	12,735,000	15,715,000	10,870,000
Bond issuance costs	379,211	357,206		357,734	420,528
Total expenditures	<u><u>\$ 196,736,392</u></u>	<u><u>\$ 191,929,275</u></u>	<u><u>\$ 192,975,447</u></u>	<u><u>\$ 199,943,168</u></u>	<u><u>\$ 175,141,236</u></u>
Expenditures for capitalized assets	\$ 11,677,770	\$ 9,913,410	\$ 14,713,074	\$ 17,820,565	\$ 17,304,429
Debt service as a percentage of noncapital expenditures	13%	15%	11%	14%	13%

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenditures:					
Current -					
Instruction	\$ 74,067,931	\$ 66,525,650	\$ 68,292,959	\$ 67,893,287	\$ 66,920,319
Support services - students and staff	18,081,659	16,774,537	18,070,878	14,275,754	13,013,233
Support services - administration	11,304,525	10,799,543	11,235,605	9,792,931	9,517,292
Operation and maintenance of plant services	14,669,131	12,506,555	13,627,847	12,917,394	14,806,679
Student transportation services	5,687,131	5,305,440	6,687,002	6,175,274	6,222,956
Operation of non-instructional services	10,711,500	10,079,519	10,147,856	9,871,316	9,232,963
Capital outlay	26,618,338	32,835,034	32,539,600	12,712,312	8,773,490
Debt service -					
Claims and judgments					
Interest and fiscal charges	8,289,676	8,427,790	5,405,348	6,282,702	6,461,001
Principal retirement	11,810,000	9,525,000	9,045,000	9,655,000	7,865,000
Bond issuance costs	650,705		669,929	492,682	39,950
Payment to refunded bond escrow agent			10,649,569		
Total expenditures	<u><u>\$ 181,890,596</u></u>	<u><u>\$ 172,779,068</u></u>	<u><u>\$ 186,371,593</u></u>	<u><u>\$ 150,068,652</u></u>	<u><u>\$ 142,852,883</u></u>
Expenditures for capitalized assets	\$ 17,797,974	\$ 27,796,574	\$ 23,747,764	\$ 4,726,037	\$ 2,439,177
Debt service as a percentage of noncapital expenditures	12%	12%	15%	11%	10%

Source: The source of this information is the District's financial records.

(Concluded)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Excess (deficiency) of revenues over expenditures	\$ (3,646,279)	\$ (17,733,230)	\$ (16,758,070)	\$ (24,354,278)	\$ (17,574,948)
Other financing sources (uses):					
General obligation bonds issued	30,105,000	28,005,000		29,965,000	
Refunding bonds issued					44,365,000
Premium on sale of bonds	3,223,157	3,802,956		3,354,609	7,117,642
Transfers in	2,191,423	854,832	1,533,819	1,507,317	1,323,142
Transfers out	(2,191,423)	(854,832)	(1,533,819)	(1,507,317)	(1,323,142)
Payment to refunded bond escrow agent		(13,758,725)	(15,769,466)		(29,611,620)
Proceeds from sale of capital assets	85,835	12,514	19,512	29,089	
Insurance recoveries				86,812	10,292
Total other financing sources (uses)	<u>33,413,992</u>	<u>18,061,745</u>	<u>(15,749,954)</u>	<u>33,435,510</u>	<u>21,881,314</u>
Changes in fund balances	<u>\$ 29,767,713</u>	<u>\$ 328,515</u>	<u>\$ (32,508,024)</u>	<u>\$ 9,081,232</u>	<u>\$ 4,306,366</u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Excess (deficiency) of revenues over expenditures	\$ (21,594,158)	\$ (21,703,058)	\$ (39,378,213)	\$ (170,452)	\$ 2,365,359
Other financing sources (uses):					
General obligation bonds issued	32,025,000		40,000,000	40,000,000	2,975,000
Refunding bonds issued	24,810,000		24,120,000		
Premium on sale of bonds	6,625,870		3,986,478	457,240	148,542
Transfers in	695,722	505,623	2,174,792	874,089	952,804
Transfers out	(695,722)	(505,623)	(2,174,792)	(874,089)	(952,804)
Payment to refunded bond escrow agent	(20,537,623)		(16,371,855)		
Total other financing sources (uses)	<u>43,076,045</u>	<u></u>	<u>55,875,455</u>	<u>40,457,240</u>	<u>3,123,542</u>
Changes in fund balances	<u>\$ 21,481,887</u>	<u>\$ (21,703,058)</u>	<u>\$ 16,497,242</u>	<u>\$ 40,286,788</u>	<u>\$ 5,488,901</u>

Source: The source of this information is the District's financial records.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commercial, Industrial, Utilities and Mining	\$ 862,357,143	\$ 824,565,624	\$ 777,531,982	\$ 721,450,782	\$ 692,578,568
Agricultural and Vacant	18,975,689	20,987,843	21,720,158	21,759,054	23,572,455
Residential (Owner Occupied)	1,160,177,193	1,104,073,900	1,045,014,472	1,003,572,457	956,721,774
Residential (Rental)	370,444,883	353,566,543	334,617,533	309,111,930	282,811,579
Railroad, Private Cars and Airlines	657,837	675,149	692,460	662,453	735,739
Historical Property	12,657	12,054	11,480	10,934	8,995
Certain Government Property Improvements		41,229			7,815
Total	<u>\$ 2,412,625,402</u>	<u>\$ 2,303,922,342</u>	<u>\$ 2,179,588,085</u>	<u>\$ 2,056,567,610</u>	<u>\$ 1,956,436,925</u>
Gross Full Cash Value	\$ 28,209,704,956	\$ 26,672,488,047	\$ 20,214,648,460	\$ 23,468,465,997	\$ 22,385,244,072
Ratio of Net Limited Assessed Value to Gross Full Cash Value	9%	9%	11%	9%	9%
Total Direct Rate	3.68	3.78	3.87	3.97	3.97

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 666,800,958	\$ 641,559,365	\$ 626,531,270	\$ 640,507,039	\$ 731,499,569
Agricultural and Vacant	23,625,878	26,253,614	28,158,482	29,582,506	33,426,792
Residential (Owner Occupied)	911,509,930	872,197,797	838,799,724	780,061,637	873,654,286
Residential (Rental)	262,783,880	241,555,102	215,135,669	179,838,943	148,018,091
Railroad, Private Cars and Airlines	751,319	848,264	914,047	1,076,883	1,050,802
Historical Property	8,995	8,995	8,995	56,211	10,190
Certain Government Property Improvements	32,164	30,633	84,122	84,691	56,716
Total	<u>\$ 1,865,513,124</u>	<u>\$ 1,782,453,770</u>	<u>\$ 1,709,632,309</u>	<u>\$ 1,631,207,910</u>	<u>\$ 1,787,716,446</u>
Gross Full Cash Value	\$ 21,576,815,867	\$ 19,737,374,822	\$ 15,890,974,368	\$ 15,055,100,341	\$ 15,954,370,358
Ratio of Net Limited Assessed Value to Gross Full Cash Value	9%	9%	11%	11%	11%
Total Direct Rate	4.38	4.01	4.03	4.28	6.06

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. Primary taxes are used for general District operations. Secondary taxes are used to service District bonded debt requirement and other voter-approved overrides.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commercial, Industrial, Utilities and Mining	\$ 1,109,842,185	\$ 1,073,452,928	\$ 987,423,505	\$ 901,001,710	\$ 862,897,465
Agricultural and Vacant	28,819,206	32,287,530	31,913,260	30,913,456	33,799,190
Residential (Owner Occupied)	1,351,557,186	1,283,901,171	1,206,108,267	1,154,840,353	1,114,752,574
Residential (Rental)	556,418,179	503,219,427	458,873,281	413,466,721	375,244,678
Railroad, Private Cars and Airlines	865,575	865,575	865,575	807,870	865,575
Historical Property	23,385	22,005	20,905	18,335	12,310
Certain Government Property Improvements		51,364			8,807
Total	<u>\$ 3,047,525,716</u>	<u>\$ 2,893,800,000</u>	<u>\$ 2,685,204,793</u>	<u>\$ 2,501,048,445</u>	<u>\$ 2,387,580,599</u>
Gross Full Cash Value	\$ 28,209,704,956	\$ 26,672,488,047	\$ 20,214,648,460	\$ 23,468,465,997	\$ 22,385,244,072
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	13%	11%	11%
Estimated Net Full Cash Value	\$ 24,722,959,999	\$ 23,394,939,026	\$ 17,785,759,913	\$ 19,311,007,823	\$ 19,299,227,810
Total Direct Rate	3.68	3.78	3.87	3.97	3.97

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 796,375,149	\$ 695,163,872	\$ 632,919,305	\$ 641,174,971	\$ 734,998,962
Agricultural and Vacant	33,166,138	33,215,133	29,286,377	30,403,095	33,998,556
Residential (Owner Occupied)	1,102,592,443	1,040,453,025	875,378,553	780,666,997	873,966,653
Residential (Rental)	343,106,025	308,509,302	240,907,417	184,528,176	148,043,518
Railroad, Private Cars and Airlines	807,870	865,575	923,280	1,087,199	1,071,064
Historical Property	12,310	12,310	12,310	196,342	10,190
Certain Government Property Improvements	37,234	33,297	84,122	84,691	
Total	<u>\$ 2,276,097,169</u>	<u>\$ 2,078,252,514</u>	<u>\$ 1,779,511,364</u>	<u>\$ 1,638,141,471</u>	<u>\$ 1,792,145,659</u>
Gross Full Cash Value	\$ 21,576,815,867	\$ 19,737,374,822	\$ 15,890,974,368	\$ 15,055,100,341	\$ 15,954,370,358
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Estimated Net Full Cash Value	\$ 18,485,347,364	\$ 16,739,381,972	\$ 14,087,094,529	\$ 12,605,725,763	\$ 13,614,086,584
Total Direct Rate	4.38	4.01	4.03	4.28	6.06

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. The net full cash assessed value is used for determining the District's bonding capacity and as the ceiling for net limited assessed value.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	18 %	18 %
Agricultural and Vacant	15	15	15	15	15
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	15	14	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	18 %	19 %	19 %	20 %	20 %
Agricultural and Vacant	15	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	16	16	15	15

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Note: Additional classes of property exist, but do not amount to a significant portion of the District's total valuation, therefore they are not included on this schedule.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates											District Direct Rates		
	State	County	County	Flood	Community	Fire	Central	City	City	City	Tempe	Primary	Secondary	Total
	Equalization		Free	Control	College	District	Arizona	of	of	of	Union High			
			Library	District	District	Assistance	Water	Phoenix	Tempe	Chandler	School District			
2022	0.43	1.35	0.06	0.18	1.23	0.01	0.14	2.12	2.37	1.11	2.45	1.90	1.78	3.68
2021	0.44	1.40	0.06	0.18	1.29	0.01	0.14	2.13	2.40	1.12	2.50	1.90	1.89	3.78
2020	0.46	1.40	0.06	0.18	1.33	0.01	0.14	2.13	2.40	1.13	2.56	1.96	1.90	3.87
2019	0.47	1.40	0.06	0.18	1.38	0.01	0.14	2.14	2.42	1.14	2.64	2.05	1.91	3.97
2018	0.49	1.40	0.06	0.18	1.41	0.01	0.14	2.16	2.49	1.14	2.65	2.09	1.88	3.97
2017	0.50	1.40	0.06	0.18	1.47	0.01	0.14	2.17	2.53	1.16	2.90	2.24	2.14	4.38
2016	0.51	1.36	0.06	0.16	1.49	0.01	0.14	1.82	2.52	1.18	2.87	2.14	1.87	4.01
2015	0.51	1.32	0.06	0.14	1.28	0.01	0.14	0.60	2.44	1.18	3.06	2.25	1.78	4.03
2014	0.51	1.28	0.04	0.14	1.53	0.01	0.14	1.82	2.49	1.27	2.66	2.22	2.06	4.28
2013	0.47	1.24	0.05	0.18	1.37	0.01	0.10	1.82	2.14	1.27	2.57	4.27	1.79	6.06

Source: The source of this information is the Property Tax Rates and Assessed Values, Arizona Tax Research Foundation.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR

Taxpayer	2022			2013	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation		Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Intel Corporation	\$ 51,369,076	2.13 %		\$ 25,467,691	1.42 %
TWC -Chandler LLC	20,416,068	0.85		26,360,230	1.47
Iridium Satellite LLC	16,827,403	0.70			
Honeywell International Inc.	13,876,080	0.58		12,317,942	0.69
DT Ahwatukee Foothills LLC	12,967,490	0.54			
JPMorgan Chase Bank NA	12,252,439	0.51			
Target Corporation Motorola AT&T	9,396,688	0.39		6,529,883	0.36
Km Sonoma LLC/Mt Sonoma LLC	9,219,673	0.38			
PST Office Owner LLC	8,110,952	0.34			
Eastgroup Properties LP	7,977,831	0.33			
Qwest Corporation				26,187,093	1.46
Arizona Mills LLC				25,412,035	1.42
Arizona Public Service Company				23,702,642	1.32
Verizon Wireless				21,842,140	1.22
Point South Mountain Resort LLC				16,467,064	0.92
DDDRA Awhwatukee Foothills LLC				14,954,111	0.83
State Farm Mutual Automobile				7,285,008	0.41
Total	<u>\$ 162,413,700</u>	<u>6.75 %</u>		<u>\$ 206,525,839</u>	<u>11.51 %</u>

Source: The source of this information is the Maricopa County Assessor's records.

Notes: 1) The information presented is for the Tempe metropolitan area. Kyrene Elementary School District also serves portions of the City of Chandler and City of Phoenix communities.

2) On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2022	\$ 89,302,956	\$ 85,958,016	96.25 %	\$	\$ 85,958,016	96.25 %
2021	87,343,478	84,348,098	96.57	2,950,522	87,298,620	99.95
2020	84,575,255	81,266,160	96.09	3,280,635	84,546,795	99.97
2019	82,337,808	78,951,577	95.89	3,365,261	82,316,838	99.97
2018	77,837,881	74,654,448	95.91	3,169,779	77,824,227	99.98
2017	81,918,314	78,427,558	95.74	3,475,427	81,902,985	99.98
2016	71,969,712	71,004,111	98.66	965,601	71,969,712	100.00
2015	70,501,784	67,643,277	95.95	2,849,206	70,492,483	99.99
2014	70,368,581	67,354,447	95.72	3,009,254	70,363,701	99.99
2013	70,472,026	67,381,446	95.61	3,090,580	70,472,026	100.00

Source: The source of this information is the Maricopa County Treasurer's records.

Notes: 1) Amounts collected are on a cash basis.

2) Unsecured personal property taxes are not included in this schedule because the dates of the monthly rolls vary each year. On the average, 90% of unsecured property taxes are collected within 90 days after the due date.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	General Obligation Bonds					Financed Purchases and Leases	Total Outstanding Debt				
	General Obligation Bonds	Less:	Total	Percentage of	Full Cash Value)		Capita	Total	Percentage of	Per Capita	Percentage of Personal Income
		Amounts		Estimated							
		Restricted for Principal		Actual Value							
2022	\$ 213,060,000	\$ 1,159,449	\$ 211,900,551	0.75 %	\$ 1,173		\$ 213,060,000	0.76 %	\$ 1,179	N/A %	
2021	219,940,787	2,061,468	217,879,319	0.82	1,231		219,940,787	0.82	1,243	0.90	
2020	216,140,544	20,071,850	196,068,694	0.97	1,127		216,140,544	1.07	1,242	0.88	
2019	248,438,112	32,124,476	216,313,636	0.92	1,273		248,438,112	1.06	1,462	1.11	
2018	227,556,071	34,071,017	193,485,054	0.86	1,158		227,556,071	1.02	1,362	1.08	
2017	209,734,818	12,842,513	196,892,305	0.91	1,274	42,780	209,777,598	0.97	1,357	1.07	
2016	181,858,123	1,881,715	179,976,408	0.91	1,187	83,932	181,942,055	0.92	1,200	0.98	
2015	191,828,888	3,274,923	188,553,965	1.19	1,213	123,517	191,952,405	1.21	1,235	1.14	
2014	156,020,000	2,300,914	153,719,086	1.02	854	161,596	156,181,596	1.04	868	0.93	
2013	123,885,000	808,411	123,076,589	0.77	684		123,885,000	0.78	688	0.84	

Source: The source of this information is the District's financial records.

Note: N/A indicates that the information is not available.

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87 were adopted in fiscal year 2022. The standard replaces the previous capital and operating lease designations with financed purchases or leases depending on the substance of the transactions. The fiscal year 2013-2021 information within this column relates to the transactions previously designated as capital leases.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Community College District	\$ 184,715,000	4.95 %	\$ 9,143,393
Special Health Care District	640,695,000	4.95	31,714,403
City of Chandler	281,440,000	20.17	56,766,448
City of Phoenix	918,905,000	6.50	59,728,825
City of Tempe	360,155,000	32.28	116,258,034
Tempe Union High School District No. 213	76,755,000	57.42	44,072,721
Subtotal, Overlapping Debt			<u>317,683,824</u>
Direct:			
Kyrene Elementary School District No. 28			<u>213,060,000</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 530,743,824</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		9.30 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$	3,001
As a Percentage of Net Limited Assessed Valuation		31.30 %
As a Percentage of Estimated Gross Full Cash Value		24.78 %

Source: The source of this information is the District's records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the applicable governmental unit.

Notes: 1) Estimated percentage of debt outstanding applicable to the District is calculated based on the District's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.

2) Outstanding debt as of June 30, 2021 is presented for the overlapping governments as this is the most recent available information.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2022:

Net full cash assessed valuation	\$ 3,047,525,716
Debt limit (10% of assessed value)	304,752,572
Debt applicable to limit	<u>225,653,382</u>
Legal debt margin	<u><u>\$ 79,099,190</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2022:

Net full cash assessed valuation	\$ 3,047,525,716
Debt limit (15% of assessed value)	457,128,857
Debt applicable to limit	<u>225,653,382</u>
Legal debt margin	<u><u>\$ 231,475,475</u></u>

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Debt Limit	\$ 457,128,857	\$ 434,070,000	\$ 402,780,719	\$ 375,157,267	\$ 358,137,090
Total net debt applicable to limit	<u>225,653,382</u>	<u>213,069,977</u>	<u>203,470,000</u>	<u>163,992,300</u>	<u>168,944,807</u>
Legal debt margin	<u><u>\$ 231,475,475</u></u>	<u><u>\$ 221,000,023</u></u>	<u><u>\$ 199,310,719</u></u>	<u><u>\$ 211,164,967</u></u>	<u><u>\$ 189,192,283</u></u>
Total net debt applicable to the limit as a percentage of debt limit	49%	49%	51%	44%	47%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 341,414,575	\$ 311,737,877	\$ 256,444,846	\$ 245,721,221	\$ 268,821,849
Total net debt applicable to limit	<u>206,275,870</u>	<u>176,750,000</u>	<u>185,795,000</u>	<u>156,020,000</u>	<u>123,885,000</u>
Legal debt margin	<u><u>\$ 135,138,705</u></u>	<u><u>\$ 134,987,877</u></u>	<u><u>\$ 70,649,846</u></u>	<u><u>\$ 89,701,221</u></u>	<u><u>\$ 144,936,849</u></u>
Total net debt applicable to the limit as a percentage of debt limit	60%	57%	72%	63%	46%

Source: The source of this information is the District's financial records.

- Notes:** 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.
- 2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Year	Population	Personal Income (thousands)	Per Capita Income	Unemployment Rate	Estimated District Population
2021	4,507,419	\$ N/A	\$ 59,759	4.5 %	180,666
2020	4,420,568	245,077,753	53,521	4.7	176,973
2019	4,367,835	222,943,072	49,704	3.6	174,030
2018	4,294,460	210,370,180	47,694	4.1	169,934
2017	4,221,684	196,286,194	45,573	4.2	167,135
2016	4,137,076	185,111,698	43,628	4.5	154,606
2015	4,076,438	168,483,421	41,222	5.5	151,606
2014	4,087,191	168,483,421	41,222	5.4	155,396
2013	4,009,412	147,700,000	27,552	6.2	180,000
2012	3,824,058	147,374,500	38,538	9.1	180,000

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis.
The source of the "Population" and "Unemployment Rate" information for 2010 is the Arizona Office of
Employment and Population Statistics.

Note: N/A indicates the information is not available.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

Employer	2022		2013	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employees
Banner Health	26,660	1.54 %		
State of Arizona	24,990	1.44		
Walmart	20,080	1.16		
Frys Food Stores	15,320	0.88		
Maricopa County	13,890	0.80		
Wells Fargo	13,170	0.76	3,576	2.38
City of Phoenix	11,570	0.67		
Amazon	11,440	0.66		
Arizona State University	11,360	0.66	11,185	7.46
Intel Corporation	11,350	0.66		
Maricopa Community Colleges			4,611	3.07
Salt River Project			4,374	2.92
Safeway			3,996	2.66
Freescale			3,000	2.00
Honeywell			3,000	2.00
JP Morgan Chase			2,377	1.58
Kyrene School District			2,183	1.46
US Airways			1,898	1.27
Total	<u>159,830</u>	<u>9.23 %</u>	<u>40,200</u>	<u>26.80 %</u>
Total employment	<u>1,731,840</u>		<u>150,000</u>	

Source: Arizona COG/MPO Employer Database.

These figures are based on Maricopa County. We find these sources to be reliable and expect them to be available for the foreseeable future.

FY 2013 data is as presented in the District's 2013 ACFR and represents the Tempe metropolitan area.

Notes: (1) The information presented above is County-wide.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

		Full-time Equivalent Employees as of June 30				
		<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Supervisory						
Superintendents/Principals		34	29	28	28	28
Assistant principals		21	17	24	24	23
Total supervisory		<u>55</u>	<u>46</u>	<u>52</u>	<u>52</u>	<u>51</u>
Instruction						
Teachers		857	986	939	964	957
Other professionals (instructional)		245	230	261	261	236
Total instruction		<u>1,102</u>	<u>1,216</u>	<u>1,200</u>	<u>1,225</u>	<u>1,193</u>
Student Services						
Librarians		14	24	17	17	18
Nurses/Technicians		77	34	31	31	31
Total student services		<u>91</u>	<u>58</u>	<u>48</u>	<u>48</u>	<u>49</u>
Support and Administration						
Service workers		406	418	536	511	511
Other classified		26	21	26	26	24
Total support and administration		<u>432</u>	<u>439</u>	<u>562</u>	<u>537</u>	<u>535</u>
Total		<u><u>1,680</u></u>	<u><u>1,759</u></u>	<u><u>1,862</u></u>	<u><u>1,862</u></u>	<u><u>1,828</u></u>

(Continued)

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Supervisory					
Superintendents/Principals	28	28	28	28	28
Assistant principals	11	11	12	12	15
Total supervisory	<u>39</u>	<u>39</u>	<u>40</u>	<u>40</u>	<u>43</u>
Instruction					
Teachers	952	935	963	963	951
Other professionals (instructional)	216	200	195	195	195
Total instruction	<u>1,168</u>	<u>1,135</u>	<u>1,158</u>	<u>1,158</u>	<u>1,146</u>
Student Services					
Librarians	4	4	7	7	5
Nurses/Technicians	31	30	31	31	32
Total student services	<u>35</u>	<u>34</u>	<u>38</u>	<u>38</u>	<u>37</u>
Support and Administration					
Service workers	513	491	449	449	443
Other classified	66	59	61	61	58
Total support and administration	<u>579</u>	<u>550</u>	<u>510</u>	<u>510</u>	<u>501</u>
Total	<u>1,821</u>	<u>1,758</u>	<u>1,746</u>	<u>1,746</u>	<u>1,727</u>

Source: The source of this information is District personnel records.

(Concluded)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
2022	14,199	\$ 148,332,036	\$ 10,447	9.47 %	\$ 182,123,293	\$ 12,826	5.91 %	857	16.6	26.0 %
2021	14,735	140,615,340	9,543	4.55	178,433,607	12,110	1.69	939	15.7	26.0
2020	15,633	142,695,511	9,128	1.20	186,158,372	11,908	9.85	964	16.2	30.5
2019	16,015	144,452,112	9,020	9.85	173,612,966	10,841	8.93	1,034	15.5	28.8
2018	15,963	131,073,549	8,211	(1.65)	158,856,532	9,952	(4.12)	915	17.4	32.0
2017	16,113	134,521,877	8,349	12.92	167,237,471	10,379	12.82	950	17.0	31.0
2016	16,500	121,991,244	7,394	(5.30)	151,784,961	9,199	(2.24)	954	17.3	30.5
2015	16,402	128,062,147	7,808	5.53	154,336,824	9,410	5.28	940	17.4	31.0
2014	16,345	120,925,956	7,398	3.89	146,084,997	8,938	5.27	943	17.3	31.0
2013	16,811	119,713,442	7,121	(0.46)	142,727,898	8,490	(2.45)	949	17.7	28.5

Source: The source of this information is the District's financial records.

Note: Operating expenditures are total expenditures less debt service and capital outlay.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Schools</u>										
Elementary										
Buildings	48	48	48	48	48	48	48	48	48	48
Square feet	1,470,730	1,470,730	1,470,730	1,470,730	1,470,730	1,470,378	1,470,378	1,470,378	1,470,378	1,470,378
Capacity	16,174	16,174	16,174	16,174	16,174	16,174	16,174	16,174	16,174	16,174
Enrollment	8,667	8,882	10,641	10,641	11,320	11,320	11,521	11,705	11,749	11,681
Middle										
Buildings	48	48	48	48	46	46	46	46	46	46
Square feet	961,629	961,629	961,629	961,343	915,470	915,260	915,260	915,260	915,260	915,260
Capacity	8,945	8,945	8,945	8,945	7,125	7,125	7,125	7,125	7,125	7,125
Enrollment	5,350	5,741	6,042	6,042	5,977	5,977	6,096	6,145	6,117	6,442
<u>Administrative</u>										
Buildings	3	3	3	3	3	3	3	3	3	3
Square feet	70,947	70,947	70,947	70,947	70,947	70,947	70,947	70,947	70,947	70,947
<u>Transportation</u>										
Garages	7	7	7	7	7	7	7	7	7	7
Buses	129	129	129	129	129	130				
<u>Athletics</u>										
Soccer fields	6	6	6	6	6	6	6	6	6	6
Running tracks	6	6	6	6	6	6	6	6	6	6
Baseball/softball	11/12	11/12	1	1	11/12	11/12	11/12	11/12	11/12	11/12
Playgrounds	29	29	29	29	29	29	29	29	29	29

Source: The source of this information is the District's facilities records.

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