
**Kyrene Elementary
School District No. 28**

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023



Kyrene Elementary School District No. 28

Tempe, Arizona

**Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023**

Issued by:
Business and Finance Department

Kyrene Elementary School District No. 28

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Introductory Section

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March 26, 2024

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, 2023.

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, 2023, 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, 2023, 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.

READY FOR THE FUTURE

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.

In November 2022 the District adopted the Kyrene Promise, which is a vision and mission rolled into one unifying commitment. The Kyrene Promise is as follows:

"We promise to provide welcoming, inclusive learning environments in which every student is honored, valued, and feels a strong sense of belonging and purpose.

We promise to provide rigorous, responsive learning environments in which every student is given what they need to develop knowledge, skills, confidence, and a passion for learning.

We promise to provide vibrant, world class learning environments in which every student believes they are empowered and prepared to make a meaningful impact on a rapidly changing world. "

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 135 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. 12 Kyrene schools are Arizona Educational Foundation (AEF) A+ Schools of Excellence.
2. Kyrene had an 86% teacher retention rate in the 2022-23 school year.
3. Kyrene is home to 18 National Board Certified Teachers and Administrators.
4. 17 Kyrene schools are A-rated by Niche.com; 5 schools are ranked in the top 50 Arizona schools by U.S. news & World Report; 4 schools are ranked in the top 100 Arizona schools by SchoolDigger.com; 5 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 National Demonstration School and AVID Site of Distinction, Kyrene Aprende Middle School.
6. Kyrene has four schools recognized as No Place for Hate by the Anti-Defamation League
7. Kyrene School District was named "Best Place to Work" by the Ahwatukee Foothills News in 2020 and 2022.
8. 18 Kyrene schools received the PBISaz Achievement award in 2023.

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 District maintains budgetary controls as an integral part of its overall system of internal controls. The objective of these budgetary controls is to ensure compliance with legal provisions included in the annual expenditure budget adopted by the District's Governing Board. The annual expenditure budget also serves as the foundation for the District's financial planning and control. Activities of the general fund, special revenue funds, and capital projects funds are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the total adopted expenditure budget. Arizona Revised

Statutes permits the adopted expenditure budget to be revised annually. The District additionally exercises management control and oversight of the budget at the fund level. The District may have overexpenditures of budgeted funds 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.

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: Future Ready Schools, Highly Engaged People and Culture and Optimal Operations and Resources. Under Optimal Operations and Resources several strategic initiatives have been developed to enhance and allocate resources across the District.

As part of the strategy to optimize 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 35 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

Budget Awards. The Association of School Business Officials international (ASBO) awarded their Meritorious Budget Award to Kyrene for the 2022-23 budget. This was the first year Kyrene received this award, which recognizes school districts for commitments to sound fiscal management and budgetary practices and is awarded to fewer than 150 school districts nationally. Kyrene was the only school district in Arizona to receive this award.

Financial Reporting 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, 2022. 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, 2023 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,

A handwritten signature in black ink that reads "Laura Toenjes".

Laura Toenjes
Superintendent

A handwritten signature in black ink that reads "Chris Herrmann".

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, 2022.

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



A handwritten signature in black ink, reading 'John W. Hutchison'.

John W. Hutchison
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim 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, 2022

Christopher P. Morill

Executive Director/CEO

SUPERINTENDENT



Chris Herrmann, MBA
Chief Financial Officer
Kyrene School District



Email: cherrmann@kyrene.org

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Eric Nethercutt, Director | Facilities & Maintenance

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Erin Schroeder | Federal Programs & Outreach

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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

Michelle Fahy, Vice President

Wanda Kolomyjec, Member

Margaret Wright, Member

Triné Nelson, 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, 2023, 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, 2023, 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 GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023, 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 March 26, 2024, 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
March 26, 2024

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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, 2023

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, 2023. 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 \$28.3 million which represents a 76 percent increase from the prior fiscal year primarily as a result of an increase in the state aid funding allocation and an increase in the prior year's property tax collections.
- General revenues accounted for \$167.9 million in revenue, or 81 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$39.5 million or 19 percent of total current fiscal year revenues.
- The District had approximately \$179.1 million in expenses related to governmental activities, a decrease of two percent from the prior fiscal year. The decrease is primarily related to a decrease in the average daily membership.
- Among major funds, the General Fund had \$129.0 million current fiscal year revenues, which primarily consisted of state aid revenue and increased property tax collections from the prior year, and \$112.5 million in expenditures. The General Fund's fund balance increase from \$44.5 million at the prior fiscal year end to \$62.1 million at the end of the current fiscal year was primarily due to an increase in the state aid funding allocation and an increase in the prior year's property tax collections.
- The Debt Service Fund had \$24.4 million in revenues and \$24.6 million in expenditures. The Debt Service Fund's fund balance increased \$767,382 due to an increase in the prior year's property tax collections.
- The Bond Building Fund's fund balance decreased \$15.9 million due to several school renovation projects.
- Net position for the Internal Service Funds increased \$7.6 million from the prior fiscal year primarily due to lower than anticipated expenditures in the Employee Benefit Trust self-insurance and includes required imprest amounts for health care. Operating revenues of \$17.6 million exceeded operating expenses of \$10.3 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, 2023

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, 2023

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, 2023

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 \$65.7 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, 2023

Government-Wide Financial Analysis

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2023 and June 30, 2022.

	As of June 30, 2023	As of June 30, 2022
Current and other assets	\$ 288,831,612	\$ 282,928,349
Capital assets, net	250,238,796	252,628,784
Total assets	<u>539,070,408</u>	<u>535,557,133</u>
Deferred outflows	<u>20,896,547</u>	<u>30,234,473</u>
Current liabilities	14,584,819	21,284,661
Long-term liabilities	345,916,992	344,884,058
Total liabilities	<u>360,501,811</u>	<u>366,168,719</u>
Deferred inflows	<u>133,779,253</u>	<u>162,223,515</u>
Net position:		
Net investment in capital assets	72,197,491	72,749,664
Restricted	37,289,664	33,911,079
Unrestricted	(43,801,264)	(69,261,371)
Total net position	<u>\$ 65,685,891</u>	<u>\$ 37,399,372</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 \$43.8 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 \$14.1 million in capital assets through school improvements and the purchase of vehicles, furniture and equipment.
- The addition of \$16.5 million in accumulated depreciation due to the current year depreciation expense.
- The increase of \$17.9 million in pension liabilities.
- The principal retirement of \$16.6 million of bonds.

Kyrene Elementary School District No. 28
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

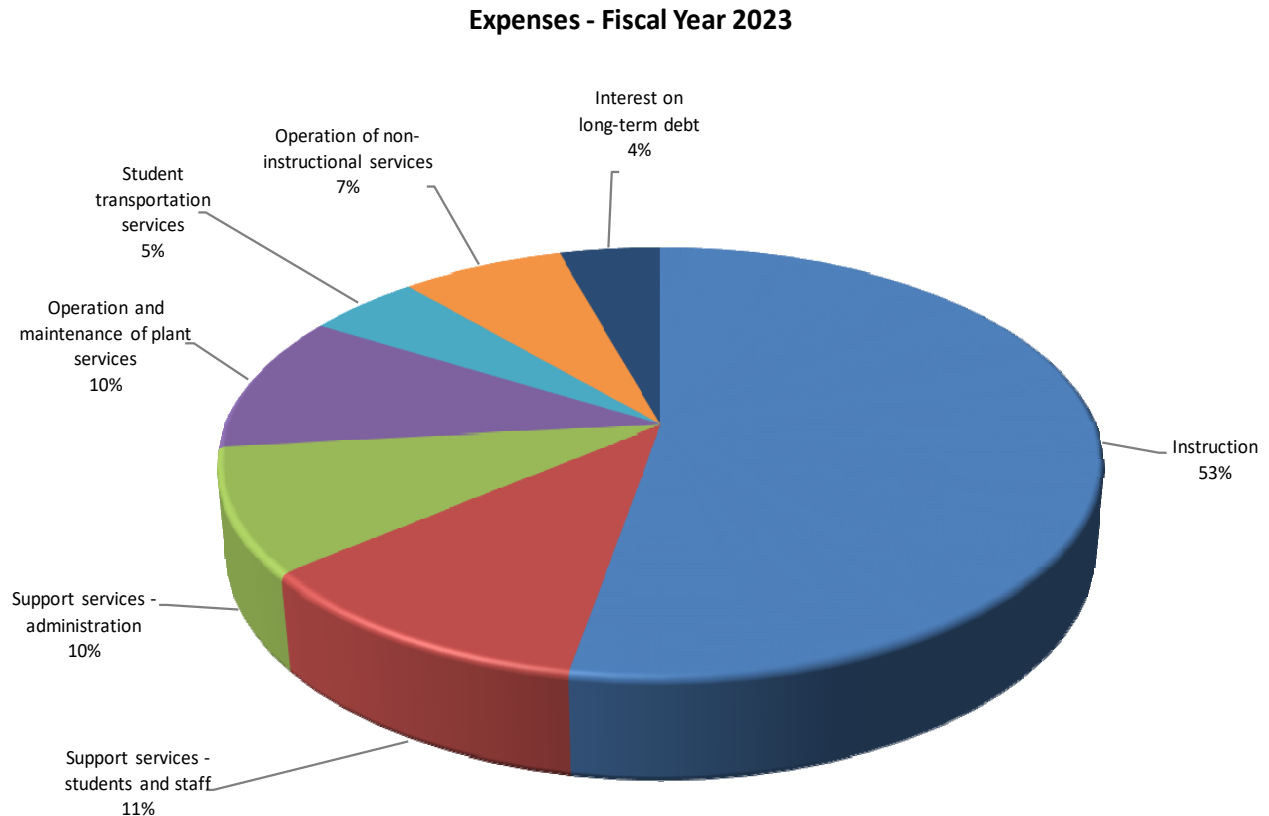
Government-Wide Financial Analysis

Changes in net position. The District's total revenues for the current fiscal year were \$207.4 million. The total cost of all programs and services was \$179.1 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2023 and June 30, 2022.

	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2022
Revenues:		
Program revenues:		
Charges for services	\$ 16,371,070	\$ 10,327,224
Operating grants and contributions	22,771,831	25,096,465
Capital grants and contributions	378,208	49,447
General revenues:		
Property taxes	85,365,336	82,522,623
Investment income	2,282,617	826,967
Unrestricted county aid		4,617,273
Unrestricted state aid	79,349,918	68,260,551
Unrestricted federal aid	852,870	1,254,235
Total revenues	<u>207,371,850</u>	<u>192,954,785</u>
Expenses:		
Instruction	94,508,752	99,294,987
Support services - students and staff	20,127,447	18,478,120
Support services - administration	16,799,995	15,773,971
Operation and maintenance of plant services	18,446,839	17,518,999
Student transportation services	8,769,062	8,769,081
Operation of non-instructional services	12,632,415	15,144,253
Interest on long-term debt	7,800,821	7,143,882
Total expenses	<u>179,085,331</u>	<u>182,123,293</u>
Changes in net position	28,286,519	10,831,492
Net position, beginning	37,399,372	26,567,880
Net position, ending	<u>\$ 65,685,891</u>	<u>\$ 37,399,372</u>

Kyrene Elementary School District No. 28
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Government-Wide Financial Analysis



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

- Unrestricted state aid increased \$11.1 million as a result of an increase in the state aid revenue allocation.
- Charges for services revenue increased \$6.0 million as a result in increased Community School Fund activity revenue combined with an increase in Food Service sales revenue.
- Property taxes increased \$2.8 million due to an increase in the prior year's property tax collections.
- Instructional expenses decreased \$4.8 million and operation of non-instructional expenses decreased \$2.5 million primarily as a result of vacant positions remaining unfilled during the fiscal year combined with other cost reductions across the District.

Kyrene Elementary School District No. 28
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

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, 2023		Year Ended June 30, 2022	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 94,508,752	\$ (81,817,363)	\$ 99,294,987	\$ (88,139,240)
Support services - students and staff	20,127,447	(15,827,930)	18,478,120	(16,708,658)
Support services - administration	16,799,995	(14,058,068)	15,773,971	(8,172,264)
Operation and maintenance of plant services	18,446,839	(15,505,951)	17,518,999	(16,569,676)
Student transportation services	8,769,062	(7,724,377)	8,769,081	(8,398,842)
Operation of non-instructional services	12,632,415	3,170,288	15,144,253	(1,517,595)
Interest on long-term debt	7,800,821	(7,800,821)	7,143,882	(7,143,882)
Total	<u>\$ 179,085,331</u>	<u>\$ (139,564,222)</u>	<u>\$ 182,123,293</u>	<u>\$ (146,650,157)</u>

- The cost of all governmental activities this year was \$179.1 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$39.5 million.
- Net cost of governmental activities of \$139.6 million was financed by general revenues, which are made up of primarily property taxes of \$85.4 million and state aid of \$79.3 million. Investment earnings accounted for \$2.3 million 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.

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, an increase of \$56,570.

Kyrene Elementary School District No. 28
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Financial Analysis of the District's Funds

The General Fund comprises 55 percent of the total fund balance. Approximately \$47.3 million, or 76 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 \$17.6 million in the General Fund to \$62.1 million as of fiscal year end. General Fund revenues increased \$15.9 million as a result of an increase in the state aid revenue allocation. General Fund expenditures increased \$4.5 million, which is less than five percent.

The Debt Service Fund had \$24.4 million in current fiscal year revenues and \$24.6 million in expenditures. The Debt Service Fund's fund balance increased from \$1.2 million as of prior fiscal year end to \$1.9 million as of the current fiscal year end primarily due to an increase in the prior year property tax collections.

The fund balance in the Bond Building Fund decreased from \$48.7 million to \$32.7 million as of year end primarily due to school renovation projects.

Proprietary funds. Total net position of the Internal Service Funds increased \$7.6 million to \$12.7 million as of fiscal year end primarily as a result of lower expenditures from changing medical and pharmaceutical providers as well as employing a different model for managing and administering medical costs. Operating revenues of \$17.6 million exceeded operating expenses of \$10.3 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 \$1.3 million decrease, or one 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 \$21.8 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, 2023

Capital Assets and Debt Administration

Capital Assets. At year end, the District had invested \$527.6 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 \$14.1 million from the prior fiscal year, primarily due to an increase in buildings and improvements. Total depreciation expense for the current fiscal year was \$16.5 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2023 and June 30, 2022.

	As of June 30, 2023	As of June 30, 2022
Capital assets - non-depreciable	\$ 34,920,696	\$ 27,278,033
Capital assets - depreciable, net	215,318,100	225,350,751
Total	<u>\$ 250,238,796</u>	<u>\$ 252,628,784</u>

The estimated cost to complete current construction projects is \$3.3 million.

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

Debt Administration. At year end, the District had \$213.6 million in long-term debt outstanding, \$16.0 million due within one year. Long-term debt decreased by \$18.5 million due to the satisfaction of debt repayment requirements.

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 \$483.5 million and the current Class B debt limit for the District is \$322.3 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.

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 2023-24 budget. Among them:

- Fiscal year 2022-23 budget balance carryforward (estimated \$23.0 million).
- District student average daily membership (estimated 12,985).

Kyrene Elementary School District No. 28
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Economic Factors and Next Year's Budget and Rates

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 nine percent to \$11.7 million in fiscal year 2023-24 to \$137.9 million. State aid and property taxes are expected to be the primary funding sources. No new programs were added in the fiscal year 2023-24.

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, 2023

	Governmental Activities
Assets	
Current assets:	
Cash and investments	\$ 134,435,277
Deposits	4,011,749
Property taxes receivable	3,063,457
Accounts receivable	22,918
Due from governmental entities	21,847,564
Inventory	207,909
Leases receivable	125,242,738
Total current assets	<u>288,831,612</u>
Noncurrent assets:	
Capital assets not being depreciated	34,920,696
Capital assets, net accumulated depreciation	215,318,100
Total noncurrent assets	<u>250,238,796</u>
Total assets	<u><u>539,070,408</u></u>
 Deferred outflows of resources	
Deferred charge on refunding	2,503,595
Pension plan items	18,392,952
Total deferred outflows of resources	<u>20,896,547</u>
 Liabilities	
Current liabilities:	
Accounts payable	5,309,703
Claims payable	825,500
Accrued payroll and employee benefits	4,119,429
Unearned revenues	8,148
Compensated absences payable	2,000,000
Bonds payable	15,985,000
Accrued interest payable	4,322,039
Total current liabilities	<u>32,569,819</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	327,931,992
Total noncurrent liabilities	<u>327,931,992</u>
Total liabilities	<u>360,501,811</u>
 Deferred inflows of resources	
Pension plan items	9,870,681
Leases	123,908,572
Total deferred inflows of resources	<u>133,779,253</u>
 Net position	
Net investment in capital assets	72,197,491
Restricted for:	
Instruction	15,456,168
Food service	2,581,191
Non-instructional purposes	4,699,432
Debt service	2,074,159
Capital outlay	12,478,714
Unrestricted	(43,801,264)
Total net position	<u><u>\$ 65,685,891</u></u>

Kyrene Elementary School District No. 28
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental activities					
Instruction	\$ 94,508,752	\$ 183,785	\$ 12,151,646	\$ 355,958	\$ (81,817,363)
Support services - students and staff	20,127,447		4,299,517		(15,827,930)
Support services - administration	16,799,995	2,142,964	598,963		(14,058,068)
Operation and maintenance of plant services	18,446,839	1,927,732	990,906	22,250	(15,505,951)
Student transportation services	8,769,062		1,044,685		(7,724,377)
Operation of non-instructional services	12,632,415	12,116,589	3,686,114		3,170,288
Interest on long-term debt	7,800,821				(7,800,821)
Total governmental activities	<u>\$ 179,085,331</u>	<u>\$ 16,371,070</u>	<u>\$ 22,771,831</u>	<u>\$ 378,208</u>	<u>(139,564,222)</u>
General revenues					
Property taxes					85,365,336
Investment income					2,282,617
Unrestricted state aid					79,349,918
Unrestricted federal aid					852,870
Total general revenues					<u>167,850,741</u>
Changes in net position					28,286,519
Net position, beginning of year					<u>37,399,372</u>
Net position, end of year					<u>\$ 65,685,891</u>

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Fund Financial Statements

Kyrene Elementary School District No. 28

Balance Sheet
Governmental Funds
June 30, 2023

	General	Debt Service	Bond Building	Non-Major Governmental Funds
Assets				
Cash and investments	\$ 44,079,602	\$ 22,040,175	\$ 34,723,907	\$ 20,654,888
Deposits held with others	3,043,551			
Property taxes receivable	2,722,434	341,023		
Accounts receivable				22,918
Due from governmental entities	14,101,488			7,746,076
Due from other funds	3,886,896			
Inventory	207,909			
Leases receivable	124,608,373			634,365
Total assets	<u>\$ 192,650,253</u>	<u>\$ 22,381,198</u>	<u>\$ 34,723,907</u>	<u>\$ 29,058,247</u>
Liabilities				
Accounts payable	\$ 1,946,073	\$	\$ 2,005,911	\$ 656,444
Due to other funds				3,886,896
Accrued payroll and employee benefits	3,081,903			1,010,575
Unearned revenues				8,148
Bonds payable		15,985,000		
Bond interest payable		4,322,039		
Total liabilities	<u>5,027,976</u>	<u>20,307,039</u>	<u>2,005,911</u>	<u>5,562,063</u>
Deferred inflows of resources				
Unavailable revenues - property taxes	2,242,749	147,328		
Unavailable revenues - intergovernmental				6,777,705
Leases	123,284,275			624,297
Total deferred inflows of resources	<u>125,527,024</u>	<u>147,328</u>	<u></u>	<u>7,402,002</u>
Fund balances				
Nonspendable	207,909			
Restricted	14,626,885	1,926,831	32,717,996	20,390,249
Unassigned	47,260,459			(4,296,067)
Total fund balances	<u>62,095,253</u>	<u>1,926,831</u>	<u>32,717,996</u>	<u>16,094,182</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 192,650,253</u>	<u>\$ 22,381,198</u>	<u>\$ 34,723,907</u>	<u>\$ 29,058,247</u>

**Total
Governmental
Funds**

\$ 121,498,572
3,043,551
3,063,457
22,918
21,847,564
3,886,896
207,909
125,242,738
\$ 278,813,605

\$ 4,608,428
3,886,896
4,092,478
8,148
15,985,000
4,322,039
32,902,989

2,390,077
6,777,705
123,908,572
133,076,354

207,909
69,661,961
42,964,392
112,834,262

\$ 278,813,605

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Kyrene Elementary School District No. 28
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2023

Total fund balances - governmental funds **\$ 112,834,262**

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	\$ 527,645,394	
Less accumulated depreciation/amortization	<u>(277,406,598)</u>	
		250,238,796

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

Property taxes	2,390,077	
Intergovernmental	<u>6,777,705</u>	
		9,167,782

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.		2,503,595
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Deferred outflows and inflows 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	18,392,952	
Deferred inflows of resources related to pensions	<u>(9,870,681)</u>	
		8,522,271

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position.		12,351,177
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(7,991,170)	
Bonds payable	(197,611,201)	
Net pension liability	<u>(124,329,621)</u>	
		<u>(329,931,992)</u>

Net position of governmental activities **\$ 65,685,891**

Kyrene Elementary School District No. 28
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Debt Service	Bond Building	Non-Major Governmental Funds
Revenues				
Other local	\$ 2,320,735	\$ 30,358	\$ 971,866	\$ 15,781,637
Property taxes	59,092,246	24,397,433		
State aid and grants	66,687,305			14,793,265
Federal aid, grants and reimbursements	<u>852,870</u>			<u>15,562,880</u>
Total revenues	<u>128,953,156</u>	<u>24,427,791</u>	<u>971,866</u>	<u>46,137,782</u>
Expenditures				
Current:				
Instruction	57,942,238			25,269,713
Support services - students and staff	15,957,538			4,745,915
Support services - administration	12,447,323			2,593,925
Operation and maintenance of plant services	13,235,725			1,845,886
Student transportation services	4,955,545			1,064,941
Operation of non-instructional services	540,946			11,575,241
Capital outlay	7,375,797		15,941,944	369,898
Debt service:				
Principal retirement		15,985,000		
Interest and fiscal charges		<u>8,647,275</u>		
Total expenditures	<u>112,455,112</u>	<u>24,632,275</u>	<u>15,941,944</u>	<u>47,465,519</u>
Excess (deficiency) of revenues over expenditures	<u>16,498,044</u>	<u>(204,484)</u>	<u>(14,970,078)</u>	<u>(1,327,737)</u>
Other financing sources (uses)				
Transfers in	1,061,023	971,866		
Transfers out			(971,866)	(1,061,023)
Insurance recoveries	<u>60,825</u>			
Total other financing sources (uses)	<u>1,121,848</u>	<u>971,866</u>	<u>(971,866)</u>	<u>(1,061,023)</u>
Changes in fund balances	<u>17,619,892</u>	<u>767,382</u>	<u>(15,941,944)</u>	<u>(2,388,760)</u>
Fund balances, beginning of year	<u>44,475,361</u>	<u>1,159,449</u>	<u>48,659,940</u>	<u>18,482,942</u>
Fund balances, end of year	<u><u>\$ 62,095,253</u></u>	<u><u>\$ 1,926,831</u></u>	<u><u>\$ 32,717,996</u></u>	<u><u>\$ 16,094,182</u></u>

**Total
Governmental
Funds**

\$ 19,104,596
83,489,679
81,480,570
16,415,750
200,490,595

83,211,951
20,703,453
15,041,248
15,081,611
6,020,486
12,116,187
23,687,639

15,985,000
8,647,275

200,494,850

(4,255)

2,032,889
(2,032,889)

60,825

60,825

56,570

112,777,692

\$ 112,834,262

Kyrene Elementary School District No. 28
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Changes in fund balances - total governmental funds	\$	56,570
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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/amortization expense.

Expenditures for capitalized assets	\$ 14,144,514	
Less current year depreciation/amortization	<u>(16,532,645)</u>	
		(2,388,131)

Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	1,875,657	
Intergovernmental	<u>4,652,108</u>	
		6,527,765

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.	15,985,000
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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	11,162,870	
Pension expense	<u>(9,863,410)</u>	
		1,299,460

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.

Deferred bond items on issuance of refunding debt	(1,072,416)	
Loss on disposal of assets	(1,857)	
Amortization of deferred bond items	1,918,870	
Compensated absences	<u>(1,692,005)</u>	
		(847,408)

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.

		<u>7,653,263</u>
Changes in net position in governmental activities	\$	<u>28,286,519</u>

Kyrene Elementary School District No. 28
Statement of Net Position
Proprietary Funds
June 30, 2023

	Governmental Activities Internal Service Funds
Assets	
Current assets:	
Cash and investments	\$ 12,936,705
Deposits held with others	968,198
Total current assets	<u>13,904,903</u>
Noncurrent assets:	
Capital assets, net accumulated depreciation	<u>333,305</u>
Total noncurrent assets	<u>333,305</u>
Total assets	<u>14,238,208</u>
Liabilities	
Current liabilities:	
Accounts payable	701,275
Claims payable	825,500
Accrued payroll and employee benefits	<u>26,951</u>
Total current liabilities	<u>1,553,726</u>
Net position	
Net investment in capital assets	333,305
Unrestricted	<u>12,351,177</u>
Total net position	<u>\$ 12,684,482</u>

Kyrene Elementary School District No. 28
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Governmental Activities Internal Service Funds
Operating revenues	
Contributions	16,041,234
Charges for services	1,542,790
Total operating revenues	<u>17,584,024</u>
Operating expenses	
Depreciation	59,402
Claims	4,993,485
Premiums	1,682,606
Administrative fees	2,181,638
Cost of services	1,338,393
Total operating expenses	<u>10,255,524</u>
Operating income (loss)	<u>7,328,500</u>
Nonoperating revenues (expenses)	
Investment income	292,665
Total nonoperating revenue (expenses)	<u>292,665</u>
Changes in net position	7,621,165
Total net position, beginning of year	<u>5,063,317</u>
Total net position, end of year	<u><u>\$ 12,684,482</u></u>

Kyrene Elementary School District No. 28
Statement of Cash Flows
Proprietary Funds
June 30, 2023

	Governmental Activities Internal Service Funds
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities	
Cash received from contributions	\$ 17,779,345
Cash payments to suppliers for goods and services	(6,033,938)
Cash payments for claims	(5,888,585)
Net cash provided by/used for operating activities	<u>5,856,822</u>
Cash flows from investing activities	
Investment income	<u>292,665</u>
Net cash provided by/used for investing activities	<u>292,665</u>
Cash flows from noncapital financing activities	
Purchase of capital assets	(27,304)
Net cash provided by/used for noncapital financing activities	<u>(27,304)</u>
Net increase/decrease in cash and cash equivalents	6,122,183
Cash and cash equivalents, beginning of year	<u>6,814,522</u>
Cash and cash equivalents, end of year	<u>\$ 12,936,705</u>
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>	
Operating income/loss	\$ 7,328,500
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Depreciation expense	59,402
Changes in assets and liabilities:	
Increase/decrease in deposits	(968,198)
Increase/decrease in accounts receivable	195,321
Increase/decrease in due from other funds	76,900
Increase/decrease in accounts payable	129,733
Increase/decrease in claims payable	(895,100)
Increase/decrease in unearned revenue	7,164
Increase/decrease in due to other funds	(76,900)
Total adjustments	<u>(1,471,678)</u>
Net cash provided by/used for operating activities	<u>\$ 5,856,822</u>

Kyrene Elementary School District No. 28
Notes to Financial Statements
June 30, 2023

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, 2023, the District implemented the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). This Statement increases the usefulness of the financial statements by requiring the recognition of certain assets and liabilities for SBITAs. This Statement also requires a government to disclose essential information about the arrangement. The District's analysis of SBITAs 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.

In addition, during the year the District consolidated individual reporting funds that were presented separately in the prior year financial statements. The consolidated funds include the Federal and State Grants Fund, Other Special Revenue Fund, and Other Capital Projects Fund.

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.

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.

Kyrene Elementary School District No. 28
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

Blended Component Unit – Blended component units, although legally separate entities, are, in substance, part of the District's operations. The Kyrene Elementary School District Employee Benefit Trust is responsible for providing health insurance for the District employees. The District's Governing Board appoints the Trust's Board of Directors. The Kyrene Elementary School District Employee Benefit Trust provides services entirely to the District and therefore has been included as an Internal Service Fund in accordance with the criteria established by GASB.

Complete audited financial statements for the component units may be obtained at the Kyrene Elementary School District's administrative offices 8700 S Kyrene Rd, Tempe, AZ 85284.

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. The District does not allocate indirect expenses to programs of functions. 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 aid, and other items not included among program revenues are reported instead as general revenues.

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.

Kyrene Elementary School District No. 28
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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. Capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

Property taxes, federal, state 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.

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.

Kyrene Elementary School District No. 28
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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 and the Unrestricted Capital Outlay 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.

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, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Kyrene Elementary School District No. 28
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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.

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.

Kyrene Elementary School District No. 28
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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.

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. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Kyrene Elementary School District No. 28
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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 estimated useful life of the asset. Intangible right-to-use assets are amortized over the shorter of the lease/subscription term or the underlying asset's useful life. The estimated useful lives and amortization periods are as follows:

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

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.

Kyrene Elementary School District No. 28
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

M. Leases

As lessor, the District recognizes lease receivables with an initial, individual value of \$100,000 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. Subscription-Based Information Technology Arrangements (SBITAs)

As an end user of subscription-based technology, the District recognizes SBITA obligations with an initial, individual value of \$100,000 or more. The District uses its estimated incremental borrowing rate to measure SBITA obligations unless it can readily determine the interest rate implicit in the SBITA contract. The District's estimated incremental borrowing rate is based on the Applicable Federal Rate.

O. 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.

P. 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.

Kyrene Elementary School District No. 28
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

Q. 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.

R. 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.

S. 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.

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.

Kyrene Elementary School District No. 28
Notes to Financial Statements
June 30, 2023

Note 2 – Fund Balance Classifications

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.

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	Debt Service	Bond Building	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	\$ 207,909	\$	\$	\$
Restricted:				
Debt service		1,926,831		
Capital projects	11,677,078			759,393
Bond building projects			32,717,996	
Voter approved initiatives				10,462,818
Auxiliary operations				699,821
Food service				2,581,191
Civic center				243,981
Community schools				3,822,846
Extracurricular activities				996,154
Gifts and donations				443,574
Student activities				266,459
Other purposes	2,949,807			114,012
Unassigned	47,260,459			(4,296,067)
Total fund balances	<u>\$ 62,095,253</u>	<u>\$ 1,926,831</u>	<u>\$ 32,717,996</u>	<u>\$ 16,094,182</u>

Kyrene Elementary School District No. 28
Notes to Financial Statements
June 30, 2023

Note 3 – Stewardship, Compliance and Accountability

Individual Deficit Fund Balance – At year end, the Federal and State Grants Fund reported a deficit of \$4,296,067 in fund balance. The deficit arose because of pending grant reimbursements. Additional revenues received in fiscal year 2023-24 are expected to eliminate the deficit.

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 \$1,484,203 and the bank balance was \$5,095,864. In addition, the District had \$4,011,749 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.

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	469 days	\$ 132,951,074

Kyrene Elementary School District No. 28
Notes to Financial Statements
June 30, 2023

Note 4 – Cash and Investments

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 and non-major governmental funds in the aggregate were as follows:

	General	Non-Major Governmental Funds
Due from other governmental entities:		
Due from federal government	\$	\$ 6,870,906
Due from state government	<u>14,101,488</u>	<u>875,170</u>
Net due from governmental entities	<u><u>\$ 14,101,488</u></u>	<u><u>\$ 7,746,076</u></u>

Kyrene Elementary School District No. 28
Notes to Financial Statements
June 30, 2023

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. In addition, the District leases cell towers to private parties which are included in lease receivables.

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

Year Ending June 30:		
2024	\$	845,972
2025		847,600
2026		849,289
2027		851,036
2028		952,848
2029-33		4,906,305
2034-38		5,304,398
2039-43		5,752,272
2044-48		6,129,588
2049-53		6,895,812
2054-58		7,757,784
2059-63		8,599,752
2064-68		9,163,872
2069-73		10,309,368
2074-78		11,598,036
2079-83		12,856,836
2084-88		13,700,172
2089-93		15,412,704
2094-98		16,916,400
2099		<u>3,143,280</u>
Total	\$	<u><u>142,793,324</u></u>

Kyrene Elementary School District No. 28
Notes to Financial Statements
June 30, 2023

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 progress	<u>1,970,991</u>	<u>8,296,786</u>	<u>654,123</u>	<u>9,613,654</u>
Total capital assets, not being depreciated	<u>27,278,033</u>	<u>8,296,786</u>	<u>654,123</u>	<u>34,920,696</u>
Capital assets, being depreciated:				
Land improvements	46,465,287	1,064,242		47,529,529
Buildings and improvements	409,472,405	4,804,759		414,277,164
Vehicles, furniture and equipment	<u>30,307,339</u>	<u>632,850</u>	<u>22,184</u>	<u>30,918,005</u>
Total capital assets being depreciated	<u>486,245,031</u>	<u>6,501,851</u>	<u>22,184</u>	<u>492,724,698</u>
Less accumulated depreciation for:				
Land improvements	(31,563,403)	(1,388,553)		(32,951,956)
Buildings and improvements	(214,097,272)	(13,301,071)		(227,398,343)
Vehicles, furniture and equipment	<u>(15,233,605)</u>	<u>(1,843,021)</u>	<u>(20,327)</u>	<u>(17,056,299)</u>
Total accumulated depreciation	<u>(260,894,280)</u>	<u>(16,532,645)</u>	<u>(20,327)</u>	<u>(277,406,598)</u>
Total capital assets, being depreciated, net	<u>225,350,751</u>	<u>(10,030,794)</u>	<u>1,857</u>	<u>215,318,100</u>
Governmental activities capital assets, net	<u>\$ 252,628,784</u>	<u>\$ (1,734,008)</u>	<u>\$ 655,980</u>	<u>\$ 250,238,796</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 11,319,973
Support services – students and staff	54,183
Support services – administration	644,086
Operation and maintenance of plant services	2,930,179
Student transportation services	1,314,146
Operation of non-instructional services	<u>270,078</u>
Total depreciation expense – governmental activities	<u>\$ 16,532,645</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 \$9.6 million on the projects and had estimated remaining contractual commitments of \$3.3 million. These projects are being funded with bond proceeds.

Kyrene Elementary School District No. 28
Notes to Financial Statements
June 30, 2023

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, 2023	Due Within One Year
Governmental activities:					
2010 School Improvement Bonds, Series B (Class B)	\$ 40,000,000	4.00-5.50%	7/1/23-30	\$ 850,000	\$ 850,000
2010 School Improvement Bonds, Series C (Class B)	40,000,000	3.00-5.00%	7/1/23-34	38,650,000	
Refunding Bonds, Series 2015	24,120,000	2.00-5.00%	7/1/23-27	22,025,000	
2010 School Improvement Bonds, Series D (Class B)	32,025,000	3.00-4.00%	7/1/23-36	13,055,000	2,295,000
Refunding Bonds, Series 2016A (Class B)	17,450,000	3.00-5.00%	7/1/23-27	7,360,000	
Refunding Bonds, Series 2016B (2019 Crossover)	7,360,000	2.50-6.20%	7/1/24-28	1,670,000	1,670,000
Refunding Bonds, Series 2017A (2019 Crossover)	6,885,000	4.00-5.00%	7/1/23-23	9,515,000	1,530,000
Refunding Bonds, Series 2017B (2020 Crossover)	12,395,000	2.00-6.00%	7/1/23-28	25,085,000	
Refunding Bonds, Series 2017C	25,085,000	4.00-5.50%	7/1/24-30	16,950,000	
2017 School Improvement Bonds, Series A (Class B)	29,965,000	2.00-5.00%	7/1/23-38	14,045,000	3,825,000
2017 School Improvement Bonds, Series B (Class B)	28,005,000	1.00-5.00%	7/1/23-40	19,800,000	3,175,000
2017 School Improvement Bonds, Series C (Class B)	30,105,000	5.00%	7/1/23-41	27,455,000	2,640,000
Total				<u>\$ 196,460,000</u>	<u>\$ 15,985,000</u>

Kyrene Elementary School District No. 28
Notes to Financial Statements
June 30, 2023

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
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	12,410,000	
2029-33	63,975,000	5,748,425
2034-38	43,530,000	10,449,775
2039-42	18,350,000	2,356,750
Total	<u>\$ 196,460,000</u>	<u>\$ 47,489,652</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	\$ 213,060,000	\$	\$ 16,600,000	\$ 196,460,000	\$ 15,985,000
Premium	19,055,071		1,918,870	17,136,201	
Total bonds payable	<u>232,115,071</u>		<u>18,518,870</u>	<u>213,596,201</u>	<u>15,985,000</u>
Net pension liability	106,469,822	17,859,799		124,329,621	
Compensated absences payable	6,299,165	7,500,985	5,808,980	7,991,170	2,000,000
Total long-term liabilities	<u>\$ 344,884,058</u>	<u>\$ 25,360,784</u>	<u>\$ 24,327,850</u>	<u>\$ 345,916,992</u>	<u>\$ 17,985,000</u>

Kyrene Elementary School District No. 28
Notes to Financial Statements
June 30, 2023

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 \$3.9 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.

Interfund transfers:

Transfers out	Transfers in		
	General	Debt Service	Total
Bond Building	\$	\$ 971,866	\$ 971,866
Non-Major Governmental Funds	1,061,023		1,061,023
Total	<u>\$ 1,061,023</u>	<u>\$ 971,866</u>	<u>\$ 2,032,889</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, 2023

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 \$11.0 million at year end.

Kyrene Elementary School District No. 28
Notes to Financial Statements
June 30, 2023

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:

	Year ended June 30, 2023	Year ended June 30, 2022
Unpaid claims, beginning of fiscal year	\$ 1,720,600	\$ 1,855,600
Incurred claims (including IBNRs)	4,993,485	10,164,137
Claim payments	(5,888,585)	(10,299,137)
Unpaid claims, end of fiscal year	<u>\$ 825,500</u>	<u>\$ 1,720,600</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, 2023

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 12.17 percent (12.03 percent for retirement and 0.14 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 12.17 percent (11.92 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2023 were \$11,162,870.

Kyrene Elementary School District No. 28
Notes to Financial Statements
June 30, 2023

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 9.68 percent (9.62 for retirement and 0.06 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, 2022. 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, 2021, to the measurement date of June 30, 2022. 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, 2022.

At June 30, 2023, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2022, the District's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2021 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 124,329,621	0.762	(0.049)

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, 2023 was \$9,863,410

Kyrene Elementary School District No. 28
Notes to Financial Statements
June 30, 2023

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	\$ 1,059,362	\$
Changes of assumptions or other inputs	6,170,720	
Net difference between projected and actual earnings on pension investments		3,274,962
Changes in proportion and differences between contributions and proportionate share of contributions		6,595,719
Contributions subsequent to the measurement date	11,162,870	
Total	<u>\$ 18,392,952</u>	<u>\$ 9,870,681</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, 2024. 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:

2024	\$ 1,618,499
2025	(3,814,725)
2026	(5,686,105)
2027	5,241,732

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

Actuarial valuation date	June 30, 2021
Actuarial roll forward date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
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, 2023

Note 14 – Pensions

The actuarial assumptions used in the June 30, 2021 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:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50%	3.90%
Credit	20	5.30
Interest rate sensitive bonds	10	(0.20)
Real estate	20	6.00
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the 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, 2023

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	\$ 183,444,661	\$ 124,329,621	\$ 75,036,915

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 – Subsequent Event

On October 11, 2023, the District issued \$18,990,000 in School Improvement Bonds. The proceeds will be used to implement the District's Master Capital Plan.

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Required Supplementary Information

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Kyrene Elementary School District No. 28
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2023

	Budget		Non-GAAP	Variance with
	Original	Final	Actual	Final Budget
Revenues				
Other local	\$	\$	\$ 505,381	\$ 505,381
Property taxes			52,245,707	52,245,707
State aid and grants			59,427,133	59,427,133
Total revenues			<u>112,178,221</u>	<u>112,178,221</u>
Expenditures				
Current:				
Instruction	84,477,755	79,715,310	57,942,238	21,773,072
Support services - students and staff	15,134,450	16,086,992	15,454,779	632,213
Support services - administration	10,628,832	11,429,419	11,223,268	206,151
Operation and maintenance of plant services	12,782,273	13,246,619	13,086,571	160,048
Student transportation services	4,270,806	5,233,906	4,927,835	306,071
Operation of non-instructional services	212,700	500,438	540,946	(40,508)
Total expenditures	<u>127,506,816</u>	<u>126,212,684</u>	<u>103,175,637</u>	<u>23,037,047</u>
Excess (deficiency) of revenues over expenditures	<u>(127,506,816)</u>	<u>(126,212,684)</u>	<u>9,002,584</u>	<u>135,215,268</u>
Changes in fund balances	<u>(127,506,816)</u>	<u>(126,212,684)</u>	<u>9,002,584</u>	<u>135,215,268</u>
Fund balances, beginning of year			<u>21,362,040</u>	<u>21,362,040</u>
Fund balances, end of year	<u>\$ (127,506,816)</u>	<u>\$ (126,212,684)</u>	<u>\$ 30,364,624</u>	<u>\$ 156,577,308</u>

Kyrene Elementary School District No. 28
Schedule of the Proportionate Share of the Net Pension Liability
Arizona State Retirement System
Last Nine Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
District's proportion of the net pension (assets) liability	0.76%	0.81%	0.85%	0.84%
District's proportionate share of the net pension (assets) liability	\$ 124,329,621	\$ 106,469,822	\$ 146,459,341	\$ 122,042,063
District's covered payroll	\$ 90,563,872	\$ 91,200,403	\$ 91,960,943	\$ 88,737,970
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	137.28%	116.74%	159.26%	137.53%
Plan fiduciary net position as a percentage of the total pension liability	74.26%	78.58%	69.33%	73.24%

Schedule of Pension Contributions
Arizona State Retirement System
Last Nine Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 11,162,870	\$ 10,876,721	\$ 10,624,847	\$ 10,529,528
Contributions in relation to the actuarially determined contribution	<u>11,162,870</u>	<u>10,876,721</u>	<u>10,624,847</u>	<u>10,529,528</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 93,648,238	\$ 90,563,872	\$ 91,200,403	\$ 91,960,943
Contributions as a percentage of covered payroll	11.92%	12.01%	11.65%	11.45%

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.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.83%	0.82%	0.81%	0.85%	0.82%
\$ 115,596,800	\$ 127,917,606	\$ 130,157,833	\$ 132,478,207	\$ 121,650,116
\$ 82,069,404	\$ 79,874,722	\$ 75,593,152	\$ 78,285,620	\$ 79,933,336
140.85%	160.15%	172.18%	169.22%	152.19%
73.40%	69.92%	67.06%	68.35%	69.49%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 9,920,905	\$ 8,945,565	\$ 8,610,495	\$ 8,201,857	\$ 8,525,304
9,920,905	8,945,565	8,610,495	8,201,857	8,525,304
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 88,737,970	\$ 82,069,404	\$ 79,874,722	\$ 75,593,152	\$ 78,285,620
11.18%	10.90%	10.78%	10.85%	10.89%

Kyrene Elementary School District No. 28
Notes to Required Supplementary Information
June 30, 2023

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.

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in		
Fund Balances - Governmental Funds	\$ 112,455,112	\$ 62,095,253
Activity budgeted as special revenue funds	(1,999,520)	(9,372,257)
Activity budgeted as capital projects funds	(7,373,100)	(21,020,355)
Current-year prepaid items	1,303,680	(1,303,680)
Prior-year prepaid items	(1,210,535)	
Employee insurance account		(34,337)
Schedule of Revenue, Expenditures and Changes in		
Fund Balances – Budget and Actual - General Fund	<u>\$ 103,175,637</u>	<u>\$ 30,364,624</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, 2021, 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.

**Combining and Individual Fund
Financial Statements and Schedules**

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Governmental Funds

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Non-Major Governmental Funds

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.

Federal and State Grants – to account for financial assistance received for federal and state grants and projects.

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.

Other Special Revenue Funds – to account for the revenues and expenditures of other special revenue activities, including the following: civic center, community school, auxiliary operations, extracurricular activities fees tax credit, and student activities.

Capital Projects Funds

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

Other Capital Projects Funds – to account for the revenues and expenditures of other capital projects activities, including the following: energy water and savings and building renewal grant.

Kyrene Elementary School District No. 28
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Classroom Site	Instructional Improvement	Federal and State Grants	Food Service
Assets				
Cash and investments	\$ 7,123,965	\$ 2,885,755	\$	\$ 2,494,512
Accounts receivable				
Due from governmental entities		735,177	6,902,678	108,221
Leases receivable				
Total assets	<u>\$ 7,123,965</u>	<u>\$ 3,620,932</u>	<u>\$ 6,902,678</u>	<u>\$ 2,602,733</u>
Liabilities				
Accounts payable	\$ 21,003	\$	\$ 186,242	\$ 21,542
Due to other funds			3,886,896	
Accrued payroll and employee benefits	224,044	37,032	339,754	
Unearned revenues			8,148	
Total liabilities	<u>245,047</u>	<u>37,032</u>	<u>4,421,040</u>	<u>21,542</u>
Deferred inflows of resources				
Unavailable revenues - intergovernmental			6,777,705	
Leases				
Total deferred inflows of resources			<u>6,777,705</u>	
Fund balances				
Restricted	6,878,918	3,583,900		2,581,191
Unassigned			(4,296,067)	
Total fund balances	<u>6,878,918</u>	<u>3,583,900</u>	<u>(4,296,067)</u>	<u>2,581,191</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,123,965</u>	<u>\$ 3,620,932</u>	<u>\$ 6,902,678</u>	<u>\$ 2,602,733</u>

Special Revenue

Funds	Capital Projects Funds		Total Non-Major
Other Special Revenue	Adjacent Ways	Other Capital Projects	Governmental Funds
\$ 7,387,123	\$ 652,988	\$ 110,545	\$ 20,654,888
22,918			22,918
			7,746,076
634,365			634,365
<u>\$ 8,044,406</u>	<u>\$ 652,988</u>	<u>\$ 110,545</u>	<u>\$ 29,058,247</u>
\$ 423,517	\$	\$ 4,140	\$ 656,444
			3,886,896
409,745			1,010,575
			8,148
<u>833,262</u>		<u>4,140</u>	<u>5,562,063</u>
			6,777,705
624,297			624,297
<u>624,297</u>			<u>7,402,002</u>
6,586,847	652,988	106,405	20,390,249
			(4,296,067)
<u>6,586,847</u>	<u>652,988</u>	<u>106,405</u>	<u>16,094,182</u>
<u>\$ 8,044,406</u>	<u>\$ 652,988</u>	<u>\$ 110,545</u>	<u>\$ 29,058,247</u>

Kyrene Elementary School District No. 28
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			
	Classroom Site	Instructional Improvement	Federal and State Grants	Food Service
Revenues				
Other local	\$ 140,375	\$ 400	\$ 11,221	\$ 2,310,212
State aid and grants	11,660,407	1,002,206	2,108,402	
Federal aid, grants and reimbursements			11,879,610	3,683,270
Total revenues	<u>11,800,782</u>	<u>1,002,606</u>	<u>13,999,233</u>	<u>5,993,482</u>
Expenditures				
Current:				
Instruction	10,701,548	633,506	12,120,438	
Support services - students and staff	215,711	78,507	4,172,563	
Support services - administration			994,576	225,918
Operation and maintenance of plant services			775,472	540,880
Student transportation services			885,208	
Operation of non-instructional services			2,406	4,206,760
Capital outlay			99,143	178,425
Total expenditures	<u>10,917,259</u>	<u>712,013</u>	<u>19,049,806</u>	<u>5,151,983</u>
Excess (deficiency) of revenues over expenditures	<u>883,523</u>	<u>290,593</u>	<u>(5,050,573)</u>	<u>841,499</u>
Other financing sources (uses)				
Transfers out			(301,023)	(760,000)
Total other financing sources (uses)			<u>(301,023)</u>	<u>(760,000)</u>
Changes in fund balances	<u>883,523</u>	<u>290,593</u>	<u>(5,351,596)</u>	<u>81,499</u>
Fund balances, beginning of year	<u>5,995,395</u>	<u>3,293,307</u>	<u>1,055,529</u>	<u>2,499,692</u>
Fund balances, end of year	<u>\$ 6,878,918</u>	<u>\$ 3,583,900</u>	<u>\$ (4,296,067)</u>	<u>\$ 2,581,191</u>

Special Revenue

Funds	Capital Projects Funds		Total Non-Major
Other Special Revenue	Adjacent Ways	Other Capital Projects	Governmental Funds
\$ 13,307,459	\$ 11,514	\$ 456	\$ 15,781,637
		22,250	14,793,265
			15,562,880
<u>13,307,459</u>	<u>11,514</u>	<u>22,706</u>	<u>46,137,782</u>
1,814,221			25,269,713
279,134			4,745,915
1,373,431			2,593,925
529,534			1,845,886
179,733			1,064,941
7,366,075			11,575,241
78,390		13,940	369,898
<u>11,620,518</u>		<u>13,940</u>	<u>47,465,519</u>
<u>1,686,941</u>	<u>11,514</u>	<u>8,766</u>	<u>(1,327,737)</u>
			(1,061,023)
			<u>(1,061,023)</u>
<u>1,686,941</u>	<u>11,514</u>	<u>8,766</u>	<u>(2,388,760)</u>
<u>4,899,906</u>	<u>641,474</u>	<u>97,639</u>	<u>18,482,942</u>
<u>\$ 6,586,847</u>	<u>\$ 652,988</u>	<u>\$ 106,405</u>	<u>\$ 16,094,182</u>

Kyrene Elementary School District No. 28
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Classroom Site
For the Year Ended June 30, 2023

	<u>Budget</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Other local	\$	\$	\$ 140,375	\$ 140,375
State aid and grants			11,660,407	11,660,407
Total revenues			11,800,782	11,800,782
Expenditures				
Current:				
Instruction	17,883,644	17,456,099	10,701,548	6,754,551
Support services - students and staff	20,312	202,312	215,711	(13,399)
Total expenditures	17,903,956	17,658,411	10,917,259	6,741,152
Changes in fund balances	(17,903,956)	(17,658,411)	883,523	18,541,934
Fund balances, beginning of year			5,995,395	5,995,395
Fund balances, end of year	\$ (17,903,956)	\$ (17,658,411)	\$ 6,878,918	\$ 24,537,329

Kyrene Elementary School District No. 28
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Instructional Improvement
For the Year Ended June 30, 2023

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Other local	\$	\$ 400	\$ 400
State aid and grants		1,002,206	1,002,206
Total revenues		1,002,606	1,002,606
Expenditures			
Current:			
Instruction	3,658,777	633,506	3,025,271
Support services - students and staff	453,413	78,507	374,906
Total expenditures	4,112,190	712,013	3,400,177
Changes in fund balances	(4,112,190)	290,593	4,402,783
Fund balances, beginning of year		3,293,307	3,293,307
Fund balances, end of year	\$ (4,112,190)	\$ 3,583,900	\$ 7,696,090

Kyrene Elementary School District No. 28
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal and State Grants
For the Year Ended June 30, 2023

	<u>Budget</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Other local	\$	\$	\$ 11,221	\$ 11,221
State aid and grants			2,108,402	2,108,402
Federal aid, grants and reimbursements			11,879,610	11,879,610
Total revenues			<u>13,999,233</u>	<u>13,999,233</u>
Expenditures				
Current:				
Instruction	17,953,824	18,759,502	12,120,438	6,639,064
Support services - students and staff	6,180,755	6,458,117	4,172,563	2,285,554
Support services - administration	1,473,251	1,539,363	994,576	544,787
Operation and maintenance of plant services	1,148,695	1,200,243	775,472	424,771
Student transportation services	1,311,245	1,370,088	885,208	484,880
Operation of non-instructional services	3,564	3,724	2,406	1,318
Capital outlay	146,859	153,449	99,143	54,306
Total expenditures	<u>28,218,193</u>	<u>29,484,485</u>	<u>19,049,806</u>	<u>10,434,679</u>
Excess (deficiency) of revenues over expenditures	<u>(28,218,193)</u>	<u>(29,484,485)</u>	<u>(5,050,573)</u>	<u>24,433,912</u>
Other financing sources (uses)				
Transfers out			(301,023)	(301,023)
Total other financing sources (uses)			<u>(301,023)</u>	<u>(301,023)</u>
Changes in fund balances	<u>(28,218,193)</u>	<u>(29,484,485)</u>	<u>(5,351,596)</u>	<u>24,132,889</u>
Fund balances, beginning of year			<u>1,055,529</u>	<u>1,055,529</u>
Fund balances, end of year	<u>\$ (28,218,193)</u>	<u>\$ (29,484,485)</u>	<u>\$ (4,296,067)</u>	<u>\$ 25,188,418</u>

Kyrene Elementary School District No. 28
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Food Service
For the Year Ended June 30, 2023

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Other local	\$	\$ 2,310,212	\$ 2,310,212
Federal aid, grants and reimbursements		3,683,270	3,683,270
Total revenues		<u>5,993,482</u>	<u>5,993,482</u>
Expenditures			
Current:			
Support services - administration	327,879	225,918	101,961
Operation and maintenance of plant services	784,988	540,880	244,108
Operation of non-instructional services	6,105,341	4,206,760	1,898,581
Capital outlay	258,951	178,425	80,526
Total expenditures	<u>7,477,159</u>	<u>5,151,983</u>	<u>2,325,176</u>
Excess (deficiency) of revenues over expenditures	<u>(7,477,159)</u>	<u>841,499</u>	<u>8,318,658</u>
Other financing sources (uses)			
Transfers out		(760,000)	(760,000)
Total other financing sources (uses)		<u>(760,000)</u>	<u>(760,000)</u>
Changes in fund balances	<u>(7,477,159)</u>	<u>81,499</u>	<u>7,558,658</u>
Fund balances, beginning of year		<u>2,499,692</u>	<u>2,499,692</u>
Fund balances, end of year	<u>\$ (7,477,159)</u>	<u>\$ 2,581,191</u>	<u>\$ 10,058,350</u>

Kyrene Elementary School District No. 28
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Special Revenue
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 13,307,459	\$ 13,307,459
Total revenues			<u>13,307,459</u>	<u>13,307,459</u>
Expenditures				
Current:				
Instruction	2,595,245	2,951,087	1,814,221	1,136,866
Support services - students and staff	399,301	454,051	279,134	174,917
Support services - administration	1,964,694	2,234,079	1,373,431	860,648
Operation and maintenance of plant services	757,499	861,362	529,534	331,828
Student transportation services	257,108	292,361	179,733	112,628
Operation of non-instructional services	10,537,177	11,981,961	7,366,075	4,615,886
Capital outlay	112,137	127,512	78,390	49,122
Total expenditures	<u>16,623,161</u>	<u>18,902,413</u>	<u>11,620,518</u>	<u>7,281,895</u>
Excess (deficiency) of revenues over expenditures	<u>(16,623,161)</u>	<u>(18,902,413)</u>	<u>1,686,941</u>	<u>20,589,354</u>
Changes in fund balances	<u>(16,623,161)</u>	<u>(18,902,413)</u>	<u>1,686,941</u>	<u>20,589,354</u>
Fund balances, beginning of year			<u>4,899,906</u>	<u>4,899,906</u>
Fund balances, end of year	<u>\$ (16,623,161)</u>	<u>\$ (18,902,413)</u>	<u>\$ 6,586,847</u>	<u>\$ 25,489,260</u>

Kyrene Elementary School District No. 28
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 30,358	\$ 30,358
Property taxes		24,397,433	24,397,433
Total revenues		<u>24,427,791</u>	<u>24,427,791</u>
Expenditures			
Debt service:			
Principal retirement	15,985,000	15,985,000	
Interest and fiscal charges	<u>10,513,825</u>	<u>8,647,275</u>	1,866,550
Total expenditures	<u>26,498,825</u>	<u>24,632,275</u>	<u>1,866,550</u>
Excess (deficiency) of revenues over expenditures	<u>(26,498,825)</u>	<u>(204,484)</u>	<u>26,294,341</u>
Other financing sources (uses)			
Transfers in		<u>971,866</u>	<u>971,866</u>
Total other financing sources (uses)		<u>971,866</u>	<u>971,866</u>
Changes in fund balances	<u>(26,498,825)</u>	<u>767,382</u>	<u>27,266,207</u>
Fund balances, beginning of year		<u>1,159,449</u>	<u>1,159,449</u>
Fund balances, end of year	<u>\$ (26,498,825)</u>	<u>\$ 1,926,831</u>	<u>\$ 28,425,656</u>

Kyrene Elementary School District No. 28
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Adjacent Ways
For the Year Ended June 30, 2023

	<u>Budget</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Other local	\$	\$	\$ 11,514	\$ 11,514
Total revenues			11,514	11,514
Expenditures				
Capital outlay	636,246			
Total expenditures	636,246			
Excess (deficiency) of revenues over expenditures	(636,246)		11,514	11,514
Changes in fund balances	(636,246)		11,514	11,514
Fund balances, beginning of year			641,474	641,474
Fund balances, end of year	\$ (636,246)	\$	\$ 652,988	\$ 652,988

Kyrene Elementary School District No. 28
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bond Building
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 971,866	\$ 971,866
Total revenues		971,866	971,866
Expenditures			
Capital outlay	40,386,583	15,941,944	24,444,639
Total expenditures	40,386,583	15,941,944	24,444,639
Excess (deficiency) of revenues over expenditures	(40,386,583)	(14,970,078)	25,416,505
Other financing sources (uses)			
Transfers in			
Transfers out		(971,866)	(971,866)
Total other financing sources (uses)		(971,866)	(971,866)
Changes in fund balances	(40,386,583)	(15,941,944)	24,444,639
Fund balances, beginning of year		48,659,940	48,659,940
Fund balances, end of year	\$ (40,386,583)	\$ 32,717,996	\$ 73,104,579

Kyrene Elementary School District No. 28
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Capital Projects
For the Year Ended June 30, 2023

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Other local	\$	\$ 456	\$ 456
State aid and grants		22,250	22,250
Total revenues		22,706	22,706
Expenditures			
Capital outlay	53,072	13,940	39,132
Total expenditures	53,072	13,940	39,132
Excess (deficiency) of revenues over expenditures	(53,072)	8,766	61,838
Changes in fund balances	(53,072)	8,766	61,838
Fund balances, beginning of year		97,639	97,639
Fund balances, end of year	\$ (53,072)	\$ 106,405	\$ 159,477

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
Internal Service Funds
June 30, 2023

	<u>District Services</u>	<u>Intergovernmental Agreements</u>	<u>Employee Benefit Trust</u>	<u>Workers Compensation</u>
Assets				
Current assets:				
Cash and investments	\$ 1,122,629	\$ 73	\$ 10,919,284	\$ 894,719
Deposits			968,198	
Total current assets	<u>1,122,629</u>	<u>73</u>	<u>11,887,482</u>	<u>894,719</u>
Noncurrent assets:				
Capital assets, net accumulated depreciation	<u>333,305</u>			
Total noncurrent assets	<u>333,305</u>			
Total assets	<u>1,455,934</u>	<u>73</u>	<u>11,887,482</u>	<u>894,719</u>
Liabilities				
Current liabilities:				
Accounts payable	24,938		89,655	586,682
Claims payable			825,500	
Accrued payroll and employee benefits	<u>19,911</u>		<u>7,040</u>	
Total current liabilities	<u>44,849</u>		<u>922,195</u>	<u>586,682</u>
Net position				
Net investment in capital assets	333,305			
Unrestricted	<u>1,077,780</u>	<u>73</u>	<u>10,965,287</u>	<u>308,037</u>
Total net position	<u>\$ 1,411,085</u>	<u>\$ 73</u>	<u>\$ 10,965,287</u>	<u>\$ 308,037</u>

**Total Internal
Service Funds**

\$ 12,936,705
968,198

13,904,903

333,305

333,305

14,238,208

701,275
825,500

26,951

1,553,726

333,305
12,351,177

\$ 12,684,482

Kyrene Elementary School District No. 28
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2023

	District Services	Intergovernmental Agreements	Employee Benefit Trust	Workers Compensation
Operating revenues				
Contributions	\$	\$	\$ 15,372,069	\$ 669,165
Charges for services	<u>1,281,813</u>	<u>260,977</u>	<u></u>	<u></u>
Total operating revenues	<u>1,281,813</u>	<u>260,977</u>	<u>15,372,069</u>	<u>669,165</u>
Operating expenses				
Depreciation	59,402			
Claims			4,993,485	
Premiums			1,095,924	586,682
Administrative fees			2,181,638	
Cost of services	<u>1,077,416</u>	<u>260,977</u>	<u></u>	<u></u>
Total operating expenses	<u>1,136,818</u>	<u>260,977</u>	<u>8,271,047</u>	<u>586,682</u>
Operating income (loss)	<u>144,995</u>	<u></u>	<u>7,101,022</u>	<u>82,483</u>
Nonoperating revenues (expenses)				
Investment income	<u>63,979</u>	<u></u>	<u>191,662</u>	<u>37,024</u>
Total nonoperating revenue (expenses)	<u>63,979</u>	<u></u>	<u>191,662</u>	<u>37,024</u>
Changes in net position	208,974		7,292,684	119,507
Total net position, beginning of year	<u>1,202,111</u>	<u>73</u>	<u>3,672,603</u>	<u>188,530</u>
Total net position, end of year	<u>\$ 1,411,085</u>	<u>\$ 73</u>	<u>\$ 10,965,287</u>	<u>\$ 308,037</u>

**Total Internal
Service Funds**

\$ 16,041,234
1,542,790

17,584,024

59,402
4,993,485
1,682,606
2,181,638
1,338,393

10,255,524

7,328,500

292,665

292,665

7,621,165

5,063,317

\$ 12,684,482

Kyrene Elementary School District No. 28
Combining Statement of Cash Flows
Internal Service Funds
June 30, 2023

	<u>District Services</u>	<u>Intergovernmental Agreements</u>	<u>Employee Benefit Trust</u>
<u>Increase/Decrease in Cash and Cash Equivalents</u>			
Cash flows from operating activities			
Cash received from contributions	\$ 1,300,793	\$ 318,970	\$ 15,490,417
Cash payments to suppliers for goods and services	(991,877)	(337,877)	(4,163,805)
Cash payments for claims			(5,888,585)
Net cash provided by/used for operating activities	<u>308,916</u>	<u>(18,907)</u>	<u>5,438,027</u>
Cash flows from investing activities			
Investment income	63,979		191,662
Net cash provided by/used for investing activities	<u>63,979</u>		<u>191,662</u>
Cash flows from noncapital financing activities			
Purchase of capital assets	(27,304)		
Net cash provided by/used for noncapital financing activities	<u>(27,304)</u>		
Net increase/decrease in cash and cash equivalents	345,591	(18,907)	5,629,689
Cash and cash equivalents, beginning of year	<u>777,038</u>	<u>18,980</u>	<u>5,289,595</u>
Cash and cash equivalents, end of year	<u>\$ 1,122,629</u>	<u>\$ 73</u>	<u>\$ 10,919,284</u>
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>			
Operating income/loss	\$ 144,995	\$	\$ 7,101,022
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:			
Depreciation expense	59,402		
Changes in assets and liabilities:			
Increase/decrease in deposits			(968,198)
Increase/decrease in accounts receivable	18,980	57,993	118,348
Increase/decrease in due from other funds	76,900		
Increase/decrease in accounts payable	3,062		80,368
Increase/decrease in claims payable			(895,100)
Increase/decrease in unearned revenue	5,577		1,587
Increase/decrease in due to other funds		(76,900)	
Total adjustments	<u>163,921</u>	<u>(18,907)</u>	<u>(1,662,995)</u>
Net cash provided by/used for operating activities	<u>\$ 308,916</u>	<u>\$ (18,907)</u>	<u>\$ 5,438,027</u>

<u>Workers Compensation</u>	<u>Total Internal Service Funds</u>
\$ 669,165	\$ 17,779,345
(540,379)	(6,033,938)
	(5,888,585)
<u>128,786</u>	<u>5,856,822</u>
<u>37,024</u>	<u>292,665</u>
<u>37,024</u>	<u>292,665</u>
	(27,304)
	(27,304)
165,810	6,122,183
<u>728,909</u>	<u>6,814,522</u>
<u>\$ 894,719</u>	<u>\$ 12,936,705</u>

\$ 82,483	\$ 7,328,500
	59,402
	(968,198)
	195,321
	76,900
46,303	129,733
	(895,100)
	7,164
	(76,900)
<u>46,303</u>	<u>(1,471,678)</u>
<u>\$ 128,786</u>	<u>\$ 5,856,822</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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Position:					
Net investment in capital assets	\$ 72,197,491	\$ 72,749,664	\$ 79,015,926	\$ 72,383,417	\$ 89,872,546
Restricted	37,289,664	33,911,079	23,350,574	39,378,225	55,106,379
Unrestricted	(43,801,264)	(69,261,371)	(79,265,050)	(82,975,141)	(106,742,723)
Total net position	<u>\$ 65,685,891</u>	<u>\$ 37,399,372</u>	<u>\$ 23,101,450</u>	<u>\$ 28,786,501</u>	<u>\$ 38,236,202</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Position:					
Net investment in capital assets	\$ 98,482,098	\$ 106,426,708	\$ 108,943,728	\$ 111,473,166	\$ 114,206,682
Restricted	56,405,890	36,150,556	28,705,673	28,863,347	22,849,053
Unrestricted	(117,505,906)	(104,166,424)	(92,436,793)	(92,651,215)	42,530,346
Total net position	<u>\$ 37,382,082</u>	<u>\$ 38,410,840</u>	<u>\$ 45,212,608</u>	<u>\$ 47,685,298</u>	<u>\$ 179,586,081</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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Expenses					
Instruction	\$ 94,508,752	\$ 99,294,987	\$ 100,534,508	\$ 104,942,309	\$ 95,095,674
Support services - students and staff	20,127,447	18,478,120	19,073,214	18,875,148	15,624,233
Support services - administration	16,799,995	15,773,971	17,191,517	17,585,115	15,699,409
Operation and maintenance of plant services	18,446,839	17,518,999	17,274,280	16,281,746	16,172,484
Student transportation services	8,769,062	8,769,081	8,306,277	8,976,254	9,148,432
Operation of non-instructional services	12,632,415	15,144,253	8,793,108	12,389,654	13,235,212
Interest on long-term debt	7,800,821	7,143,882	7,260,703	7,108,146	8,637,522
Total expenses	<u>179,085,331</u>	<u>182,123,293</u>	<u>178,433,607</u>	<u>186,158,372</u>	<u>173,612,966</u>
Program Revenues					
Charges for services:					
Instruction	183,785	725,728	319,921	1,712,345	2,509,115
Operation of non-instructional services	12,116,589	1,747,154	3,332,804	8,973,714	673,747
Other activities	4,070,696	7,854,342	356,772	459,479	13,157,225
Operating grants and contributions	22,771,831	25,096,465	21,631,674	10,803,586	13,580,735
Capital grants and contributions	378,208	49,447	11,906	2,183,622	119,173
Total program revenues	<u>39,521,109</u>	<u>35,473,136</u>	<u>25,653,077</u>	<u>24,132,746</u>	<u>30,039,995</u>
Net (Expense)/Revenue	<u>\$ (139,564,222)</u>	<u>\$ (146,650,157)</u>	<u>\$ (152,780,530)</u>	<u>\$ (162,025,626)</u>	<u>\$ (143,572,971)</u>

(Continued)

Kyrene Elementary School District No. 28
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses					
Instruction	\$ 88,041,606	\$ 93,265,995	\$ 82,271,525	\$ 84,344,746	\$ 82,030,946
Support services - students and staff	13,753,213	19,164,537	17,787,181	19,530,043	15,255,810
Support services - administration	14,031,266	12,767,901	11,814,132	12,744,530	10,824,855
Operation and maintenance of plant services	15,057,684	15,471,919	14,566,646	13,355,060	13,604,651
Student transportation services	8,139,676	8,099,841	7,147,466	8,650,420	8,034,589
Operation of non-instructional services	11,305,128	10,985,302	10,252,874	10,445,127	10,189,894
Interest on long-term debt	8,527,959	7,481,976	7,945,137	5,266,898	6,144,252
Total expenses	<u>158,856,532</u>	<u>167,237,471</u>	<u>151,784,961</u>	<u>154,336,824</u>	<u>146,084,997</u>
Program Revenues					
Charges for services:					
Instruction	2,662,304	2,563,576	2,669,654	2,220,714	2,657,161
Operation of non-instructional services	8,097,264	7,234,196	6,862,562	7,908,447	8,463,195
Other activities	3,982,375	3,972,469	3,952,249	2,718,150	1,604,568
Operating grants and contributions	<u>11,187,969</u>	<u>10,367,665</u>	<u>10,087,362</u>	<u>10,897,019</u>	<u>10,118,955</u>
Total program revenues	<u>25,929,912</u>	<u>24,137,906</u>	<u>23,571,827</u>	<u>23,744,330</u>	<u>22,843,879</u>
Net (Expense)/Revenue	<u>\$ (132,926,620)</u>	<u>\$ (143,099,565)</u>	<u>\$ (128,213,134)</u>	<u>\$ (130,592,494)</u>	<u>\$ (123,241,118)</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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net (Expense)/Revenue	\$ (139,564,222)	\$ (146,650,157)	\$ (152,780,530)	\$ (162,025,626)	\$ (143,572,971)
General Revenues:					
Property taxes	85,365,336	82,522,623	78,508,216	78,582,664	75,806,355
Investment income	2,282,617	826,967	792,812	2,716,704	2,783,584
Unrestricted county aid		4,617,273	4,876,726	4,741,273	4,683,039
Unrestricted state aid	79,349,918	68,260,551	62,744,088	65,453,346	61,287,147
Unrestricted federal aid	852,870	1,254,235	824,069	853,771	801,814
Total general revenues	<u>167,850,741</u>	<u>157,481,649</u>	<u>147,745,911</u>	<u>152,347,758</u>	<u>145,361,939</u>
Changes in Net Position	<u>\$ 28,286,519</u>	<u>\$ 10,831,492</u>	<u>\$ (5,034,619)</u>	<u>\$ (9,677,868)</u>	<u>\$ 1,788,968</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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net (Expense)/Revenue	\$ (132,926,620)	\$ (143,099,565)	\$ (128,213,134)	\$ (130,592,494)	\$ (123,241,118)
General Revenues:					
Property taxes	72,093,153	75,783,687	64,507,306	65,531,712	66,210,764
Investment income	862,894	616,662	540,339	365,799	341,662
Unrestricted county aid	4,406,194	4,341,246	4,376,677	4,305,332	4,575,232
Unrestricted state aid	53,793,847	54,946,955	55,845,262	52,565,740	55,854,282
Unrestricted federal aid	719,884	609,247	470,860	426,271	261,894
Special Item - Gain on sale of assets				3,385,892	
Total general revenues	<u>131,875,972</u>	<u>136,297,797</u>	<u>125,740,444</u>	<u>126,580,746</u>	<u>127,243,834</u>
Changes in Net Position	<u>\$ (1,050,648)</u>	<u>\$ (6,801,768)</u>	<u>\$ (2,472,690)</u>	<u>\$ (4,011,748)</u>	<u>\$ 4,002,716</u>

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

Note: Due to a change in legislation, beginning with fiscal year 2023, unrestricted county aid is now presented with property taxes.

(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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Fund:					
Nondisposable	\$ 207,909	\$ 222,883	\$ 148,725	\$ 388,795	\$ 1,450,147
Restricted	14,626,885	1,458,009	1,357,857	1,311,117	1,244,506
Unassigned	47,260,459	34,399,328	24,320,870	21,678,989	19,099,528
Total General Fund	<u>\$ 62,095,253</u>	<u>\$ 36,080,220</u>	<u>\$ 25,827,452</u>	<u>\$ 23,378,901</u>	<u>\$ 21,794,181</u>
All Other Governmental Funds:					
Nondisposable	\$	\$ 53,817	\$	\$	\$
Restricted	55,035,076	78,769,252	55,675,802	57,417,708	92,232,811
Unassigned	(4,296,067)	(2,125,597)	(1,789,834)	(521,202)	(410,376)
Total all other governmental funds	<u>\$ 50,739,009</u>	<u>\$ 76,697,472</u>	<u>\$ 53,885,968</u>	<u>\$ 56,896,506</u>	<u>\$ 91,822,435</u>

(Continued)

Kyrene Elementary School District No. 28
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:					
Nondisposable	\$ 300,593	\$ 1,340,670	\$ 292,838	\$ 1,258,311	\$ 261,235
Unassigned	19,182,848	17,437,224	17,172,492	12,546,351	18,977,332
Total General Fund	<u>\$ 20,545,941</u>	<u>\$ 20,325,087</u>	<u>\$ 22,413,345</u>	<u>\$ 18,757,808</u>	<u>\$ 19,238,567</u>
All Other Governmental Funds:					
Nondisposable	\$	\$ 11,103	\$ 11,103	\$ 14,843	\$ 39,265
Restricted	83,373,231	79,794,454	55,176,477	81,500,545	63,638,865
Unassigned	(533,342)				(113,397)
Total all other governmental funds	<u>\$ 82,839,889</u>	<u>\$ 79,805,557</u>	<u>\$ 55,187,580</u>	<u>\$ 81,515,388</u>	<u>\$ 63,564,733</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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Federal sources:					
Federal grants	\$ 12,732,480	\$ 11,243,903	\$ 13,318,124	\$ 6,040,051	\$ 8,394,384
National School Lunch Program	3,683,270	11,782,972	4,623,873	2,712,187	2,962,804
Total federal sources	<u>16,415,750</u>	<u>23,026,875</u>	<u>17,941,997</u>	<u>8,752,238</u>	<u>11,357,188</u>
State sources:					
State equalization assistance	65,760,693	54,891,811	54,363,935	57,779,788	52,759,114
State grants	13,763,623	2,422,788	1,955,491	1,987,575	1,643,021
School Facilities Oversight Board				1,080,829	
Other revenues	<u>1,956,254</u>	<u>13,368,740</u>	<u>8,850,973</u>	<u>8,774,065</u>	<u>8,859,433</u>
Total state sources	<u>81,480,570</u>	<u>70,683,339</u>	<u>65,170,399</u>	<u>69,622,257</u>	<u>63,261,568</u>
Local sources:					
Property taxes	83,489,679	83,082,626	80,865,210	78,320,533	76,102,294
County aid		4,617,273	4,876,726	4,741,273	4,683,039
Food service sales	2,165,639	292,747	80,227	1,902,872	3,074,877
Investment income	1,989,952	751,971	769,996	2,661,990	2,667,536
Other revenues	<u>14,949,005</u>	<u>10,635,282</u>	<u>4,491,490</u>	<u>10,216,214</u>	<u>14,442,388</u>
Total local sources	<u>102,594,275</u>	<u>99,379,899</u>	<u>91,083,649</u>	<u>97,842,882</u>	<u>100,970,134</u>
Total revenues	<u><u>\$ 200,490,595</u></u>	<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>

(Continued)

Kyrene Elementary School District No. 28
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Federal sources:					
Federal grants	\$ 5,626,976	\$ 6,116,228	\$ 5,573,267	\$ 6,268,603	\$ 6,010,715
National School Lunch Program	2,949,517	3,048,550	3,085,815	2,960,070	2,712,642
Total federal sources	<u>8,576,493</u>	<u>9,164,778</u>	<u>8,659,082</u>	<u>9,228,673</u>	<u>8,723,357</u>
State sources:					
State equalization assistance	45,895,173	47,972,153	48,929,863	45,893,602	49,161,855
State grants	1,708,598	650,240	618,425	638,634	414,272
Other revenues	7,898,674	6,974,802	6,915,206	6,672,138	6,692,610
Total state sources	<u>55,503,589</u>	<u>55,597,195</u>	<u>56,463,494</u>	<u>53,204,374</u>	<u>56,268,737</u>
Local sources:					
Property taxes	72,333,374	75,810,064	66,275,827	65,723,617	66,048,091
County aid	4,406,194	4,341,246	4,376,677	4,305,332	4,575,232
Food service sales	2,764,486	2,300,419	2,511,753	2,695,415	2,875,837
Investment income	754,449	566,914	468,542	297,482	276,616
Other revenues	13,227,703	12,515,822	12,320,635	11,538,487	11,130,330
Total local sources	<u>93,486,206</u>	<u>95,534,465</u>	<u>85,953,434</u>	<u>84,560,333</u>	<u>84,906,106</u>
Total revenues	<u><u>\$ 157,566,288</u></u>	<u><u>\$ 160,296,438</u></u>	<u><u>\$ 151,076,010</u></u>	<u><u>\$ 146,993,380</u></u>	<u><u>\$ 149,898,200</u></u>

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

Note: Due to a change in legislation, beginning with fiscal year 2023, county aid is now presented with property taxes.

(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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Expenditures:					
Current -					
Instruction	\$ 83,211,951	\$ 81,607,924	\$ 81,920,816	\$ 82,927,583	\$ 81,509,745
Support services - students and staff	20,703,453	18,644,933	18,122,026	17,572,453	15,630,889
Support services - administration	15,041,248	13,394,634	13,789,303	13,676,583	13,330,441
Operation and maintenance of plant services	15,081,611	14,686,509	14,432,564	12,426,646	15,421,865
Student transportation services	6,020,486	5,329,634	4,261,746	4,570,540	5,616,762
Operation of non-instructional services	12,116,187	14,668,402	8,088,885	11,521,706	12,942,410
Capital outlay	23,687,639	23,434,808	23,526,093	29,896,789	30,162,750
Debt service -					
Principal retirement	15,985,000	16,600,000	19,235,000	12,735,000	15,715,000
Interest and fiscal charges	8,647,275	7,990,337	8,195,636	7,648,147	9,255,572
Bond issuance costs		379,211	357,206		357,734
Payment to refunded bond escrow agent					
Total expenditures	<u>\$ 200,494,850</u>	<u>\$ 196,736,392</u>	<u>\$ 191,929,275</u>	<u>\$ 192,975,447</u>	<u>\$ 199,943,168</u>
Expenditures for capitalized assets	\$ 14,144,514	\$ 11,677,770	\$ 9,913,410	\$ 14,713,074	\$ 17,820,565
Debt service as a percentage of noncapital expenditures	13%	13%	15%	11%	14%

Kyrene Elementary School District No. 28
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenditures:					
Current -					
Instruction	\$ 75,068,795	\$ 74,067,931	\$ 66,525,650	\$ 68,292,959	\$ 67,893,287
Support services - students and staff	14,087,734	18,081,659	16,774,537	18,070,878	14,275,754
Support services - administration	12,556,856	11,304,525	10,799,543	11,235,605	9,792,931
Operation and maintenance of plant services	12,521,437	14,669,131	12,506,555	13,627,847	12,917,394
Student transportation services	5,649,980	5,687,131	5,305,440	6,687,002	6,175,274
Operation of non-instructional services	11,188,747	10,711,500	10,079,519	10,147,856	9,871,316
Capital outlay	23,800,573	26,618,338	32,835,034	32,539,600	12,712,312
Debt service -					
Principal retirement	10,870,000	11,810,000	9,525,000	9,045,000	9,655,000
Interest and fiscal charges	8,976,586	8,289,676	8,427,790	5,405,348	6,282,702
Bond issuance costs	420,528	650,705		669,929	492,682
Payment to refunded bond escrow agent				10,649,569	
Total expenditures	<u><u>\$ 175,141,236</u></u>	<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>
Expenditures for capitalized assets	\$ 17,304,429	\$ 17,797,974	\$ 27,796,574	\$ 23,747,764	\$ 4,726,037
Debt service as a percentage of noncapital expenditures	13%	13%	12%	9%	11%

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Excess (deficiency) of revenues over expenditures	\$ (4,255)	\$ (3,646,279)	\$ (17,733,230)	\$ (16,758,070)	\$ (24,354,278)
Other financing sources (uses):					
General obligation bonds issued		30,105,000	28,005,000		29,965,000
Premium on sale of bonds		3,223,157	3,802,956		3,354,609
Payment to refunded bond escrow agent			(13,758,725)	(15,769,466)	
Insurance recoveries	60,825				86,812
Proceeds from sale of capital assets		85,835	12,514	19,512	29,089
Transfers in	2,032,889	2,191,423	854,832	1,533,819	1,507,317
Transfers out	(2,032,889)	(2,191,423)	(854,832)	(1,533,819)	(1,507,317)
Total other financing sources (uses)	<u>60,825</u>	<u>33,413,992</u>	<u>18,061,745</u>	<u>(15,749,954)</u>	<u>33,435,510</u>
Changes in fund balances	<u>\$ 56,570</u>	<u>\$ 29,767,713</u>	<u>\$ 328,515</u>	<u>\$ (32,508,024)</u>	<u>\$ 9,081,232</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Excess (deficiency) of revenues over expenditures	\$ (17,574,948)	\$ (21,594,158)	\$ (21,703,058)	\$ (39,378,213)	\$ (170,452)
Other financing sources (uses):					
General obligation bonds issued		32,025,000		40,000,000	40,000,000
Refunding bonds issued	44,365,000	24,810,000		24,120,000	
Premium on sale of bonds	7,117,642	6,625,870		3,986,478	457,240
Payment to refunded bond escrow agent	(29,611,620)	(20,537,623)		(16,371,855)	
Insurance recoveries	10,292	152,798			
Proceeds from sale of capital assets				4,140,832	
Transfers in	1,323,142	695,722	505,623	2,174,792	874,089
Transfers out	(1,323,142)	(695,722)	(505,623)	(2,174,792)	(874,089)
Total other financing sources (uses)	<u>21,881,314</u>	<u>43,076,045</u>	<u></u>	<u>55,875,455</u>	<u>40,457,240</u>
Changes in fund balances	<u>\$ 4,306,366</u>	<u>\$ 21,481,887</u>	<u>\$ (21,703,058)</u>	<u>\$ 16,497,242</u>	<u>\$ 40,286,788</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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	\$ 895,230,726	\$ 862,357,143	\$ 824,565,624	\$ 777,531,982	\$ 721,450,782
Agricultural and Vacant	16,677,008	18,975,689	20,987,843	21,720,158	21,759,054
Residential (Owner Occupied)	1,216,547,528	1,160,177,193	1,104,073,900	1,045,014,472	1,003,572,457
Residential (Rental)	395,443,594	370,444,883	353,566,543	334,617,533	309,111,930
Railroad, Private Cars and Airlines	540,135	657,837	675,149	692,460	662,453
Historical Property	13,290	12,657	12,054	11,480	10,934
Certain Government Property Improvements			41,229		
Total	<u>\$ 2,524,452,281</u>	<u>\$ 2,412,625,402</u>	<u>\$ 2,303,922,342</u>	<u>\$ 2,179,588,085</u>	<u>\$ 2,056,567,610</u>
Gross Full Cash Value	\$ 30,149,984,079	\$ 28,209,704,956	\$ 26,672,488,047	\$ 20,214,648,460	\$ 23,468,465,997
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	9%	9%	11%	9%
Total Direct Rate	3.57	3.68	3.78	3.87	3.97

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 692,578,568	\$ 666,800,958	\$ 641,559,365	\$ 626,531,270	\$ 640,507,039
Agricultural and Vacant	23,572,455	23,625,878	26,253,614	28,158,482	29,582,506
Residential (Owner Occupied)	956,721,774	911,509,930	872,197,797	838,799,724	780,061,637
Residential (Rental)	282,811,579	262,783,880	241,555,102	215,135,669	179,838,943
Railroad, Private Cars and Airlines	735,739	751,319	848,264	914,047	1,076,883
Historical Property	8,995	8,995	8,995	8,995	56,211
Certain Government Property Improvements	7,815	32,164	30,633	84,122	84,691
Total	<u>\$ 1,956,436,925</u>	<u>\$ 1,865,513,124</u>	<u>\$ 1,782,453,770</u>	<u>\$ 1,709,632,309</u>	<u>\$ 1,631,207,910</u>
Gross Full Cash Value	\$ 22,385,244,072	\$ 21,576,815,867	\$ 19,737,374,822	\$ 15,890,974,368	\$ 15,055,100,341
Ratio of Net Limited Assessed Value to Gross Full Cash Value	9%	9%	9%	11%	11%
Total Direct Rate	3.97	4.38	4.01	4.03	4.28

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

	Fiscal Year				
<u>Class</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	\$ 1,133,002,763	\$ 1,109,842,185	\$ 1,073,452,928	\$ 987,423,505	\$ 901,001,710
Agricultural and Vacant	24,528,406	28,819,206	32,287,530	31,913,260	30,913,456
Residential (Owner Occupied)	1,446,511,279	1,351,557,186	1,283,901,171	1,206,108,267	1,154,840,353
Residential (Rental)	618,538,439	556,418,179	503,219,427	458,873,281	413,466,721
Railroad, Private Cars and Airlines	720,180	865,575	865,575	865,575	807,870
Historical Property	24,040	23,385	22,005	20,905	18,335
Total	<u>\$ 3,223,325,107</u>	<u>\$ 3,047,525,716</u>	<u>\$ 2,893,800,000</u>	<u>\$ 2,685,204,793</u>	<u>\$ 2,501,048,445</u>
Gross Full Cash Value	\$ 30,149,984,079	\$ 28,209,704,956	\$ 26,672,488,047	\$ 20,214,648,460	\$ 23,468,465,997
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	13%	11%
Estimated Net Full Cash Value	\$ 26,519,712,672	\$ 24,722,959,999	\$ 23,394,939,026	\$ 17,785,759,913	\$ 19,311,007,823
Total Direct Rate	3.57	3.68	3.78	3.87	3.97

	Fiscal Year				
<u>Class</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 862,897,465	\$ 796,375,149	\$ 695,163,872	\$ 632,919,305	\$ 641,174,971
Agricultural and Vacant	33,799,190	33,166,138	33,215,133	29,286,377	30,403,095
Residential (Owner Occupied)	1,114,752,574	1,102,592,443	1,040,453,025	875,378,553	780,666,997
Residential (Rental)	375,244,678	343,106,025	308,509,302	240,907,417	184,528,176
Railroad, Private Cars and Airlines	865,575	807,870	865,575	923,280	1,087,199
Historical Property	12,310	12,310	12,310	12,310	196,342
Certain Government Property Improvements	8,807	37,234	33,297	84,122	
Total	<u>\$ 2,387,580,599</u>	<u>\$ 2,276,097,169</u>	<u>\$ 2,078,252,514</u>	<u>\$ 1,779,511,364</u>	<u>\$ 1,638,141,471</u>
Gross Full Cash Value	\$ 22,385,244,072	\$ 21,576,815,867	\$ 19,737,374,822	\$ 15,890,974,368	\$ 15,055,100,341
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Estimated Net Full Cash Value	\$ 19,299,227,810	\$ 18,485,347,364	\$ 16,739,381,972	\$ 14,087,094,529	\$ 12,605,725,763
Total Direct Rate	3.97	4.38	4.01	4.03	4.28

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</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	15	14

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	19 %	19 %	20 %
Agricultural and Vacant	15	15	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	14	16	16	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 Free	Flood	Community	Fire District	Central	City	City	City	Tempe			
	Equalization		Library	Control	College	Assistance	Arizona	of	of	of	Union High	Primary	Secondary	Total
				District	District		Water	Phoenix	Tempe	Chandler	School District			
2023	0.00	1.25	0.05	0.16	1.19	1.25	0.01	2.11	2.38	1.10	2.34	1.80	1.77	3.57
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

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	2023			2014		
	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	\$ 52,693,882	2.09 %		\$ 29,086,656	1.78 %	
TWC -Chandler LLC	18,204,358	0.72		26,178,765	1.60	
Iridium Satellite LLC	18,158,937	0.72				
Honeywell International Inc.	9,337,838	0.37		11,258,403	0.69	
DT Ahwatukee Foothills LLC	12,825,798	0.51				
JPMorgan Chase Bank NA	12,808,847	0.51				
Target Corporation Motorola AT&T	9,593,770	0.38		6,529,883	0.40	
Km Sonoma LLC/Mt Sonoma LLC	9,680,656	0.38				
PST Office Owner LLC	8,071,953	0.32				
Eastgroup Properties LP	8,144,035	0.32				
Qwest Corporation				7,448,729	0.45	
Tempe Campus SPV LLC				6,255,068	0.38	
Park at San Tan LLC				6,212,720	0.38	
Coca-Cola Refreshments USA Inc.				6,197,598	0.38	
Propcor II Associates LLC				5,434,945	0.33	
DDDRA Awhwatukee Foothills LLC				13,536,485	0.83	
Total	<u>\$ 159,520,074</u>	<u>6.32 %</u>		<u>\$ 118,139,252</u>	<u>7.22 %</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
2023	\$ 91,003,773	\$ 87,545,706	96.20 %	\$	\$ 87,545,706	96.20 %
2022	89,302,956	85,958,016	96.25	(1,481,627)	84,476,389	94.60
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	962,258	71,966,369	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

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						Total Outstanding Debt								
	Less: Amounts Restricted for			Percentage of Estimated Actual Value		Financed Purchases and Leases	Percentage of Estimated Actual Value			Percentage of Personal Income					
	General Obligation Bonds	Principal	Total	(Full Cash Value)	Capita		Total	(Full Cash Value)	Per Capita						
2023	\$	213,596,201	\$	1,926,831	\$	211,669,370	0.70 %	\$	1,285	\$	213,596,201	0.71 %	\$	1,296	0.80 %
2022		232,115,071		1,159,449		230,955,622	0.82		1,278		232,115,071	0.82		1,285	0.93
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	0.97
2019		248,438,112		32,124,476		216,313,636	0.92		1,273		248,438,112	1.06		1,462	1.18
2018		227,556,071		34,071,017		193,485,054	0.86		1,158		227,556,071	1.02		1,362	1.16
2017		209,734,818		12,842,513		196,892,305	0.91		1,274	42,780	209,777,598	0.97		1,357	1.13
2016		181,858,123		1,881,715		179,976,408	0.91		1,187	83,932	181,942,055	0.92		1,200	1.08
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	1.06

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

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 2014-2021 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, 2023

Governmental Unit	Debt Outstanding	Percentage Applicable to School District	Estimated Amount Applicable to School District
Overlapping:			
Community College District	\$ 135,585,000	4.95 %	\$ 6,711,458
Special Health Care District	600,335,000	4.95	29,716,583
City of Chandler	236,415,000	20.17	47,684,906
City of Phoenix	815,395,000	6.50	53,000,675
City of Tempe	401,755,000	32.28	129,686,514
Tempe Union High School District No. 213	71,410,000	57.42	41,003,622
Subtotal, Overlapping Debt			<u>307,803,758</u>
Direct:			
Kyrene Elementary School District No. 28			<u>213,596,201</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 521,399,959</u>

Direct and Overlapping General Bonded Debt Ratios

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	8.00	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 3,093	
As a Percentage of Net Limited Assessed Valuation	28.65	%
As a Percentage of Estimated Gross Full Cash Value	22.44	%

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 2023:

Net full cash assessed valuation	\$ 3,223,325,107
Debt limit (10% of assessed value)	322,332,511
Debt applicable to limit	203,804,969
Legal debt margin	<u><u>\$ 118,527,542</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2023:

Net full cash assessed valuation	\$ 3,223,325,107
Debt limit (15% of assessed value)	483,498,766
Debt applicable to limit	203,804,969
Legal debt margin	<u><u>\$ 279,693,797</u></u>

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Debt Limit	\$ 483,498,766	\$ 457,128,857	\$ 434,070,000	\$ 402,780,719	\$ 375,157,267
Total net debt applicable to limit	<u>203,804,969</u>	<u>225,653,382</u>	<u>213,069,977</u>	<u>203,470,000</u>	<u>163,992,300</u>
Legal debt margin	<u><u>\$ 279,693,797</u></u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	42%	49%	49%	51%	44%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	\$ 358,137,090	\$ 341,414,575	\$ 311,737,877	\$ 256,444,846	\$ 245,721,221
Total net debt applicable to limit	<u>168,944,807</u>	<u>206,275,870</u>	<u>176,750,000</u>	<u>185,795,000</u>	<u>156,020,000</u>
Legal debt margin	<u><u>\$ 189,192,283</u></u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	47%	60%	57%	72%	63%

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2022	4,586,431	\$ 267,713,717	\$ 59,759	3.0 %	164,769
2021	4,507,419	249,677,860	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

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 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	2023		2014	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employees
Banner Health	28,740	1.56 %	25,270	1.33 %
State of Arizona	25,640	1.39	49,278	2.59
Walmart	20,080	1.09	32,169	1.69
Frys Food Stores	15,620	0.85		
Maricopa County	12,730	0.69	12,698	0.67
Wells Fargo	13,960	0.76	14,713	0.77
City of Phoenix	10,430	0.57	14,983	0.78
Amazon	18,780	1.02		
Arizona State University	11,360	0.62	12,222	0.64
Intel Corporation	11,810	0.64	11,900	0.63
J.P. Morgan Chase & Co.			11,042	0.58
Honeywell			11,000	0.58
Total	<u>169,150</u>	<u>9.19 %</u>	<u>195,275</u>	<u>10.26 %</u>
Total employment	<u>1,845,910</u>		<u>1,903,173</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 2014 data is as presented in the District's 2014 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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Supervisory					
Superintendents/Principals	34	34	29	28	28
Assistant principals	20	21	17	24	24
Total supervisory	<u>54</u>	<u>55</u>	<u>46</u>	<u>52</u>	<u>52</u>
Instruction					
Teachers	793	857	986	939	964
Other professionals (instructional)	234	245	230	261	261
Total instruction	<u>1,027</u>	<u>1,102</u>	<u>1,216</u>	<u>1,200</u>	<u>1,225</u>
Student Services					
Librarians	14	14	24	17	17
Nurses/Technicians	98	100	34	31	31
Total student services	<u>112</u>	<u>114</u>	<u>58</u>	<u>48</u>	<u>48</u>
Support and Administration					
Service workers	409	406	418	536	511
Other classified	27	26	21	26	26
Total support and administration	<u>436</u>	<u>432</u>	<u>439</u>	<u>562</u>	<u>537</u>
Total	<u><u>1,629</u></u>	<u><u>1,703</u></u>	<u><u>1,759</u></u>	<u><u>1,862</u></u>	<u><u>1,862</u></u>

(Continued)

Kyrene Elementary School District No. 28
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Supervisory					
Superintendents/Principals	28	28	28	28	28
Assistant principals	23	11	11	12	12
Total supervisory	<u>51</u>	<u>39</u>	<u>39</u>	<u>40</u>	<u>40</u>
Instruction					
Teachers	957	952	935	963	963
Other professionals (instructional)	236	216	200	195	195
Total instruction	<u>1,193</u>	<u>1,168</u>	<u>1,135</u>	<u>1,158</u>	<u>1,158</u>
Student Services					
Librarians	18	4	4	7	7
Nurses/Technicians	31	31	30	31	31
Total student services	<u>49</u>	<u>35</u>	<u>34</u>	<u>38</u>	<u>38</u>
Support and Administration					
Service workers	511	513	491	449	449
Other classified	24	66	59	61	61
Total support and administration	<u>535</u>	<u>579</u>	<u>550</u>	<u>510</u>	<u>510</u>
Total	<u><u>1,828</u></u>	<u><u>1,821</u></u>	<u><u>1,758</u></u>	<u><u>1,746</u></u>	<u><u>1,746</u></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
2023	13,497	\$ 152,174,936	\$ 11,275	7.93 %	\$ 179,085,331	\$ 13,269	3.44 %	917	14.7	31.0 %
2022	14,199	148,332,036	10,447	9.47	182,123,293	12,826	5.92	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

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>2023</u>	<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>Schools</u>										
<u>Elementary</u>										
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	1,470,730	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	8,292	8,667	8,882	10,641	10,641	11,320	11,320	11,521	11,705	11,749
<u>Middle</u>										
Buildings	48	48	48	48	48	46	46	46	46	46
Square feet	961,629	961,629	961,629	961,629	961,343	915,470	915,260	915,260	915,260	915,260
Capacity	8,945	8,945	8,945	8,945	8,945	7,125	7,125	7,125	7,125	7,125
Enrollment	5,094	5,350	5,741	6,042	6,042	5,977	5,977	6,096	6,145	6,117
<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	117	117	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	11/12	1	1	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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