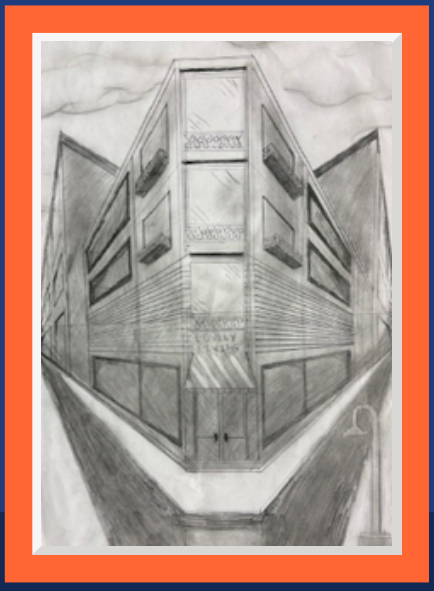
KyreneSchoolDistrict

ADOPTED BUDGET

2026-27







Kyrene School District
8700 South Kyrene Road
Tempe, AZ 85284
www.kyrene.org

Cover Art by Kyrene Students: Mia W., Estrella, Kindergarten; Jamesyn P., Aprende, 8th grade; and Augie H., Norte, 4th grade

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

This Meritorious Budget Award is presented to:

KYRENE SCHOOL DISTRICT

for excellence in the preparation and issuance of its budget
for the Fiscal Year 2025–2026.

The budget adheres to the principles and standards
of ASBO International's Meritorious Budget Award criteria.

Ryan S. Stechschulte
President

James M. Rowan, CAE, SFO
CEO/Executive Director

Table of Contents

EXECUTIVE SUMMARY 1
Message from the Superintendent and CFO 2
Organizational Overview 4
About Kyrene 4
Strategic Plan 5
Budget Development Process 9
Governing Board 13
District Leadership 14
Financial Overview 15
2026-27 Budget Summary 15
Financial Summary: Governmental Funds 19
Informational Overview 21
Student Enrollment History and Projections 21
Property Tax Rates and Amounts 24
Personnel Data 26
Bond Issues and Amortization Schedules 27
Operational Spending 30
ORGANIZATIONAL SECTION 33
About Kyrene 34
Geographic Area 35
District Leadership 38
Governing Board 39
Strategic Plan 40
Significant Laws Affecting the Budget 44
Budget Policies 46
Budget Procedures 47
Types of Funds and Definitions 47
Classification of Revenue and Expenditures 48
Basis of Accounting 51
Budget Development Process 51
Other Local Revenue Sources 55
FINANCIAL SECTION 57
Financial Overview 58
Fund Categories 59
Major Revenue Sources 60
Major Expenditure Categories 61
Revenue and Expenditure Assumptions 61
2026-27 Budget Summary 63
Governmental Funds 67

General Fund 72
Special Revenue Funds 85
Capital Projects Funds 104
Debt Service Funds 115
Debt Limits 117
Capital Planning and Projects 117
Pension and Other Post-Employment Benefits (OPEB) 124
INFORMATIONAL SECTION 126
Operational Spending 127
Assessed Value of Taxable Property 129
Property Tax Rates and Amounts 130
Tax Rate Impact 132
Bond Issues and Amortization Schedules 133
Student Enrollment History and Projections 135
Personnel Data 138
Student Achievement 139
Free or Reduced-Price Meals 141
Glossary of Commonly Used Terms 142

Cover Art:
Secondary Color Birds. Created by Mia W., Kindergarten Student from Kyrene de la Estrella
2-Point Perspective. Created by Jamesyn P., 8th Grade Student from Kyrene Aprende Middle School
Desert Landscape. Created by Augie H., 4th Grade Student from Kyrene del Norte Dual Language Academy

Photos:
The Kyrene Communications and Engagement team visits schools to capture activities and lessons that students, families and staff are participating in. All photos included in this report are approved images of the Kyrene community at these events or in their classrooms from the 2025-26 and 2026-27 school years.

EXECUTIVE SUMMARY







Message from the Superintendent and CFO

Kyrene Community,

It is with great pride that we present the 2026-27 Kyrene Elementary School District Budget Annual Report. This report provides the Kyrene community with a window into the overall budget process, in the interest of transparency, accountability and public edification. It is important to Kyrene that our stakeholders understand how resources are aligned with educational outcomes, so we may illustrate both our challenges and our triumphs, as we strive to ensure all Kyrene students are ***Ready for the Future in high school, college, career and life.***

Kyrene has been educating children since 1888, and for nearly 140 years, we have worked hard to establish a reputation for delivering excellence in education. We achieve that excellence through the commitment of our school leaders, our educators, our families and our extended Kyrene community. In line with our district's reputation for outstanding achievement, Kyrene is also a leader among Arizona districts in fiscal responsibility, directing significantly more dollars to the classroom when compared to peer and state averages.

This report represents a comprehensive, detailed accounting of the District's financial profile. It reflects the District's efforts to implement best practices in budgeting and financial management throughout all areas of the organization. It is also an opportunity to highlight some of the important work taking place across the District and to help our community understand more about our financial processes.

A Roadmap for the Future

In 2023, Kyrene launched a five-year strategic plan: ***Thrive! Ready for the Future***. The District engaged thousands of stakeholders in the development of the plan, resulting in a vision of a district that measures its achievement not only on the success of its current preK-8 students but on whether they are prepared for success in high school, college, career and life. It takes funding and resources to ensure a successful strategic plan, and this requires careful budgeting, clear communication and sound fiscal planning. There must be alignment between the available financial resources and the desired outcomes of our five-year plan.

In the third year of implementation, Kyrene continued to see a return on its investment into strategic planning. By the end of the 2025-26 school year, 86% of Kindergarten students hit benchmark goals in reading, up from 74% before strategic plan implementation and exceeding the strategic plan goal of 85% two years early. This achievement reflects sustained focus and investment. Since the start of the strategic plan, Kyrene has supported early literacy through smaller K-2 class sizes, additional teacher support, and expanded literacy training. In year three, the District strengthened this work through grade-level planning days, professional learning communities, and district-level support to help teachers monitor student progress, identify trends, and respond to learning needs.

Also in year three, Kyrene focused significant effort on our strategic plan initiative for long range facilities planning. The District reviewed enrollment projects, evaluated facility use, and engaged thousands of stakeholders through public hearings and outreach. This investment in community engagement and transparency ensured families, staff and community members were well informed ahead of a Governing Board decision to consolidate schools beginning in 2026-27.

Integrity in Budget Planning

Developing a budget that addresses current realities while also planning for the future is a monumental challenge, and we wish to express our gratitude for everyone who played a part in preparing a balanced budget and for all who contributed to this report, so we can share our work with the community. We have organized our Budget Annual Report into the following sections:

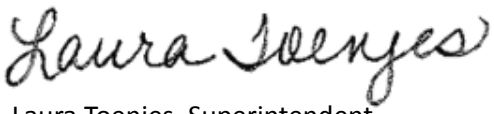
1. The Executive Summary is a brief summation and overview of all the information contained in the report.

2. The Organizational Section provides information about Kyrene School District's vision, mission and core values as well as an overview of budget policies and statutory requirements.

3. The Financial Section contains the budget itself, with details by fund for each major budget category.

4. The Information Section includes additional data and measures that play a role in developing the budget.

We hope this report is illuminating and demonstrative of Kyrene's efforts to lead Arizona school districts into the future through sound financial management and expert budgetary planning. While much has changed over the last century, one thing remains constant: We put students at the heart of everything we do, and that commitment is reflected in our 2026-27 budget.



Laura Toenjes, Superintendent



Chris Herrmann, Associate Superintendent and Chief Financial Officer

Organizational Overview

About Kyrene

Kyrene Elementary School District enrolls approximately 12,000 students in preschool through 8th grade and has 22 schools: 15 elementary, six middle, and one K-8 school. The District's boundaries are located within Maricopa County and encompass all of Ahwatukee in Phoenix, south Tempe, west Chandler and parts of Guadalupe and the Gila River Indian Reservation. Kyrene also welcomes thousands of students from outside of the District. Team Kyrene is made up of 1,800 educators, including teachers, leaders and education support professionals.

Kyrene program offerings include world languages, STEM, AVID College Readiness, fine and performing arts, gifted and computer science immersion. Kyrene is also home to a Traditional Academy, two dual language academies and an IB World School. Learning begins early in Kyrene preschool programs, serving children as young as three years old, followed by free full-day or half-day kindergarten options. Kyrene also offers an impressive selection of courses and program options before, during, and after school hours, including middle school athletics.

Kyrene'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 or 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.

Kyrene's 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. No component units are presented in the District's financial statements and the District is not included in any other governmental reporting entities.

A.R.S. §15-914.01 allows school districts the opportunity to apply to the state board of education to assume all accounting responsibilities. This statute requires a school district to develop an accounting responsibility plan and file their application with both the Arizona State Board of Education and the Office of the Maricopa County School Superintendent. Kyrene School District assumes all responsibility for its accounting responsibilities and maintains all financial records in accordance with the Uniform System of Financial Records and other applicable laws, and is therefore independent from the County Superintendent's Office.

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 regular and special education, student transportation, construction and maintenance of district facilities, food services, and athletic functions.

A Model of Excellence

Kyrene Elementary School District is one of Arizona's leading public school districts, providing excellence in education for 138 years. Kyrene is deeply rooted in tradition while leading with innovation. The District is known for high academic achievement, with schools consistently outperforming peer districts, charter

schools, and state averages on Arizona assessments and other academic benchmarks. This provides the District with an indicator to confirm that outcomes are in line with budget investments.

Kyrene has an established reputation as a high-performing district and is an A-rated district by the state of Arizona. All Kyrene schools have earned A or B ratings from the Arizona Department of Education, and 14 schools have been designated “A+ Schools of Excellence” by the Arizona Educational Foundation (AEF). AEF is a nonprofit organization that fosters excellence in education by administering statewide programs that enhance the capabilities of Arizona’s schools. Applicant schools are evaluated across such areas as teaching and learning strategies, student achievement, leadership and community integration.

Kyrene’s 88% teacher retention rate speaks to the supportive, collaborative culture that empowers educators to stay and succeed. Twenty three Kyrene teachers and administrators have earned certification by the National Board for Professional Teaching Standards. National Board Certification (NBC) is the highest certificate an educator can achieve in the United States, and it is achieved by successfully completing a rigorous process of performance-based analysis and peer review. Research shows performance growth among students of Board-certified teachers, with an even greater impact among minority and low-income students. Kyrene students benefit from experienced, passionate professionals who create classroom environments where curiosity is encouraged, challenges are embraced, and individual needs are met.

Strategic Plan

The Kyrene Strategic Plan 2023-2028, *Thrive! Ready for the Future* is a comprehensive roadmap outlining the Kyrene community's shared vision for the future, the transformation needed to realize that vision, and specific goals to reach by 2028. Strategic planning is an active, continuous improvement process with oversight by the Kyrene Governing Board. Accordingly, the plan itself is a dynamic one, with room for reflection and progress checks along the way.

The strategic plan was developed with the collective input and collaboration of a diverse range of stakeholders, including families, teachers, staff, students and community members.

As the District engaged thousands of stakeholders in the visioning process, a new picture emerged: of a district that measures its achievement not only on the success of its current preK-8 students but on whether they are prepared for success in high school, college, career and life.

A strategic plan must be built on a solid foundation. Kyrene established that foundation through the development of several cornerstone pieces that provide the framework on which the entire strategic plan is built. Each cornerstone serves a different purpose: defining what makes Team Kyrene exceptional, identifying the traits that will prepare our students to excel, and establishing Kyrene’s promise for the future.

The Kyrene Promise is a vision and a mission all rolled into one unifying commitment. The Governing Board adopted the promise language to express both the action and the expected outcome if Kyrene creates the right environments and circumstances for student success.

Kyrene’s Key Values are the traits we embody as educators. Every single employee in Kyrene plays a role in the education of each child. Our shared values define who we are and what it takes to meet our responsibilities to students, to each other and to our community.

The Portrait of a Kyrene Kid reflects our community’s collective vision of the skills, traits and competencies each of our students should exemplify by the time they complete grade 8, in preparation for high school, college, career and life.

The Kyrene Promise

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.

Kyrene Key Values

Connection: We build and maintain trusting relationships so that our students, families and staff are seen, heard, and valued.

Compassion: We treat and respond to others with dignity, understanding, empathy, and kindness.

Courage: We possess the moral and mental strength to do what is right, even when it is challenging.

Collaboration: Together, we make a difference, by learning and working in unity to deliver excellence for our students, colleagues and community.

Curiosity: We reach beyond our comfort zone to explore innovative and unconventional ideas with a sense of wonder.

Portrait of a Kyrene Kid

Adaptable Learner: I possess the desire to learn, unlearn, and re-learn. I believe in the ability to master challenging concepts and demonstrate positive attitudes about learning.

Self-Advocate: I demonstrate personal agency. I possess confidence in my ability to reflect, overcome adversity, appropriately express needs, and act with purpose.

Community Contributor: I pursue opportunities, actions and contributions that positively impact the community and the world. I demonstrate global and cultural citizenship through empathy and respect for others.

Communicator: I articulate thoughts and ideas effectively, using spoken, written, and nonverbal skills in a variety of forms and contexts. I listen effectively to interpret meaning and intentions.

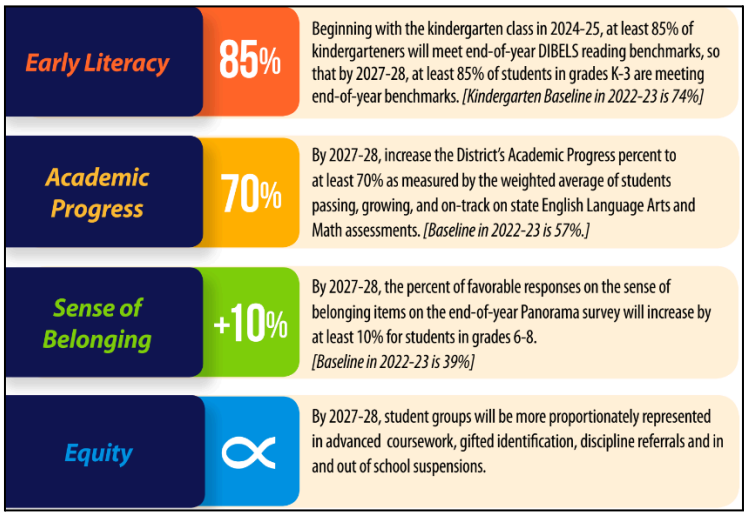
Critical Thinker: I demonstrate thinking that is clear, rational, open-minded, and informed by evidence. I am able to analyze and evaluate difficult or complex situations, and I ask questions to further understanding.

Problem Solver: I exhibit steadfastness in achieving success despite difficulty, opposition, or failure. I am able to identify and prioritize solutions.

Collaborator: I engage with others by honoring and leveraging diverse perspectives and strengths to achieve shared goals.

District Goals

Kyrene goals focus on student outcomes in the areas of early literacy, academic progress, sense of belonging and equity. Each area has an identified target with expected outcomes to be achieved over the next five years. These goals serve to create alignment of resources, systems, and organizational design to hold the District accountable on how to best meet the needs of each student.



By creating a scorecard that includes measures focusing on academic, social emotional, and equity, the District addresses the whole child and the environment in which they learn.

Early literacy is defined by the percentage of students in grades K-3 who are able to demonstrate grade-level reading competencies.

Academic Progress is a weighted calculation that uses student performance from state assessments in the subject areas of math and English language arts.

Sense of Belonging is a measurement that calculates the percent of items that students mark favorably (agree/strongly agree) illustrating their agreement that their experiences align to items that indicate a sense of belonging.

Equity defines a collection of measures that focus on improving student representation in identified populations for which they were disproportionately represented at the start of the plan.

Financial Investment and Outcomes

Kyrene invested a total of $3.3M in support of its strategic plan initiatives during the 2025-26 school year. A large portion of that amount ($1.4M) was related to early literacy, which included lowering class sizes in kindergarten through second grade, along with providing Language Essentials for Teachers of Reading and Spelling (LETRS) training for teachers. LETRS is comprehensive professional learning that provides educators and administrators with a deep knowledge of language and literacy aligned with the science of reading. This training provides participants with the skills needed for foundational and fundamental reading and writing instruction, and meets Arizona's requirement to hold a K-5 literacy endorsement. Results for early literacy have shown a 12% increase over the last three years. With continued success, the District anticipates that it will prove to be a leading indicator of later-year outcomes as measured by Academic Progress.

During the 2025-26 school year, Kyrene also focused significant effort and resources on our strategic plan initiative for Long Range Facilities Planning. The District reviewed enrollment projections, evaluated facility use, and conducted multiple public discussions to support Governing Board decisions regarding school consolidation. Ultimately, Kyrene's Governing Board voted to close six schools: three beginning with the 2026-27 year and three beginning with the 2027-28 school year. By closing these six schools, it will reduce Kyrene's annual operating expenses by millions of dollars each year. Kyrene invested a total of $0.8M of one-time expenditures during the 2025-26 school year to support these long-term facility changes, with most of that amount being used to modify classroom configurations, moving furniture and equipment, and supporting staff during the school consolidation process.

Equity Progress in Year 3

District Goal Areas	Baseline	2023-24	2024-25	2025-26	2027-28 EOY Goal
Early Literacy (Kindergarten)	74%*	78%* (+4% YoY)	81%* (+3% YoY)	86%* (+5% YoY)	85%
Academic Progress (Grades 3-8)	57%	57% (+0% YoY)	62% (+5% YoY)	62% (+0% YoY)	70%
Sense of Belonging (Grades 6-8)	39%	40% (+1% YoY)	47% (+7% YoY)	49% (+2% YoY)	+10%
Equity (More Proportionate)	–	58% (baseline)	73% (+15% vs Baseline)	**73%** (+15% vs Baseline)	∝

Data used for baseline is from the end of the 2022-23 school year, unless noted otherwise.
**Population is kindergarten only.*

Year over Year Change (YoY)
End of Year (EOY)

Another component in developing the strategic plan includes dedicating sufficient financial resources to support Kyrene's district-wide goals. An annual budget procedure, 3-101.C, was developed and implemented in 2020 to ensure that budget practices are consistent with supporting strategic objectives to produce the most benefits for students. Elements from this procedure include:

- Prepare and produce an annual balanced budget to the Governing Board.
- Create budget processes with fiscal responsibility and transparency to ensure financial resources are allocated to support the highest level of student achievement.
- Develop a five-year plan for curriculum activities.
- Develop a ten-year Capital Master Plan for district-wide facilities.

Through the budget development process, resources are aligned with the goals and objectives defined in the District's strategic plan. The long-term plans for curriculum and facilities are critical components of the budget. These costs are significant, so the commitment to invest and fund these areas in the budget must be consistent with the overall goals and objectives of the District. For the 2026-27 adopted budget, funding has been committed to support Kyrene's strategic capital needs for curriculum and facilities:

Curriculum Capital Plan

($ Millions)

Category	2026-27 Budget
English Language Arts and Spanish Language Arts	$0.8
Mathematics	$0.8
Social Studies	$0.3
Science	$0.7
Electives	$0.3
Assessment and General Resources	$0.8
Intervention and Special Education *includes Gifted Education*	$0.9
Total	**$4.6**

Facilities Capital Master Plan

($ Millions)

Category	2026-27 Budget
Maintain Schools	$23.3
Transportation	$0.3
Administrative	$0.0
Total	**$23.6**

Additionally, another $1.2M of funding has been budgeted to support Kyrene's strategic plan. Although the District will continue to support strategic plan initiatives over the next several years, for budgeting purposes the entire amount has been included in the 2026-27 fiscal year. Any remaining money at the end of the 2026-27 fiscal year will be carried over throughout the remaining strategic planning time period.

Budget Development Process

The budget development process is designed to create fiscal responsibility and transparency and ensure maximum financial resources are allocated to support student achievement while also creating the most benefits for students. The District uses a zero-based budgeting method in building and developing annual budgets, meaning that expenditures for each operational area begin at zero, and any proposed expenditure must be reviewed, justified and approved each year. Through the budget development process, resources are aligned with the goals and objectives defined in the District's strategic plan and are continuously evaluated using a cost-benefit analysis.

Consistent with District budget procedures, each year the District prepares and presents a balanced budget to the Governing Board for approval. This practice is essential because it ensures financial decisions are sustainable and will not jeopardize the long-term fiscal health of the District. The budget is considered balanced when total expenditures are equal to or less than total revenues. The District also considers the budget to be balanced when fund balances from previous years are spent on one-time or non-routine expenditures. This situation is especially prevalent with state and federal grants as funding can be received in a different fiscal year versus when the actual spending takes place. It can also be the case in the category of capital spending as budgeted expenditures are often dependent on the issuance of bonds, so there are often timing issues between when bond revenue is received versus when the actual expenditure takes place.

Operating Budget

The District operates under an annual budget, with fiscal years beginning July 1 and ending June 30. Budget development is a year-round process that involves the Legislature, community, employees and the Governing Board. The budget development process begins in the fall, right after the school year begins.

During this time, the District reviews its long-term strategic plan and sets goals and objectives for the upcoming fiscal year. This includes working closely with directors and school leaders to identify and prioritize any strategic areas that will have an impact on the annual budget. For any new programs impacting the budget, a cost-benefit analysis is performed to ensure measurable goals are in place to evaluate the effectiveness of these programs in the future.



In January, the Governor's office presents a statewide budget proposal. Although this proposal ultimately does not become the final state budget, this is typically when the District has the first opportunity to see any proposed changes that could occur in state funding. Ultimately, both the House and Senate of the Arizona Legislature must agree and approve the elements of the state's budget, and this activity typically occurs in late spring or early summer. The state budget becomes law and is finalized once signed by the Governor. The District does not know its final funding until the state ultimately passes and approves a statewide budget for the coming year.

From January through May, ongoing work takes place with directors, principals, and department leaders to develop a detailed operating budget for the upcoming fiscal year. This involves the areas of assigning organizational staffing, departmental spending, capital planning and estimating enrollment and revenue projections. Employee compensation is also determined through a collaborative process with various employee groups. Because the state ultimately determines the District's funding level, and available resources are often not adequate to address all the needs of the District, all spending requests are reviewed and prioritized before anything becomes finalized in the budget. This process ensures that any funding decisions are sustainable for the long-term.

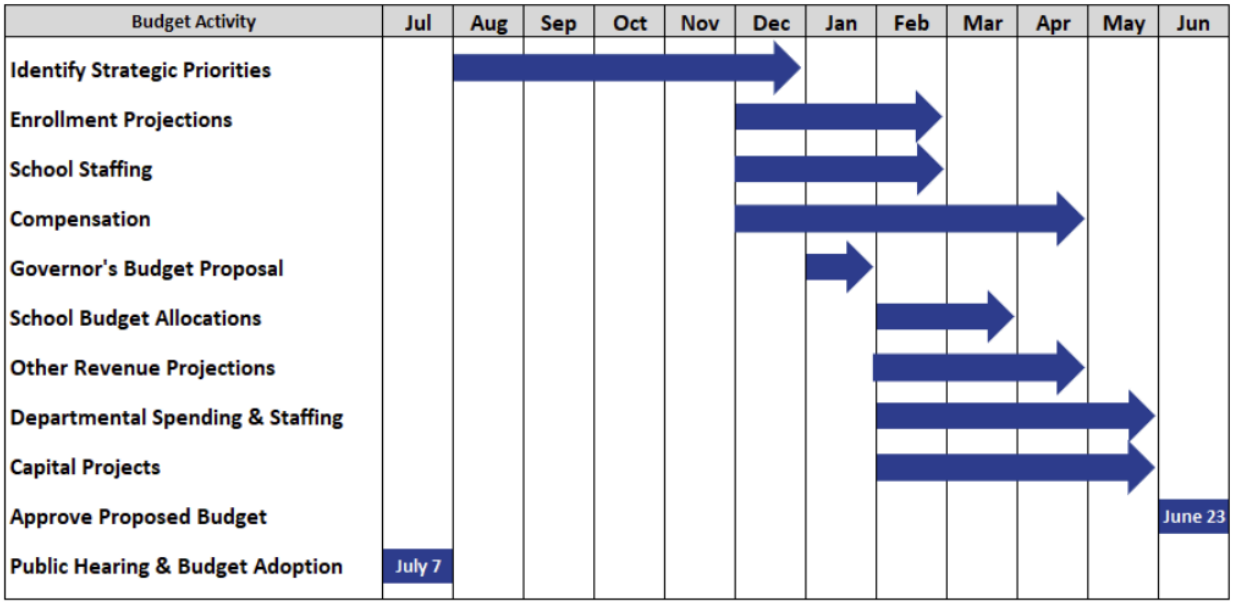
Public budget presentations take place during board meetings throughout the spring as information becomes known and decisions are finalized. In late June the proposed budget is presented to the Governing Board, and the Board votes to adopt the budget at a public hearing held in early July. Per Arizona statute, the expenditure budget must be adopted by July 15.

Capital Budget

The development of the capital budget occurs concurrently with the creation of the District's operating budget. Capital budgets typically involve areas such as facilities, technology and curriculum. Each of these areas develops a long-range plan that identifies both short-term and long-term needs. Like the operating budget, the capital budget is aligned with and incorporates the priorities identified in the District's strategic plan. Development of the capital budget involves collaboration among directors, school leaders and project managers to ensure resources are allocated optimally to support student achievement. Once developed, the capital budget is also presented to the Governing Board and community as part of the spring budget presentations.

Budget Timeline and Calendar

The following chart and table shows the timeline of activities that took place in order to produce the annual operating and capital budgets for the 2026-27 fiscal year.



Date	Budget Type	Activity	Authority
By July 5	Proposed Expenditure Budget	An electronic copy of the proposed expenditure budget must be prepared and furnished to the Superintendent of Public Instruction and the county school superintendent, unless waived by the county school superintendent. Districts that maintain a website must provide a link on their website to the proposed budget summary on ADE's website.	A.R.S. §15-905(A)
By July 5	Proposed Expenditure Budget	Not later than July 5, but at least 10 days prior to the governing board meeting to adopt the proposed expenditure budget, a copy of the proposed expenditure budget or budget summary, and a notice of the public hearing and governing board meeting must be published in a newspaper of general circulation within the district, posted on the Arizona Department of Education's (ADE) website, or mailed to each household in the district.	A.R.S. §15-905(C)
By July 15	Proposed Expenditure Budget	The proposed expenditure budget must be presented at a public hearing immediately followed by a governing board meeting to adopt the budget.	A.R.S. §15-905(B), (D), and (E)
By July 18	Adopted Expenditure Budget	The adopted expenditure budget must be submitted to the county school superintendent and the Superintendent of Public Instruction and posted on ADE's website. Districts that maintain a website must provide a link on their website to the adopted budget on ADE's website.	A.R.S. §15-905(E)
By Dec. 5	Revised Expenditure Budget	If the Governing Board received notification from the Superintendent of Public Instruction that the adopted expenditure budget is in excess of the general budget limit or the unrestricted capital budget limit by 1 percent or more of the general budget limit, by December 5 or at least 10 days prior to the governing board meeting, publication and notice of a public hearing of the revised expenditure budget is needed.	A.R.S. §15-905(E)
By Dec. 15	Revised Expenditure Budget	If the Governing Board receives notification from the Superintendent of Public Instruction that the adopted expenditure budget is in excess of the general budget limit or the unrestricted capital budget limit by 1 percent or more of the general budget limit, it shall adopt a revised budget for the current year.	A.R.S. §15-905(E)
By May 15	Revised Expenditure Budget	Before May 15, expenditure budget revisions must be made and the revised budget approved at a governing board meeting. These include: revisions for certain overestimated or underestimated tuition revenues, revisions for overestimated or underestimated joint career and technical education and vocational education center average daily membership, and revisions for overestimated or underestimated allowable budget balance carryforward in the M&O fund.	A.R.S. §15-905(I) and (J) A.R.S. §15-910.01 (C) A.R.S. §15-943.01 (B)

Budget Management

The District has mechanisms in place to ensure compliance with the adopted budget and has a strong focus on transparency and accountability with regard to budget management. An automated online control system is in place to provide real-time financial information as prescribed by the Uniform System of Financial Records (USFR). Budget control groups are also created and assigned to individuals who have budget ownership. This provides another layer of control over expenditures and how they are recorded in the District's financial records.

Additionally, reports can be run in real time and contain expense details, account information and remaining balances to ensure budget administrators have adequate visibility regarding their budgets. Requisitions, purchase orders and employee positions are also recorded as encumbrances against available budget appropriations at the time they are originated. This assists budget administrators with seeing a full year picture of their respective budget as well as any anticipated expenditures in the coming year.

Governing Board

The Kyrene Governing Board is authorized under the laws of the state of Arizona (A.R.S. §15-341) to prescribe and enforce policies and procedures for the governance of the school district that are not inconsistent with the laws or rules prescribed by the state board of education. According to Kyrene Policy 1-102, Governing Board responsibilities include, but are not limited to:

1. Hiring and evaluating the Superintendent.
2. Hiring school personnel and terminating the employment of school personnel.
3. Developing the District's mission, vision, and strategic plans, to include, but not be limited to, an annual review of the strategic plan's performance measures and goals.
4. Setting the standards for the performance of District schools to improve student achievement and regularly review and publicly report on student outcome data.
5. Setting school attendance boundaries.
6. Establishing the policies that will be used to govern the District and assessing compliance with policy standards and requirements.
7. Approving curriculum and textbooks.
8. Approving and monitoring the District's budget and spending priorities.
9. Approving salaries and benefits for employees.
10. Approving District purchases, unless this responsibility has been delegated to the Superintendent.
11. Acting in a "quasi-judicial" capacity in student or employee hearing matters.
12. Vesting the Superintendent with the powers and duties permitted by law to implement Board policies and develop procedures, implement Board directives and act as the District's chief administrative officer.
13. Conducting a Board self-evaluation and establishing annual Board goals should the Board choose to do so.
14. Establishing a Communication Handbook, in collaboration with the Superintendent.
15. Establishing procedures for gathering stakeholder feedback for decision making, in collaboration with the Superintendent.

Each member of the Governing Board is elected to serve a four-year term. Every two years, either two or three positions are filled during the November general election. Board candidates must reside within the District boundaries for one year prior to being elected to office. Arizona law does not limit the number of terms a member may serve, and members receive no compensation for their service on the board. As prescribed in A.R.S. §15-302, if a board member vacates a position before the end of their term, the Maricopa County School Superintendent is required to appoint a Governing Board member to fill the vacancy until the next regular election for Governing Board members, at which time a successor shall be elected to serve the unexpired portion of the term.

Kyrene Governing Board Members



Triné Nelson
President
Term Ends: 12/2026



Amy Satre
Vice President
Term Ends: 12/2028



Bunny (Ruth) Davis
Member
Term Ends: 12/2028



Cedric Collins
Member
Term Ends: 12/2028



Kevin Walsh
Member
Term Ends: 12/2026

District Leadership

The District is administered by the Superintendent, along with senior leadership shown below. Additionally, the District is organized into the following departments:

- Academic Equity & Excellence
- Accountability & Performance Management
- Communications & Engagement
- Community Education
- Exceptional Student Services
- Facilities
- Federal Programs & Outreach
- Finance
- Information Technology
- Professional Growth and Development
- Safety and Security
- Talent Management
- Transportation

22 principals are responsible for the administration at each of the Kyrene school locations.

Superintendency

Superintendent
Laura Toenjes, M.A.Ed.



Chris Herrmann, ***Associate Superintendent/CFO***
Dr. Garth Cupp, ***Assistant Superintendent***
Lisa Gibson, ***Assistant Superintendent***
Erin Helm, Executive Director
Communications & Engagement

Associate Superintendent/CFO
Chris Herrmann, MBA



Damian Nichols, ***Executive Director***
Information Technology & School Safety
Susie Ostmeyer, Executive Director
Accountability & Performance Mgmt.
Brian Lockery, Director
Finance
Mason Meade, Director
Facilities

Assistant Superintendent
Dr. Garth Cupp, Ed.D.



Kelley Brunner, ***Executive Director***
School Effectiveness
Sandra Laine, ***Executive Director***
Academic Equity & Excellence
Josh Glider, ***Director***
Community Education
Erin Schroeder, ***Director***
Federal Programs & Strategic Partnerships

Assistant Superintendent
Lisa Gibson, M.A.Ed



Dr. Sarah Collins, ***Executive Director***
School Effectiveness
Dr. Stephanie Leake, ***Director***
Talent & Schools
Mary Jane Rincon, ***Director***
Talent Management
Deb Spurgin, ***Director***
Benefits

Executive Directors

Academic Equity & Excellence
Sandra Laine, Ed.D.



Amy Gingell, **Director**
Academic Equity & Excellence
Christie McDougall, **Ph.D., Director**
Assessment & Student Outcomes
Tzipi Turner, **Ed.D., Director**
Exceptional Student services

Accountability & Performance Mgmt.
Susie Ostmeyer, Ph.D.



Rebecca Bolnick, **P.h.D., Director**
Research & Evaluation

Communications & Engagement
Erin Helm



Nicole Ashton, **Assistant Director**
Communications
Heather Docherty, **Assistant Director**
Marketing

Information Technology & School Safety
Damian Nichols



Pete Flocken, **Director**
Information Technology
Jacinta Sorgel, **Assistant Director**
Information Technology

School Effectiveness
Sarah Collins,Ed.D.



Michele Parmley, **Director**
Transportation
School Principals

School Effectiveness
Kelley Brunner, M.A.Ed



School Principals

Financial Overview

2026-27 Budget Summary

Revenue

The 2026-27 budget assumes $189.1M in total governmental fund revenue, which is $1.4M lower (a 0.7% decrease) from the prior year. Kyrene's 2026-27 revenue budget assumes a reduction of $3.5M in ongoing Maintenance and Operations operational revenue from expected enrollment decline. Kyrene works with an outside firm that specializes in providing demographic information for our district. After consultation with our demographer, the 2026-27 budget assumes a reduction of 659 students vs. the prior year. Kyrene's opportunity for student enrollment growth is limited due to several reasons. The District boundaries are landlocked with minimal room for growth or new housing, which restricts the opportunity to increase the overall population residing within Kyrene's boundaries. In addition, the community is aging in place with limited turnover in neighborhoods, creating reduced opportunity for families with school-age children to move into the District. The impact of past economic recessions has also resulted in a declining birth rate across Maricopa County, resulting in fewer new incoming kindergarten students.

Expenditures

The 2026-27 budget assumes $221.6M in total government fund expenditures, which is $5.5M higher (a 2.5% increase) from the prior year. Capital expenditures are expected to increase by $3.3M and account for most of the annual change. Capital expenditures typically impact the areas of school construction, transportation and information technology. Kyrene's 2026-27 budgeted expenditures also include $6.9M of one-time operational expenditures within the General Fund as the District has dedicated money towards supporting its strategic plan, employee stipends and other one-time events. Although the entire $6.9M has been budgeted in the 2026-27 year, any remaining or unspent money will continue to be budgeted throughout the strategic plan time period as necessary. The overall district budget also includes $4.9M of operational expenditure reductions that were made in order to align budgetary spending with changes in enrollment.

Fiscal Responsibility

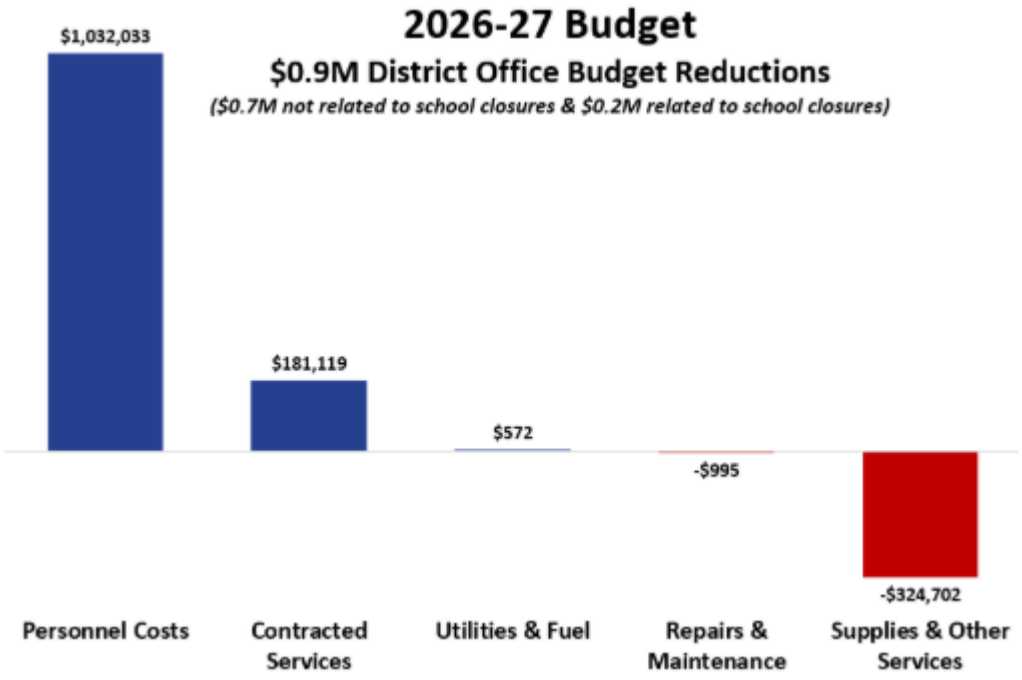
Because of Arizona's funding formula for education, enrollment declines equate to less state funding. Whenever this occurs, Kyrene undertakes significant efforts in that same year to reduce operational expenditures in order to right size spending against any expected revenue declines. The goal is to reduce ongoing operational expenditures by an amount equal to the funding decreases so that a sustainable and balanced budget is produced. In order to accomplish this, Kyrene has developed and uses a timeless spending model. The concept of Kyrene's timeless spending model involves looking at how expenditures should ideally be spent in future years across all operational functions to ensure that maximum resources continue to be allocated to the classroom. By using this model, Kyrene looks at the expected budgetary impact from enrollment changes and determines how proportionate expenditure reductions need to take place across all district operational areas. This model also provides safeguards so that one particular group or area is not disproportionately overburdened with potential budget reductions.

Expenditure reductions take place across operational and functional areas as defined by the Uniform System of Financial Records (USFR) and the Arizona Auditor General's office. For Kyrene, the operational areas included in its timeless spending model include classroom instruction, student support areas, instructional support, administration, plant operations and transportation. It is important to note that most capital items and capital expenditures are not included in Kyrene's timeless spending model, so any expenditure

reductions necessary to balance the budget must take place within the ongoing operational categories of personnel costs, contracted services, medical costs, supplies, services, repairs/maintenance or utilities/fuel. Because of strict laws and rules in Arizona that determine how different fund sources can and can not be used, this also means the impact from lower funding due to enrollment loss in Kyrene's annual operating budget can not be balanced by making changes to capital spending, debt service, grants or other non-operational special revenue funds.

The 2026-27 budget includes a total permanent reduction of $4.9M in operational expenditures. District office reductions account for $0.9M of that total and those budget reductions are taking place across a variety of areas. Although most expenditure reductions take place in the area of personnel costs, these reductions will happen without the need to implement a reduction in force, because these position reductions will be achieved mostly through employee retirements or closing unfilled positions.

The District also expects to see increases in property insurance costs of $0.3M as a result of rate increases related to higher assessed property values.



Overall budgets related to schools in 2026-27 decreased by $4.0M primarily as a result of lower personnel costs due to enrollment changes. Whenever there are year-to-year enrollment changes, school staffing allocations and budgeted resources naturally adjust up or down based on student changes. This variable nature and the adjustment to school budgets is important because it means that classroom resources will always be in line with supporting student needs while still keeping dollars spent in the classroom at the highest level. The reduction in personnel costs will occur without any need to implement a reduction in force or an increase to class sizes, and will be achieved through employee retirements or closing unfilled positions.

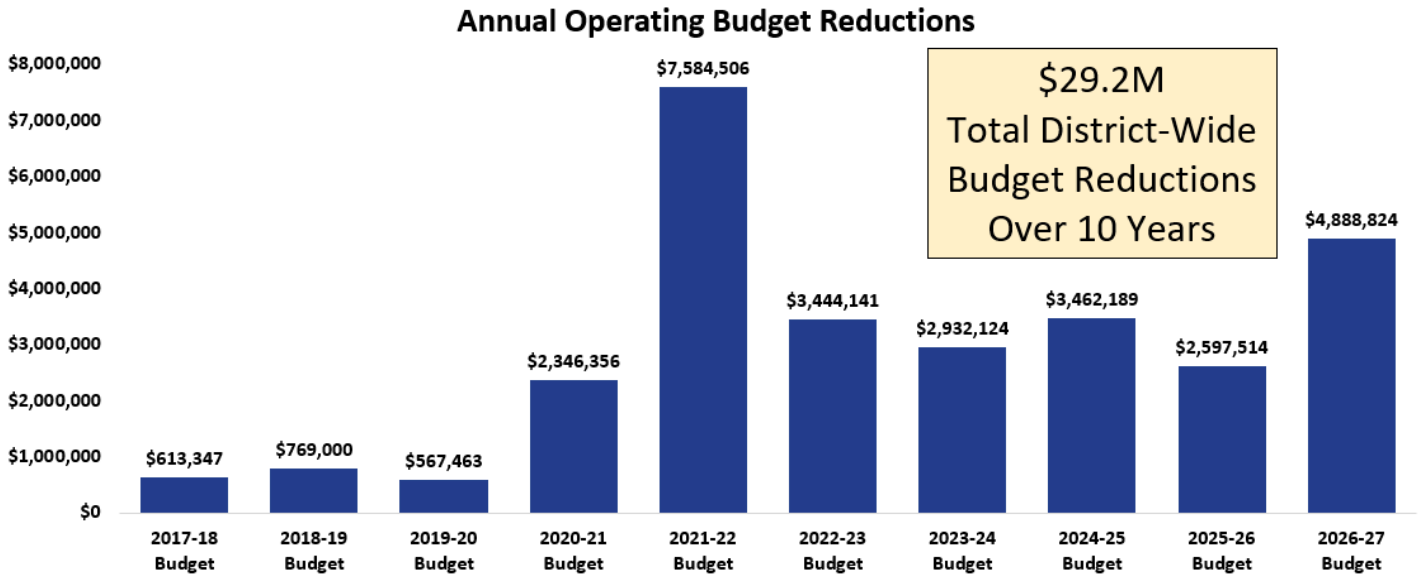
Budget Impact of Closing Schools

Throughout the 2025-26 school year the District engaged in conversations with the Governing Board and community related to closing schools. Kyrene's existing school sites were built to hold 20,000 students, but Kyrene's enrollment had dropped below 13,000 in recent years. Ultimately the Governing Board voted to close three schools at the end of the 2025-26 school year, with three additional schools to be closed at the

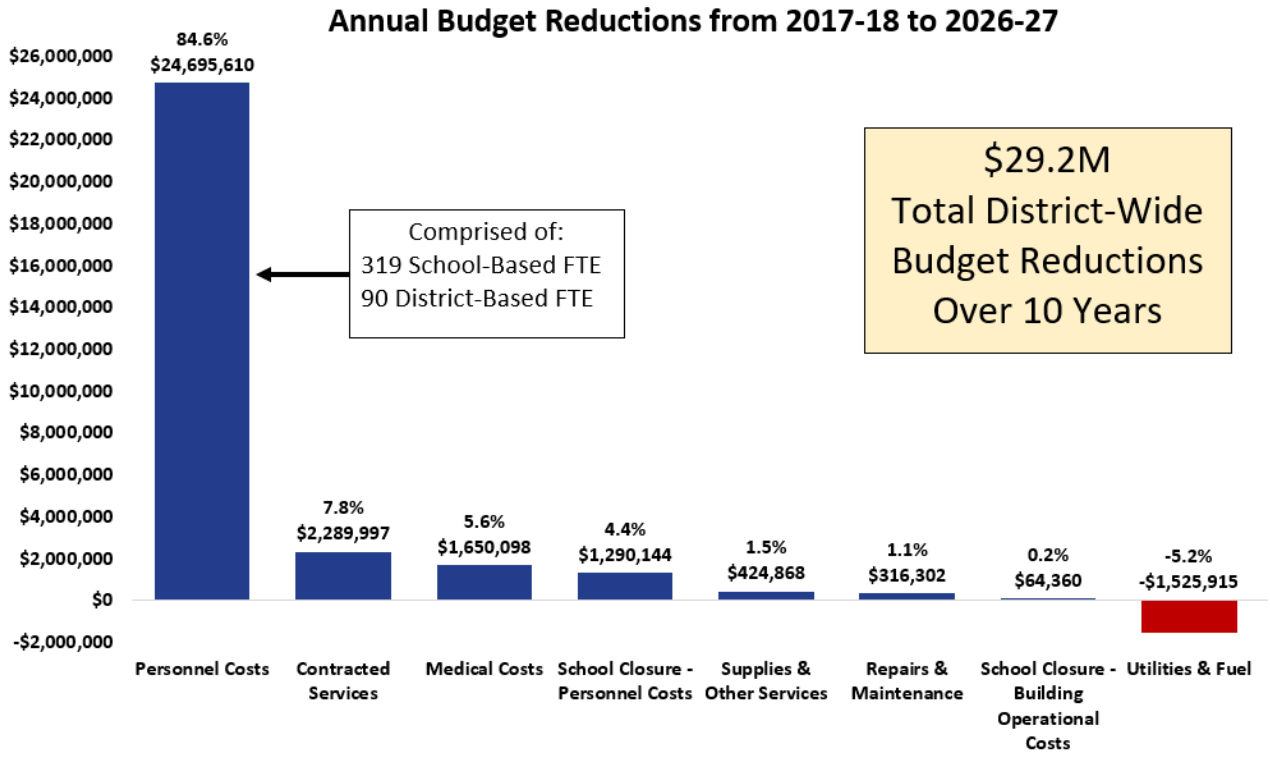
end of the 2026-27 school year. As a result of closing the first three schools, Kyrene's annual operating expenses will decrease in the 2026-27 operating budget by $1.4M. Those expenditure reductions are the result of reducing personnel costs only and relate to the positions directly tied to operating the facilities identified to close. 2026-27 savings are exclusively personnel, as the District continues to maintain and utilize the school buildings. Additional savings or other financial opportunities may be realized in future years, when the District makes decisions with the Governing Board about what to do with the facilities and properties. Although $1.4M represents a substantial cost reduction, another $3.5M of operational expenditure reductions were necessary in order to account for forecasted enrollment funding losses and produce a balanced budget for 2026-27.

History of Balancing the Budget

Although losing state funding from enrollment declines makes it very difficult to create a sustainable and balanced budget, Kyrene has done so for many years. Over the last ten years, Kyrene has lost $28.1M in state funding due to lower enrollment. Without expenditure reductions, it would have been impossible to produce a balanced and sustainable budget over this time period. Utilizing Kyrene's timeless spending model, operational expenditures were reduced by $29.2M over this same ten-year period, demonstrating Kyrene's commitment to creating financially sustainable budgets and being fiscally responsible to our community.



Expenditures were reduced in a variety of ways over this ten-year time period, with the largest amount of reductions ($24.7M) made in personnel costs, equating to 409 full-time positions, and representing 84.6% of the total reduction amount. Because almost 85% of Kyrene's overall operational budget relates to personnel costs, most of those reductions should be expected to take place in this area. Any decreases to personnel costs were mainly achieved through employee retirements or closing unfilled positions. Each year, Kyrene looks for opportunities to reduce expenses through attrition, reorganizing departmental work, retirements, or eliminating vacant positions rather than pursuing other options such as implementing a reduction in force, raising class sizes or eliminating programs.


Annual Budget Reductions from 2017-18 to 2026-27
$26,000,000
$24,000,000
$22,000,000
$20,000,000
$18,000,000
$16,000,000
$14,000,000
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$0
-$2,000,000
84.6%
$24,695,610
7.8%
$2,289,997
5.6%
$1,650,098
4.4%
$1,290,144
1.5%
$424,868
1.1%
$316,302
0.2%
$64,360
-5.2%
-$1,525,915
Personnel Costs
Contracted Services
Medical Costs
School Closure - Personnel Costs
Supplies & Other Services
Repairs & Maintenance
School Closure - Building Operational Costs
Utilities & Fuel
Comprised of:
319 School-Based FTE
90 District-Based FTE
$29.2M
Total District-Wide
Budget Reductions
Over 10 Years

Financial Summary: Governmental Funds

A financial summary of all governmental funds included in Kyrene's annual budget is provided below. A discussion of significant trends and budget issues is provided in the previous budget summary section.

Governmental Funds
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$103,470,921**	**$102,060,269**	**$111,939,724**	**$120,060,261**	**$94,438,146**	**$61,973,896**	**$74,601,748**	**$52,630,242**
Revenue:								
1000-Revenue From Local Sources	$97,943,444	$102,020,820	$102,058,228	$109,328,163	$112,048,006	$109,936,256	$109,275,306	$108,920,241
2000-Revenue From Intermediate Sources	$57,452	$1,211	-$264,492	$0	$0	$0	$0	$0
3000-Revenue From State Sources	$83,732,074	$86,901,451	$80,087,633	$73,039,602	$68,314,881	$67,124,238	$66,349,327	$66,290,405
4000-Revenue From Federal Sources	$20,344,340	$18,535,998	$11,189,756	$7,997,821	$8,469,303	$8,469,303	$8,469,303	$8,469,303
5000-Other Financing Sources/Transfers In	$1,414,334	$20,821,002	$43,683,041	$107,069	$289,595	$35,289,595	$289,595	$35,289,595
Total Revenue	**$203,491,644**	**$228,280,482**	**$236,754,166**	**$190,472,655**	**$189,121,785**	**$220,819,392**	**$184,383,531**	**$218,969,544**
Expenditures:								
6100-Salaries	$95,405,153	$96,810,450	$95,850,025	$94,786,235	$99,675,250	$95,509,900	$94,272,799	$94,441,403
6200-Employee Benefits	$29,139,225	$30,329,601	$28,836,978	$30,229,399	$28,708,595	$27,715,427	$27,404,420	$27,453,349
6300-Purchased Professional Services	$7,861,491	$6,981,413	$8,942,309	$9,257,784	$7,428,556	$4,298,074	$4,222,702	$4,187,835
6400-Purchased Property Services	$18,732,911	$25,959,919	$33,984,761	$19,758,252	$27,237,621	$23,350,101	$23,353,263	$23,308,467
6500-Other Purchased Services	$7,405,636	$8,385,128	$8,751,814	$9,457,729	$8,520,259	$7,742,943	$7,605,095	$7,541,327
6600-Supplies	$10,284,447	$10,319,554	$12,554,438	$12,727,335	$16,718,197	$17,800,095	$17,316,355	$16,998,603
6700-Property	$5,971,221	$10,976,567	$13,062,889	$14,037,257	$7,258,136	$7,472,427	$7,471,467	$7,471,023
6800-Debt Services & Miscellaneous	$25,467,001	$27,285,127	$27,571,143	$25,733,712	$25,749,825	$24,012,978	$24,419,340	$24,376,843
6900-Transfers Out	$1,061,023	$358,207	$152,097	$107,069	$289,595	$289,595	$289,595	$289,595
Total Expenditures	**$201,328,110**	**$217,405,967**	**$229,706,454**	**$216,094,771**	**$221,586,034**	**$208,191,540**	**$206,355,036**	**$206,068,445**
Ending Fund Balance	**$105,634,455**	**$112,934,784**	**$118,987,436**	**$94,438,146**	**$61,973,896**	**$74,601,748**	**$52,630,242**	**$65,531,341**
Change In Fund Balances	**$2,163,534**	**$10,874,515**	**$7,047,712**	**-$25,622,115**	**-$32,464,250**	**$12,627,852**	**-$21,971,505**	**$12,901,099**
***Adjusted Ending Fund Balance**	**$102,060,269**	**$111,939,724**	**$120,060,261**	**NA**	**NA**	**NA**	**NA**	**NA**

Governmental Funds

Expenditures by Function

Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$103,470,921**	**$102,060,269**	**$111,939,724**	**$120,060,261**	**$94,438,146**	**$61,973,896**	**$74,601,748**	**$52,630,242**
Revenue:								
1000-Revenue From Local Sources	$97,943,444	$102,020,820	$102,058,228	$109,328,163	$112,048,006	$109,936,256	$109,275,306	$108,920,241
2000-Revenue From Intermediate Sources	$57,452	$1,211	($264,492)	$0	$0	$0	$0	$0
3000-Revenue From State Sources	$83,732,074	$86,901,451	$80,087,633	$73,039,602	$68,314,881	$67,124,238	$66,349,327	$66,290,405
4000-Revenue From Federal Sources	$20,344,340	$18,535,998	$11,189,756	$7,997,821	$8,469,303	$8,469,303	$8,469,303	$8,469,303
5000-Other Financing Sources/Transfers In	$1,414,334	$20,821,002	$43,683,041	$107,069	$289,595	$35,289,595	$289,595	$35,289,595
Total Revenue	**$203,491,644**	**$228,280,482**	**$236,754,166**	**$190,472,655**	**$189,121,785**	**$220,819,392**	**$184,383,531**	**$218,969,544**
Expenditures:								
1000-Instruction	$89,976,924	$91,518,330	$91,203,226	$90,052,567	$94,951,931	$93,286,740	$91,854,925	$91,755,528
2100-Student Support	$14,446,051	$14,730,474	$15,030,614	$16,405,188	$15,831,065	$14,600,783	$14,470,310	$14,477,245
2200-Instruction Support	$7,199,167	$8,281,019	$8,512,850	$9,067,921	$7,226,276	$7,108,858	$7,008,321	$6,977,856
2300-General Administration	$1,208,876	$1,504,236	$1,464,128	$1,590,893	$1,704,957	$1,666,054	$1,647,914	$1,645,523
2400-School Administration	$7,433,932	$7,849,477	$7,531,353	$7,331,820	$6,580,402	$6,392,763	$6,339,816	$6,347,015
2500-Central Services	$7,694,381	$8,644,380	$10,241,006	$7,965,318	$7,660,959	$6,749,211	$6,693,080	$6,688,019
2600-Plant Operations	$15,539,003	$16,569,649	$17,531,032	$17,101,246	$19,631,531	$18,251,244	$18,003,184	$17,912,952
2700-Transportation	$6,078,333	$8,182,470	$8,931,640	$11,981,617	$6,350,726	$5,354,430	$5,303,637	$5,303,796
3100-Food Service Operations	$4,405,604	$5,074,531	$5,436,514	$5,755,876	$4,738,888	$4,590,793	$4,511,841	$4,475,318
3200-Enterprise Operations	$16,115	$9,781	$13,672	$7,322	$7,322	$0	$0	$0
3300-Community Services Operations	$7,689,457	$7,903,777	$8,244,883	$9,205,509	$9,331,664	$9,020,688	$8,937,032	$8,938,217
4000-Facilities Acquisition & Construction	$13,797,167	$20,695,560	$29,019,023	$14,292,944	$21,949,805	$17,282,380	$17,282,380	$17,282,380
5000-Debt Service	$24,782,075	$26,084,075	$26,394,417	$25,229,480	$25,330,913	$23,598,000	$24,013,000	$23,975,000
6000-Transfers Out	$1,061,023	$358,207	$152,097	$107,069	$289,595	$289,595	$289,595	$289,595
Total Expenditures	**$201,328,110**	**$217,405,967**	**$229,706,454**	**$216,094,771**	**$221,586,034**	**$208,191,540**	**$206,355,036**	**$206,068,445**
Ending Fund Balance	**$105,634,455**	**$112,934,784**	**$118,987,436**	**$94,438,146**	**$61,973,896**	**$74,601,748**	**$52,630,242**	**$65,531,341**
Change In Fund Balances	**$2,163,534**	**$10,874,515**	**$7,047,712**	**-$25,622,115**	**-$32,464,250**	**$12,627,852**	**-$21,971,505**	**$12,901,099**
***Adjusted Ending Fund Balance**	**$102,060,269**	**$111,939,724**	**$120,060,261**	**NA**	**NA**	**NA**	**NA**	**NA**

Explanation/Comments:

For the 2026-27 budget, the District is expecting $189.1M in total governmental fund revenue, which is in line with the prior year. The timing of the bond sales is the main driver for the swings in revenues and fund balances throughout the 8-year time period between 2022-23 and 2029-30. Bond sales of $35.0M are expected to take place during both the 2027-28 and 2029-30 fiscal years.

The District is expecting $221.6M in total governmental fund expenditures for 2026-27, which is an expected increase of 2.5% from the prior year. That increase is driven mainly by higher capital expenditures vs the prior year as outlined in the District's capital spending plans. 2026-27 also includes $6.9M of expenditures that are captured in the General Fund and would be considered one-time or nonrecurring in nature.

An "adjusted" ending fund balance* is provided in situations where the budget balance more accurately reflects the ending fund balance, or when certain fund groupings blend cash and budgeted funds. In these cases the adjusted ending fund balance is used as the beginning fund balance for the next fiscal year.

Informational Overview

Student Enrollment History and Projections

Projecting and monitoring enrollment data is critical in the development of the District's budget as it helps estimate future year revenue and costs. School funding in Arizona is calculated based on student enrollment in the current school year, and these enrollment projections provide the District with an estimated revenue expectation for the current year budget. Those projections, when analyzed by student characteristics, provide direction on where to target the allocation of resources. Since Kyrene has a long history of analyzing enrollment data, the District is able to identify trends that inform decisions on how to allocate resources district-wide.

The District works with a demographer to help predict future enrollment estimates. This work uses enrollment data based on the 40th day of school and assists with providing school and grade level projections, anticipating staffing resources and budgets for school needs. When analyzing enrollment, variables such as housing and occupancy rates, birth rates and residential development are considered in calculating future year projections. The combination of rolling the student population forward in grades kindergarten through seven, using demographic insights, and factoring in housing occupancy and birth rates allows the District to project the best possible enrollment estimates into the future.

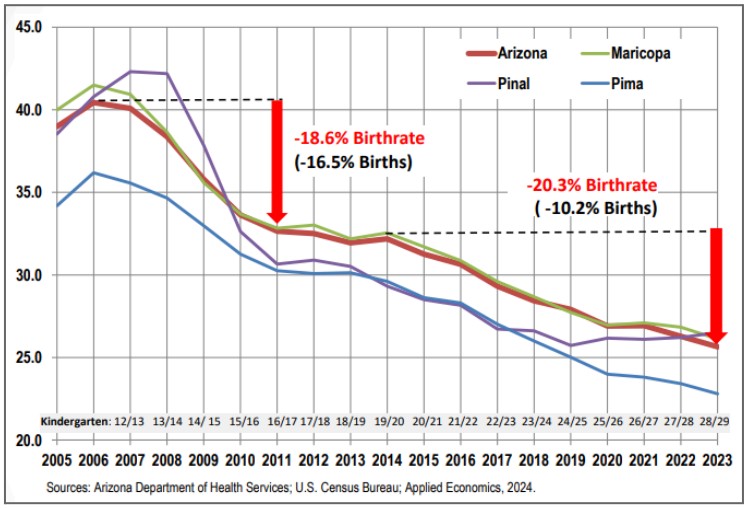
There are several factors that limit Kyrene's opportunity for enrollment growth. The District boundaries are landlocked which restricts the opportunity to increase the overall population residing within Kyrene's boundaries. In addition, the community is aging and remaining in their homes for longer periods of time, which limits the opportunity for families with school-age children to move into the District. Maricopa County has also experienced a decline in overall birth rates, resulting in fewer new incoming kindergarten students each year. The illustrations below show the impact of birth rates and housing demographic changes over time.

Historical Impact of Birth Rates

Birth rates across Arizona and specifically Maricopa County have been declining over time and are anticipated to continue that trend. The graph below shows historical birth rates across the state of Arizona along with the more populous counties that are close to Kyrene. The kindergarten entrance year is also overlaid with the birth rate year, indicating when the District should expect to see lower enrollment in incoming kindergarten classes.

Birth Rate Trends

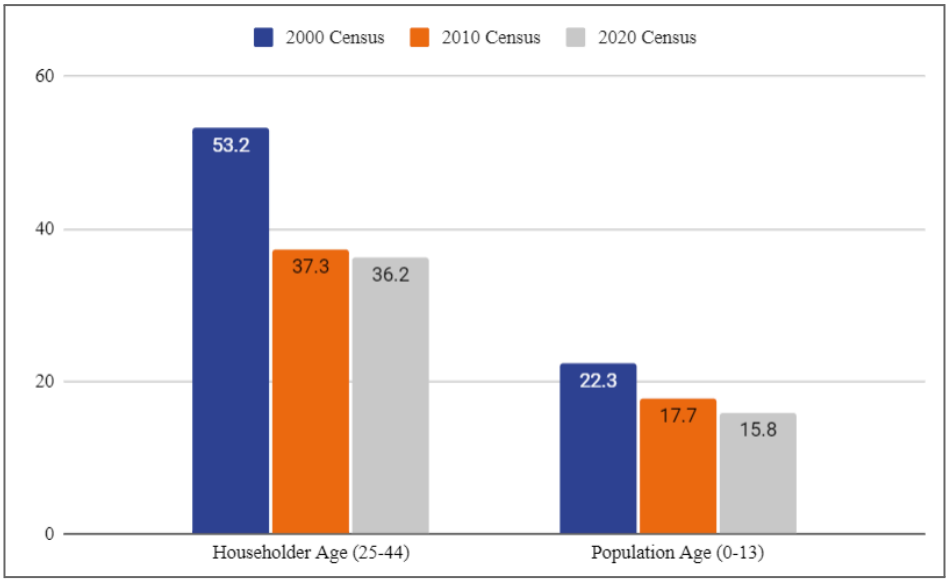
Births per 1,000 people aged 15 to 45



Housing Demographics

Housing demographics also play a role in decreased enrollment across the District. The chart below shows that the overall percentage of homeowners between the ages of 25-44 has dropped from 53.2% to 36.2% over the last 20 years. Likewise, the overall percentage of children in our boundaries between the ages of 0-13 has dropped from 22.3% to 15.8% over that same time period. This data illustrates that households in our boundaries over the last two decades have typically become older and have fewer elementary aged children.

Housing Demographics by Census Year



Supporting Resource: Applied Economics, Demographic and Enrollment Update, Governing Board Presentation, October 22, 2024

District-wide Enrollment

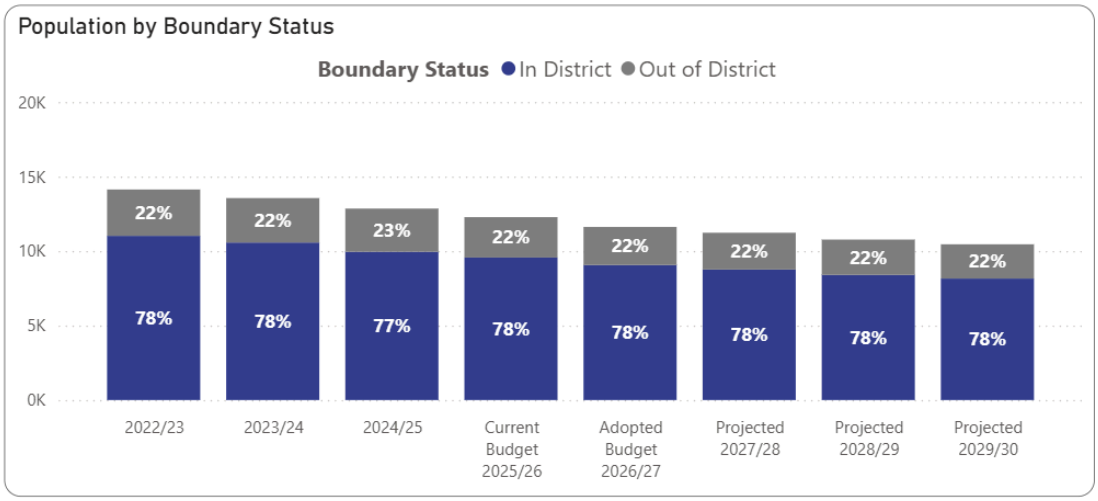
Public school districts are required to accept all children who live within their boundaries. However, state law allows students to apply for admission to any public school, based on available classroom space (A.R.S. §15-816.01). This means students from outside the District boundaries are able to attend Kyrene where space allows.

Kyrene's enrollment consists of students that reside both within and outside District boundaries. Out-of-district (nonresident) students are a significant source of enrollment for Kyrene. Historically, they make up approximately 20% of Kyrene's total enrollment.

A combination of methodologies is used to project future enrollment. The foundation for enrollment is created by rolling the student population forward in grades kindergarten through seven. Estimates for kindergarten are based on birth rates and additional factors such as housing/occupancy rates, household population characteristics and residential development.

The chart titled *Population by Boundary Status by Year,* provides multiple years of enrollment data for grades kindergarten through eight. This data reflects a downward trend in enrollment due to the factors previously mentioned such as being a landlocked district, declining birth rates and limited housing turnover. These factors influence the size of the incoming kindergarten class, which will continue to be lower than the size of the outgoing 8th grade class. Of note, nonresident students have consistently made up about 20% of Kyrene's enrollment, indicating that Kyrene remains a district of choice for families across Arizona.

Population by Boundary Status by Year



School Enrollment

The following table illustrates school-level enrollment over time along with projections for future years. In 2020-21, Kyrene launched a new school for online digital learning (Kyrene Digital Academy), largely in response to the coronavirus pandemic. The Kyrene Digital Academy closed at the end of the 2023-24 school year. At that time, the middle school students who remained in the program were offered online coursework until promoted to high school.

During the 2025-26 school year, the Governing Board approved a plan to close a total of six schools over a two year period. Three schools will close at the end of the 2025-26 school year and include Kyrene de la Colina, Kyrene de la Estrella, and Kyrene de las Manitas. Kyrene Traditional Academy, Pueblo Middle School, and Akimel A-al Middle School will close at the end of the 2026-27 school year. These six schools are included in the enrollment data below for historical comparisons.

Schools by Grades Served	2022/23	2023/24	2024/25	Current Budget 2025/26	Adopted Budget 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30
K-5								
C.I. Waggoner	445	426	407	375	364	338	310	296
Kyrene de la Colina	448	431	394	373	0	0	0	0
Kyrene de la Esperanza	454	404	350	351	665	663	633	599
Kyrene de la Estrella	420	408	383	334	0	0	0	0
Kyrene de la Mariposa	444	440	423	390	353	358	338	323
Kyrene de la Mirada	544	554	524	522	687	626	598	586
Kyrene de la Paloma	491	455	430	397	374	774	723	669
Kyrene de la Sierra	484	478	487	463	582	608	577	541
Kyrene de las Brisas	559	551	528	456	441	407	378	360
Kyrene de las Lomas	439	439	441	416	395	390	377	372
Kyrene de los Cerritos	396	416	382	359	353	364	390	422
Kyrene de los Lagos	498	481	437	408	377	342	341	340
Kyrene de los Ninos	404	373	374	382	387	352	354	356
Kyrene del Cielo	616	621	597	589	559	501	471	458
Kyrene del Milenio	504	469	419	395	553	537	508	493
Kyrene del Norte	478	482	490	474	446	349	326	299
Kyrene Monte Vista	515	500	473	465	446	396	381	382
Total	8,139	7,928	7,539	7,149	6,982	7,005	6,705	6,496
K-8								
Kyrene de las Manitas	403	416	337	283	0	0	0	0
Kyrene Digital Academy	250	155	0	0	0	0	0	0
Kyrene Traditional Academy	588	573	552	525	432	0	0	0
Total	1,241	1,144	889	808	432	0	0	0
6-8								
Akimel A-al Middle School	849	807	799	845	692	0	0	0
Altadena Middle School	963	916	863	780	734	917	888	903
Aprende Middle School	951	847	836	836	856	1,212	1,132	1,060
Centennial Middle School	652	577	586	519	515	902	880	865
Kyrene Middle School	713	733	766	800	870	1,194	1,165	1,128
Pueblo Middle School	621	603	571	539	536	0	0	0
Total	4,749	4,483	4,421	4,319	4,203	4,225	4,065	3,956
Total	**14,129**	**13,555**	**12,849**	**12,276**	**11,617**	**11,230**	**10,770**	**10,452**

[1]Kyrene Traditional Academy began serving grade 6 in 2017-18, grade 7 in 2018-19 and grade 8 in 2019-20. The school is slated to close at the end of the 2026-27 school year. [2]Kyrene de las Manitas began serving grade 6 in 2021-22, grade 7 in 2022-23 and grade 8 in 2023-24. It closed at the end of 2025-26. [3]Full-time online enrollment was moved to Centennial Middle School in 2024-25. [4]Kyrene de la Colina and Kyrene de la Estrella in addition to Kyrene de las Manitas closed at the end of 2025-26. Kyrene Traditional Academy, Pueblo Middle School and Akimel A-al Middle School are closing at the end of 2026-27 school year.

Property Tax Rates and Amounts

Primary and Secondary Taxes

The Arizona school finance formula attempts to ensure that each district has equitable budget capacity compared to others across the state. The state distributes equalization assistance (which comes from the Arizona state budget) to school districts over and above the levy amount raised with the uniform Qualifying Tax Rate (QTR) set forth by the Joint Legislative Budget Committee each year. A significant portion of school district financing in Arizona comes from local property taxes on real and personal property. This system results in districts with high taxable property values per pupil paying a higher percentage of the total cost of educational funding with local taxes. In contrast, school districts with lower taxable property values per pupil pay a lower percentage of the total cost.

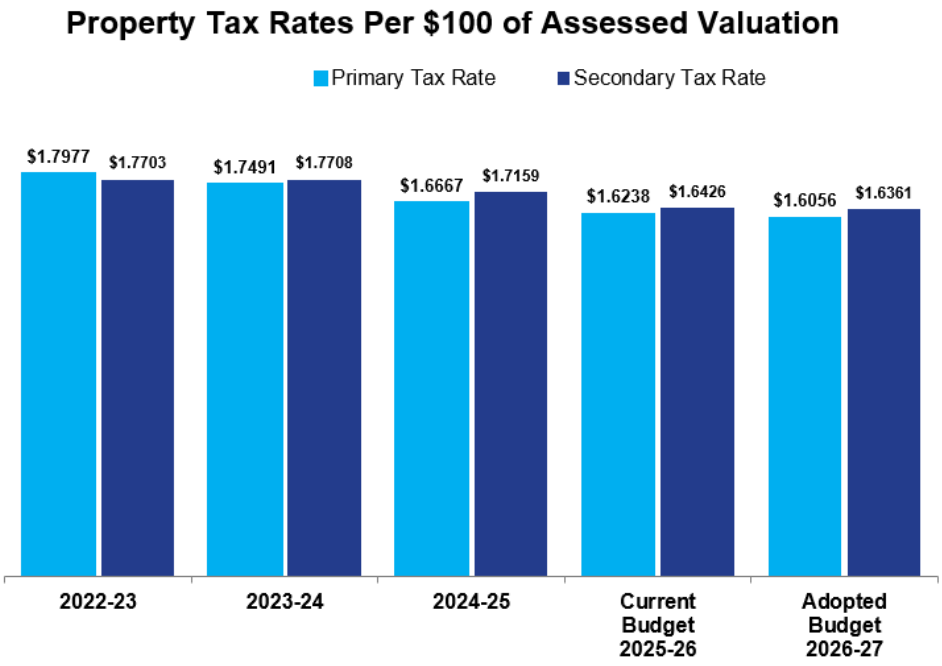
In August, county school superintendents' offices transmit tax levy requirements for each district to the county finance departments which, in turn, inform their county boards of supervisors of the necessary levy by fund for each district. The levy, placed on property in August, applies to the assessed valuation determined for real property and secured personal property in the district through the previous January. Property taxes are collected and distributed in November and April of each year. Generally in Arizona, the delinquency rate on taxes has been averaging approximately 5%, which can account for cash flow problems in some school districts. Kyrene School District typically experiences less than a 2% delinquency rate. Regardless of the collection of taxes or the timeliness of being received in a district, the district can spend up to the budget capacity authorized by the state's funding formula.

Per state statute, taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the state are classified as “primary taxes.” The primary taxes levied by each county, city, town, and community college district are constitutionally limited to a maximum increase of 2% over the maximum allowable prior year’s levy limit, plus any taxes on property not subject to taxation in the preceding year. The 2% limitation does not apply to primary taxes levied on behalf of school districts. The combined taxes on owner occupied residential property only, for purposes other than voter-approved bond indebtedness and overrides and certain special district assessments, are constitutionally limited to 1% of the limited property value of such property. This constitutional limitation on the combined tax levies for owner occupied residential property is implemented by reducing the school district’s taxes. To offset the effects of reduced school district property taxes, the state compensates the school district by providing additional state equalization assistance, which comes from the state’s general budget.

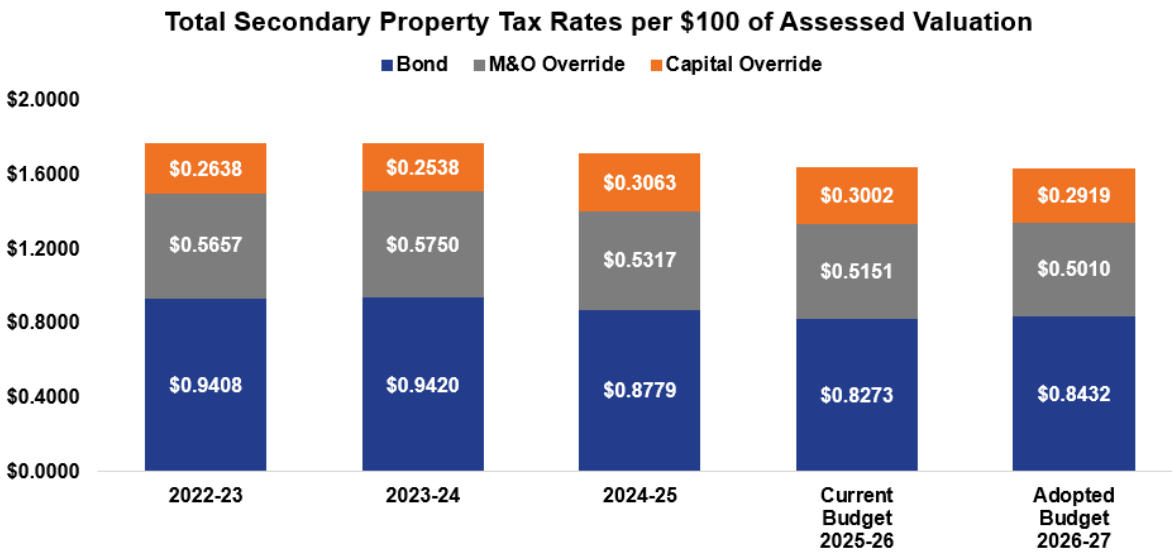
Also per state statute, taxes levied for payments of voter-approved bonds and voter-approved budget overrides are classified as “secondary taxes.” These budget overrides can relate to either maintenance and operations or capital areas. However, unlike primary taxes, there are no constitutional or statutory limitations on annual levies for voter-approved bonds and overrides.

The following chart illustrates the historical trends in primary and total secondary tax rates. The secondary tax rate only relates to bonds or overrides that were approved by voters within the Kyrene School District. An additional chart also provides the individual components of the secondary property taxes that relate to bonds, the maintenance and operations override and the District Additional Assistance/Capital Override. The tax rate information is stated in dollars per $100 of net limited assessed property valuation.

Over the last five years, the primary tax rate has decreased by 10.7% and the secondary tax rate has decreased by 7.6%.



Source: Maricopa County School Superintendent- School Finance, Maricopa County -Tax Levy and Rates Information



Source: Maricopa County School Superintendent- School Finance, Maricopa County -Tax Levy and Rates Information

Personnel Data

The table below summarizes personnel by full-time equivalency (FTE) over five years for three employee groups: Certified, Education Support Professionals, and Administrative. School-based positions are allocated using district staffing formulas and other allocations such as class size and case management assignments. Non-school-based positions are finalized during annual budget development in alignment with budget priorities.

Total districtwide staffing has decreased 109.71 FTE over the past five years. This decrease in employee staffing is consistent with Kyrene's commitment to balancing its budget and right-sizing staffing as enrollment changes. Any staffing reductions related to closing the three elementary schools across Kyrene are reflected in the 2026-27 amounts.

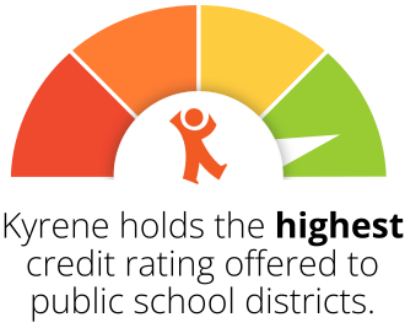
Over the last five years there has been a net increase of almost 20 FTE related to Kyrene’s district-wide Community Education program. These staffing increases are a result of higher student participation in programs that were rebuilt in the years following the COVID-19 pandemic. Because Kyrene’s Community Education programs generate revenue to pay for all employee expenses, this increase in staffing does not create a negative impact on the overall budget.

Category	Position Type	2022-23	2023-24	2024-25	2025-26 Current Budget	2026-27 Adopted Budget
⊟ Certified Employees	Counselor	25.50	23.50	23.00	27.00	24.00
	Physical Therapist/Assistant	1.00	1.00	1.00	2.00	1.50
	Regional Nurse/Lead	6.00	5.60	5.60	4.80	4.80
	Speech Language Pathologist/Assistant	31.55	32.40	33.40	32.95	32.60
	Teacher	874.06	865.40	834.61	791.46	752.15
	Total	**938.11**	**927.90**	**897.61**	**858.21**	**815.05**
⊟ Educational Support Professionals	Administrative- Executive Assistant, Coordinator, Assisitant, Technician, Specialist	164.13	162.63	159.98	156.23	147.35
	Bus Driver Dispatcher/Trainer/Driver/Monitor/FIT	76.25	72.75	76.25	79.25	78.00
	Buyer/Senior	2.00	2.00	2.00	2.00	2.00
	Club Leader	45.95	45.13	50.90	75.35	65.65
	Crossing Guard/Playground/Lunch Duty	29.94	28.88	28.23	28.23	26.38
	Graphic Designer	1.00	1.00	1.00	1.00	0.00
	Health Assistant	26.50	26.50	25.13	25.13	22.13
	Instructional Assistant /Senior/MS ISI	312.21	307.86	328.42	333.02	318.95
	Instructional Support Communication Specialist	3.00	2.00	9.00	8.00	8.88
	Management/Operations Analyst	5.00	9.00	8.00	9.00	10.00
	Materials Processor	4.00	4.00	4.00	3.00	2.00
	Mechanic/Mechanic Lead/Mechanic Technician	4.00	3.00	3.00	3.00	3.00
	Occupational Therapist/Occupational Therapist Assisitant	9.40	9.55	9.55	9.80	10.00
	Printing Assistant/Specialist/Technician	5.00	5.50	7.00	7.00	6.00
	Program Coordinator I,II,III	43.50	45.75	49.50	44.21	45.95
	Program Specialist	0.00	2.00	1.00	1.00	1.00
	Research Analyst	1.00	1.00	1.00	0.00	0.00
	Safety and Security Coordinator	1.00	1.00	1.00	1.00	1.00
	Site Support Technician	25.50	26.50	26.50	26.50	24.50
	Social Worker/Student and Family Support Associate	4.00	3.00	2.00	4.00	2.00
	Warehouse/Garage Supervisor	1.00	1.00	1.00	1.00	1.00
	Total	**764.37**	**760.04**	**794.45**	**817.71**	**775.77**
⊟ Administrative Employees	Assistant Principal/Assistant Director/Program Administrator	25.00	29.00	29.00	30.00	28.00
	Assistant Superintendent/Executive Director/Chief Financial Officer	8.00	8.00	8.00	8.00	9.00
	Director/Principal/Administrator	35.00	39.75	39.75	38.00	35.00
	Program Manager	7.00	5.00	6.00	7.00	7.00
	School Psychologist/Intern	19.00	19.00	19.00	18.00	18.00
	Superintendent	1.00	1.00	1.00	1.00	1.00
	Supervisor	6.05	4.00	4.00	5.00	5.00
	Total	**101.05**	**105.75**	**106.75**	**107.00**	**103.00**
Total		**1,803.53**	**1,793.69**	**1,798.81**	**1,782.92**	**1,693.82**

Bond Issues and Amortization Schedules

A bond is a promise to pay a specified sum of money (called the principal) at a specified date in the future, together with periodic interest at a specified rate. Bonds are debt securities issued to finance capital related purchases and projects and are the funding source for Kyrene's Capital Master Plan. They are used to maintain the school buildings and grounds, repair school buildings, purchase transportation vehicles and address other administrative capital needs. Without the support of our Kyrene community, there is not enough state capital funding to support the ongoing capital needs for our school facilities.

Bond Credit Rating



When school districts issue bonds, part of that process includes receiving a credit rating from a municipal bond rating agency. Bond ratings are a general reflection of the credit quality of the school district and have a direct impact on the interest rates that school districts pay when selling bonds. Traditionally, Kyrene receives a bond rating from two main agencies: Moody's Investors Service and S&P Global. Moody's has assigned Kyrene a rating of Aaa and S&P Global has assigned a rating of AA. Although the rating scales are different for each agency, both of those ratings are the highest credit ratings assigned to school districts in Arizona. Being assigned the highest rating in Arizona is not something new for Kyrene as the District has held the distinction for receiving the highest possible school district credit rating for many years.

A strong local economy and tax base, rising real estate values, a formidable management team and strong fund balances are all reasons listed by Moody's and S&P Global as to why they have assigned this high credit rating to Kyrene. Kyrene intends to maintain those same strong fund balances into the future. This rating reaffirms to our community, employees, and taxpayers that Kyrene is a responsible steward of state, federal and taxpayer dollars.

Bond Issues and Amortization

In November 2023, voters in the Kyrene District approved a new bond authorization for $161M. In March 2025, Kyrene sold $42.75M of bonds from this authorized amount, meaning that $118.25M of bonds can be sold in the future. The table below provides an amortization schedule showing future debt service expenditures based on the total outstanding bond debt as of July 1, 2025.

Aggregate Debt Service
Outstanding Debt Service as of 6-30-26

Payment Date	Principal Payments	Interest Payments	Total Debt Service
7/1/2026	$15,425,000.00	$4,671,081.25	$20,096,081.25
1/1/2027		$4,285,456.25	$4,285,456.25
7/1/2027	$16,760,000.00	$4,285,456.25	$21,045,456.25
1/1/2028		$3,909,256.25	$3,909,256.25
7/1/2028	$16,000,000.00	$3,909,256.25	$19,909,256.25
1/1/2029		$3,536,943.75	$3,536,943.75
7/1/2029	$16,940,000.00	$3,536,943.75	$20,476,943.75
1/1/2030		$3,119,718.75	$3,119,718.75
7/1/2030	$17,015,000.00	$3,119,718.75	$20,134,718.75
1/1/2031		$2,732,343.75	$2,732,343.75
7/1/2031	$13,130,000.00	$2,732,343.75	$15,862,343.75
1/1/2032		$2,430,306.25	$2,430,306.25
7/1/2032	$13,865,000.00	$2,430,306.25	$16,295,306.25
1/1/2033		$2,101,981.25	$2,101,981.25
7/1/2033	$14,665,000.00	$2,101,981.25	$16,766,981.25
1/1/2034		$1,801,350.00	$1,801,350.00
7/1/2034	$10,280,000.00	$1,801,350.00	$12,081,350.00
1/1/2035		$1,555,975.00	$1,555,975.00
7/1/2035	$9,525,000.00	$1,555,975.00	$11,080,975.00
1/1/2036		$1,347,125.00	$1,347,125.00
7/1/2036	$9,405,000.00	$1,347,125.00	$10,752,125.00
1/1/2037		$1,130,625.00	$1,130,625.00
7/1/2037	$8,070,000.00	$1,130,625.00	$9,200,625.00
1/1/2038		$938,875.00	$938,875.00
7/1/2038	$8,820,000.00	$938,875.00	$9,758,875.00
1/1/2039		$728,625.00	$728,625.00
7/1/2039	$7,745,000.00	$728,625.00	$8,473,625.00
1/1/2040		$545,750.00	$545,750.00
7/1/2040	$7,000,000.00	$545,750.00	$7,545,750.00
1/1/2041		$382,000.00	$382,000.00
7/1/2041	$5,240,000.00	$382,000.00	$5,622,000.00
1/1/2042		$254,125.00	$254,125.00
7/1/2042	$3,555,000.00	$254,125.00	$3,809,125.00
1/1/2043		$168,000.00	$168,000.00
7/1/2043	$3,260,000.00	$168,000.00	$3,428,000.00
1/1/2044		$86,500.00	$86,500.00
7/1/2044	$3,460,000.00	$86,500.00	$3,546,500.00
Total	**$200,160,000.00**	**$66,780,993.75**	**$266,940,993.75**

Operational Spending

As part of the budget process, Kyrene strives to maximize funding allocated to the classroom in order to produce the most direct benefits to students. The results from this activity can be measured and evaluated by reviewing an independent report prepared and published by the Arizona Auditor General's office. This report is produced annually in the spring and provides information for the previous fiscal year.

A.R.S. §41-1279.03 requires the Auditor General to monitor school districts to determine the percentage of every dollar spent in the classroom and also conduct performance audits of Arizona's school districts. Arizona charter schools, however, which are also funded with taxpayer and public dollars, and private schools that receive public funding through empowerment scholarship accounts (ESA), are not subject to these requirements. The report produced by the Arizona Auditor General's office monitors state-wide operational spending trends in instruction and other operational categories such as student support, instructional support, administration, plant operations, food service and transportation. It also identifies spending for peer districts within Arizona as well as overall state results. Peer groups are identified based on school districts that have a similar size, type and location. For Kyrene, its peer group includes districts categorized by the Auditor General as very large and large elementary school districts in cities and suburbs.

Classifications

Operational spending includes costs incurred for the District's day-to-day operations and contains the categories listed below. These categories follow Arizona's Uniform Chart of Accounts for school districts, which meets the requirements of the U.S. Department of Education's account classifications. This provides the ability to compare results over time against peers, the entire state of Arizona and also national averages. Operational spending includes both instructional and non-instructional spending. The definition of instructional spending used in the Auditor General's report is based on the definition of "instruction" developed by the U.S. Department of Education's National Center for Education Statistics. Operational spending excludes costs associated with acquiring capital assets (such as purchasing or leasing land, buildings and equipment), as well as interest and programs that are outside the scope of preschool through grade 12, such as adult education and community service programs. Total operational spending includes the instructional and non-instructional expenditures as shown below:

Instructional Spending

Classroom personnel: Salaries and benefits for teachers, teacher's aides, substitute teachers, graders and guest lecturers.

General instructional supplies: Paper, pencils, crayons, etc.

Instructional aids: Textbooks, workbooks, instructional software, etc.

Activities: Field trips, athletics, and co-curricular activities, such as choir or band.

Tuition: Paid to out-of-state and private institutions.

Other Non-instructional Spending

Instruction support: Salaries and benefits for curriculum directors, special education directors, teacher trainers, librarians, media specialists and instruction-related IT staff. This category also includes other costs related to assisting instructional staff in delivering instruction.

Student support: Salaries and benefits for attendance clerks, social workers, counselors, nurses, audiologists and speech pathologists. This category also includes other costs related to these support services for students.

Transportation: Salaries, benefits, and other costs related to maintaining buses and transporting students to and from school and school activities.

Plant operations: Salaries, benefits, and other costs related to equipment repair, building maintenance, custodial services, groundskeeping and security. This category also includes costs for heating, cooling, lighting and property insurance.

Food service: Salaries, benefits, food supplies and other costs related to preparing, transporting and serving meals and snacks.

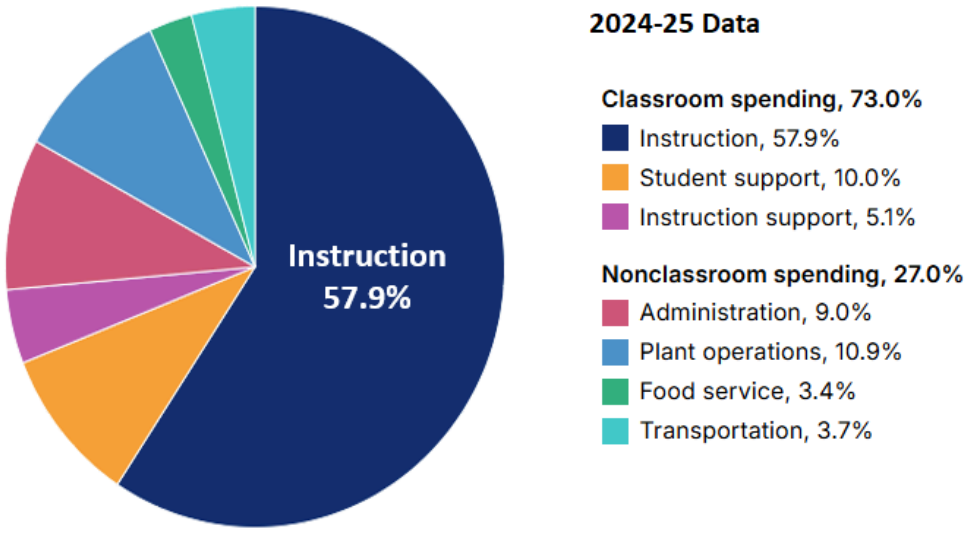
Administration: Salaries and benefits for superintendents, principals, business managers, clerical and other staff who perform accounting, payroll, purchasing, warehousing, printing, human resource activities and administrative technology services. This category also includes other costs related to these services as well as the Governing Board.

Spending by Operational Area

The results from the latest independent Arizona Auditor General report are listed below. This report is produced annually in the spring and provides information for the previous fiscal year, which means that the most current information is for the 2024-25 year. Information for the 2025-26 year will not be available until the spring of 2027.

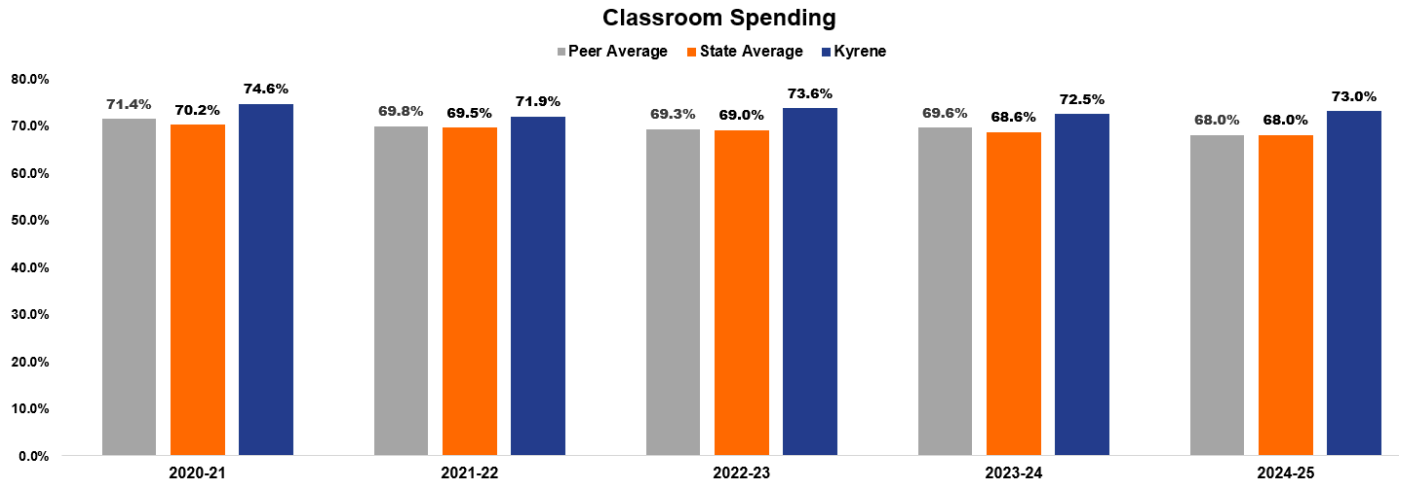
According to the report, Kyrene's instructional spending was 57.9%. This amount is substantially higher than both Kyrene's peer district average of 51.7% and the overall state average of 52.1%. The combined spending for instruction, student support, and instruction support is also identified as "classroom spending" by the Auditor General. These amounts represent the total funding spent for overall classroom activities within a school district. For Kyrene, this amount was 73.0% and represents the 5th highest percentage in the state, and is higher than both its peer district average of 68.0% and the overall state average of 68.0%. This means that almost three out of every four dollars spent by Kyrene went into the classroom to provide the most direct benefits for students.

These results and distinctions for Kyrene are similar to previous years as Kyrene consistently puts more dollars into the classroom than both its peer groups and the overall state average. Information from the most current Auditor General report for Kyrene's total operational spending is provided below.



Historical Classroom Spending Comparisons

The combined spending for instruction, student support, and instruction support is characterized as "classroom spending" by the Auditor General. These amounts represent the total funding spent for overall classroom activities within a school district. The graph below displays five years of history and shows that Kyrene has consistently outperformed the state of Arizona and peer comparison groups as identified by the Auditor General's office.



ORGANIZATIONAL SECTION







About Kyrene

Kyrene Elementary School District enrolls approximately 12,000 students in preschool through 8th grade and has 22 schools: 15 elementary, six middle, and one K-8 school. The District's boundaries are located within Maricopa County and encompass all of Ahwatukee in Phoenix, south Tempe, west Chandler and parts of Guadalupe and the Gila River Indian Reservation. Kyrene also welcomes thousands of students from outside of the District. Team Kyrene is made up of 1,800 educators, including teachers, leaders and education support professionals.

Kyrene program offerings include world languages, STEM, AVID College Readiness, fine and performing arts, gifted and computer science immersion. Kyrene is also home to a Traditional Academy, two dual language academies and an IB World School. Learning begins early in Kyrene preschool programs, serving children as young as three years old, followed by free full-day or half-day kindergarten options. Kyrene also offers an impressive selection of courses and program options before, during, and after school hours, including middle school athletics.

Kyrene'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 or 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.

Kyrene's 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. No component units are presented in the District's financial statements and the District is not included in any other governmental reporting entities.

A.R.S. §15-914.01 allows school districts the opportunity to apply to the state board of education to assume all accounting responsibilities. This statute requires a school district to develop an accounting responsibility plan and file their application with both the Arizona State Board of Education and the Office of the Maricopa County School Superintendent. Kyrene School District assumes all responsibility for its accounting responsibilities and maintains all financial records in accordance with the Uniform System of Financial Records and other applicable laws, and is therefore independent from the County Superintendent's Office.

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 regular and special education, student transportation, construction and maintenance of district facilities, food services, and athletic functions.

A Model of Excellence

Kyrene Elementary School District is one of Arizona's leading public school districts, providing excellence in education for 138 years. Kyrene is deeply rooted in tradition while leading with innovation. The District is known for high academic achievement, with schools consistently outperforming peer districts, charter schools, and state averages on Arizona assessments and other academic benchmarks. This provides the District with an indicator to confirm that outcomes are in line with budget investments.

Kyrene has an established reputation as a high-performing district and is an A-rated district by the state of Arizona. All Kyrene schools have earned A or B ratings from the Arizona Department of Education, and 14 schools have been designated “A+ Schools of Excellence” by the Arizona Educational Foundation (AEF). AEF is a nonprofit organization that fosters excellence in education by administering statewide programs that enhance the capabilities of Arizona’s schools. Applicant schools are evaluated across such areas as teaching and learning strategies, student achievement, leadership and community integration.

Kyrene’s 88% teacher retention rate speaks to the supportive, collaborative culture that empowers educators to stay and succeed. Twenty three Kyrene teachers and administrators have earned certification by the National Board for Professional Teaching Standards. National Board Certification (NBC) is the highest certificate an educator can achieve in the United States, and it is achieved by successfully completing a rigorous process of performance-based analysis and peer review. Research shows performance growth among students of Board-certified teachers, with an even greater impact among minority and low-income students. Kyrene students benefit from experienced, passionate professionals who create classroom environments where curiosity is encouraged, challenges are embraced, and individual needs are met.

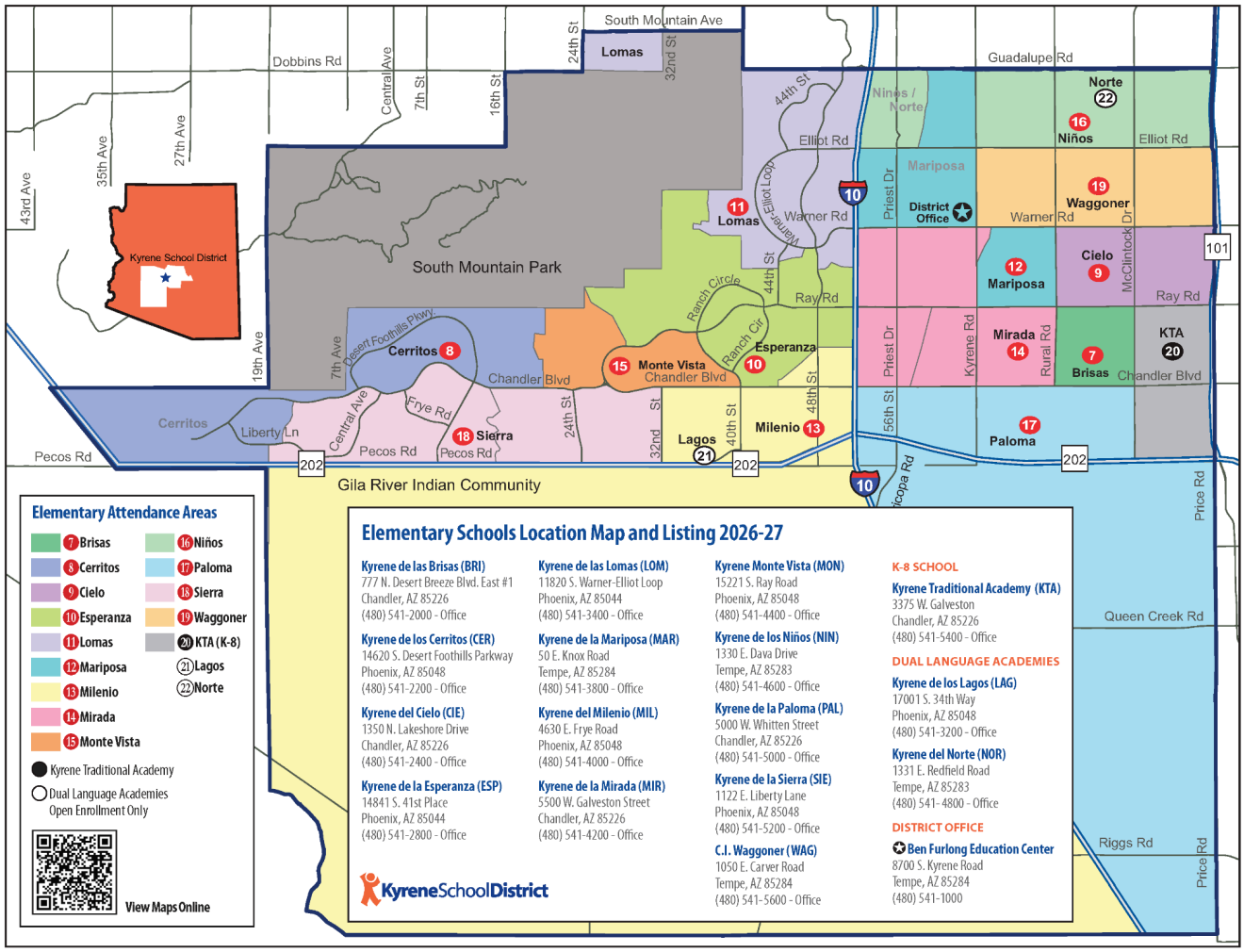
Geographic Area

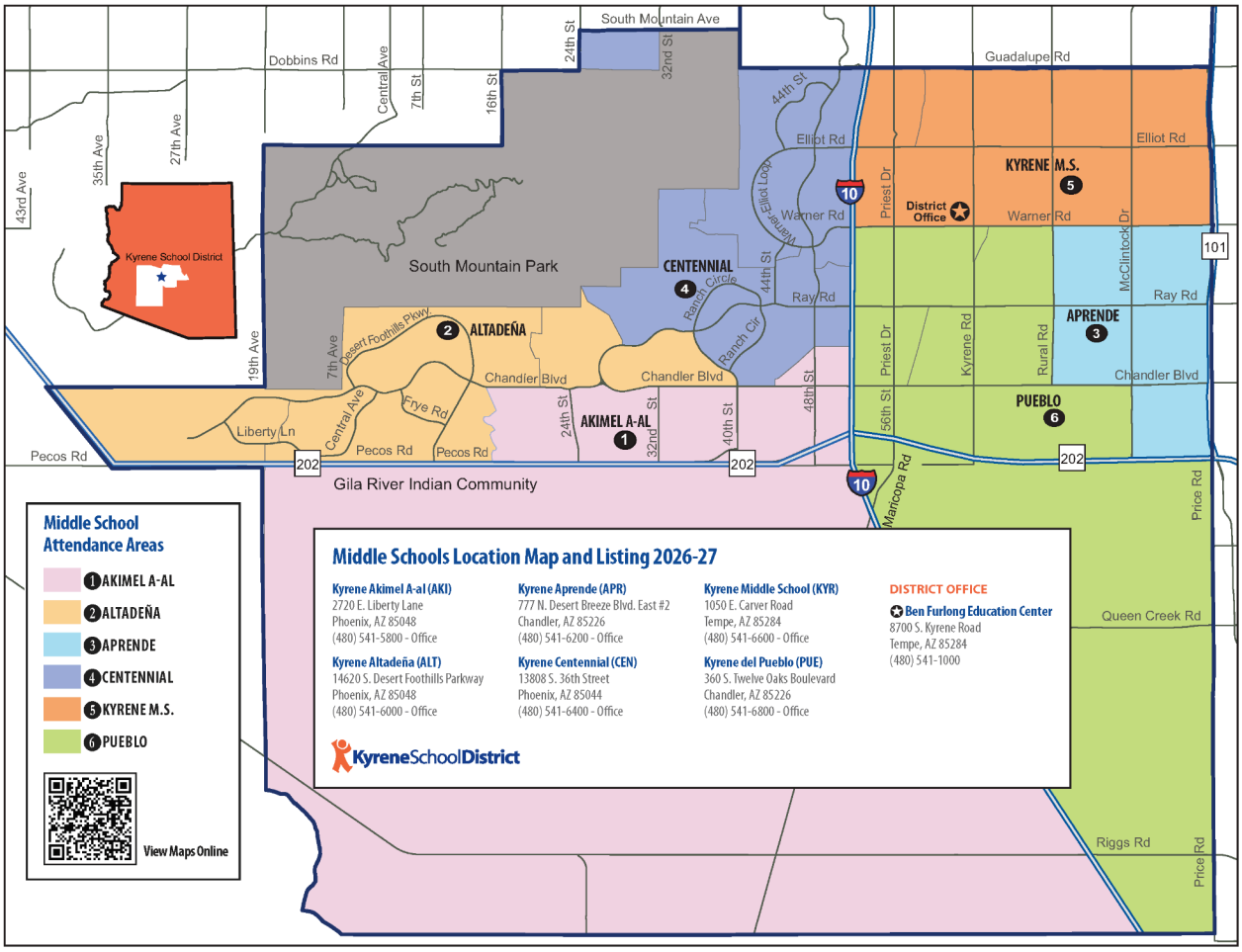
Kyrene's district boundaries are located within Maricopa County and encompass parts of Phoenix, Chandler, Guadalupe, Tempe, and the Gila River Indian Community. Approximately 166,000 people reside within the District boundaries. A few of the major companies represented in this metropolitan area include Banner Health Systems, Wells Fargo, Dignity Health, Honeywell and Intel.

Public school districts are required to accept all children who live within their boundaries. However, state law allows students to apply for admission to any public school, based on available classroom space (A.R.S. §15-816.01). More information about enrollment is provided in the Informational Section of this report.

This metropolitan area continues to provide excellent educational and training opportunities through community colleges, multiple private colleges and graduate schools, and one state university.

Because of the changes related to school consolidation, for the 2026-27 school year Kyrene now uses two boundary maps: one for elementary schools and one for middle schools.




Middle School Attendance Areas
1 AKIMEL A-AL
2 ALTADEÑA
3 APRENDE
4 CENTENNIAL
5 KYRENE M.S.
6 PUEBLO
View Maps Online
Middle Schools Location Map and Listing 2026-27
Kyrene Akimel A-al (AKI)
2720 E. Liberty Lane
Phoenix, AZ 85048
(480) 541-5800 - Office
Kyrene Altadeña (ALT)
14620 S. Desert Foothills Parkway
Phoenix, AZ 85048
(480) 541-6000 - Office
Kyrene Aprende (APR)
777 N. Desert Breeze Blvd. East #2
Chandler, AZ 85226
(480) 541-6200 - Office
Kyrene Centennial (CEN)
13808 S. 36th Street
Phoenix, AZ 85044
(480) 541-6400 - Office
Kyrene Middle School (KYR)
1050 E. Carver Road
Tempe, AZ 85284
(480) 541-6600 - Office
Kyrene del Pueblo (PUE)
360 S. Twelve Oaks Boulevard
Chandler, AZ 85226
(480) 541-6800 - Office
DISTRICT OFFICE
Ben Furlong Education Center
8700 S. Kyrene Road
Tempe, AZ 85284
(480) 541-1000
KyreneSchoolDistrict
Kyrene School District
South Mountain Park
Gila River Indian Community
ALTADEÑA
CENTENNIAL
AKIMEL A-AL
KYRENE M.S.
APRENDE
PUEBLO
District Office
South Mountain Ave
Dobbins Rd
Guadalupe Rd
Elliot Rd
Warner Rd
Ray Rd
Chandler Blvd
Pecos Rd
Queen Creek Rd
Riggs Rd
Desert Foothills Pkwy
Liberty Ln
Frye Rd
Central Ave
7th St
16th St
24th St
32nd St
40th St
44th St
48th St
56th St
7th Ave
19th Ave
27th Ave
35th Ave
43rd Ave
Priest Dr
Kyrene Rd
Rural Rd
McClintock Dr
Price Rd
Maricopa Rd
Ranch Circle
Ranch Cir
Elliot Loop
202
10
101

District Leadership

The District is administered by the Superintendent, along with senior leadership shown below. Additionally, the District is organized into the following departments:

- Academic Equity & Excellence
- Accountability & Performance Management
- Communications & Engagement
- Community Education
- Exceptional Student Services
- Facilities
- Federal Programs & Outreach
- Finance
- Information Technology
- Professional Growth and Development
- Safety and Security
- Talent Management
- Transportation

22 principals are responsible for the administration at each of the Kyrene school locations.

Superintendency

Superintendent
Laura Toenjes, M.A.Ed.



Chris Herrmann, *Associate Superintendent/CFO*
Dr. Garth Cupp, *Assistant Superintendent*
Lisa Gibson, *Assistant Superintendent*
Erin Helm, Executive Director
Communications & Engagement

Associate Superintendent/CFO
Chris Herrmann, MBA



Damian Nichols, *Executive Director*
Information Technology & School Safety
Susie Ostmeyer, Executive Director
Accountability & Performance Mgmt.
Brian Lockery, Director
Finance
Mason Meade, Director
Facilities

Assistant Superintendent
Dr. Garth Cupp, Ed.D.



Kelley Brunner, *Executive Director*
School Effectiveness
Sandra Laine, *Executive Director*
Academic Equity & Excellence
Josh Glider, *Director*
Community Education
Erin Schroeder, *Director*
Federal Programs & Strategic Partnerships

Assistant Superintendent
Lisa Gibson, M.A.Ed



Dr. Sarah Collins, *Executive Director*
School Effectiveness
Dr. Stephanie Leake, *Director*
Talent & Schools
Mary Jane Rincon, *Director*
Talent Management
Deb Spurgin, *Director*
Benefits

Executive Directors

Academic Equity & Excellence
Sandra Laine, Ed.D.



Amy Gingell, Director
Academic Equity & Excellence
Christie McDougall, Ph.D., Director
Assessement & Student Outcomes
Tzipi Turner, Ed.D., Director
Exceptional Student services

Accountability & Performance Mgmt.
Susie Ostmeyer, Ph.D.



Rebecca Bolnick, P.h.D., Director
Research & Evaluation

Communications & Engagement
Erin Helm



Nicole Ashton, Assistant Director
Communications
Heather Docherty, Assistant Director
Marketing

Information Technology & School Safety
Damian Nichols



Pete Flocken, Director
Information Technology
Jacinta Sorgel, Assistant Director
Information Technology

School Effectiveness
Sarah Collins,Ed.D.



Michele Parmley, Director
Transportation
School Principals

School Effectiveness
Kelley Brunner, M.A.Ed



School Principals

Governing Board

The Kyrene Governing Board is authorized under the laws of the state of Arizona (A.R.S. §15-341) to prescribe and enforce policies and procedures for the governance of the school district that are not inconsistent with the laws or rules prescribed by the state board of education. According to Kyrene Policy 1-102, Governing Board responsibilities include, but are not limited to:

1. Hiring and evaluating the Superintendent.
2. Hiring school personnel and terminating the employment of school personnel.
3. Developing the District's mission, vision, and strategic plans, to include, but not be limited to, an annual review of the strategic plan's performance measures and goals.
4. Setting the standards for the performance of District schools to improve student achievement and regularly review and publicly report on student outcome data.
5. Setting school attendance boundaries.
6. Establishing the policies that will be used to govern the District and assessing compliance with policy standards and requirements.
7. Approving curriculum and textbooks.
8. Approving and monitoring the District's budget and spending priorities.
9. Approving salaries and benefits for employees.
10. Approving District purchases, unless this responsibility has been delegated to the Superintendent.
11. Acting in a "quasi-judicial" capacity in student or employee hearing matters.
12. Vesting the Superintendent with the powers and duties permitted by law to implement Board policies and develop procedures, implement Board directives and act as the District's chief administrative officer.
13. Conducting a Board self-evaluation and establishing annual Board goals should the Board choose to do so.
14. Establishing a Communication Handbook, in collaboration with the Superintendent.
15. Establishing procedures for gathering stakeholder feedback for decision making, in collaboration with the Superintendent.

Each member of the Governing Board is elected to serve a four-year term. Every two years, either two or three positions are filled during the November general election. Board candidates must reside within the District boundaries for one year prior to being elected to office. Arizona law does not limit the number of terms a member may serve, and members receive no compensation for their service on the board. As prescribed in A.R.S. §15-302, if a board member vacates a position before the end of their term, the Maricopa County School Superintendent is required to appoint a Governing Board member to fill the vacancy until the next regular election for Governing Board members, at which time a successor shall be elected to serve the unexpired portion of the term.

Kyrene Governing Board Members



Triné Nelson
President
Term Ends: 12/2026



Amy Satre
Vice President
Term Ends: 12/2028



Bunny (Ruth) Davis
Member
Term Ends: 12/2028



Cedric Collins
Member
Term Ends: 12/2028



Kevin Walsh
Member
Term Ends: 12/2026

Strategic Plan

The Kyrene Strategic Plan 2023-2028, *Thrive! Ready for the Future* is a comprehensive roadmap outlining the Kyrene community's shared vision for the future, the transformation needed to realize that vision, and specific goals to reach by 2028. Strategic planning is an active, continuous improvement process with oversight by the Kyrene Governing Board. Accordingly, the plan itself is a dynamic one, with room for reflection and progress checks along the way.

The strategic plan was developed with the collective input and collaboration of a diverse range of stakeholders, including families, teachers, staff, students and community members.

As the District engaged thousands of stakeholders in the visioning process, a new picture emerged: of a district that measures its achievement not only on the success of its current preK-8 students but on whether they are prepared for success in high school, college, career and life.

A strategic plan must be built on a solid foundation. Kyrene established that foundation through the development of several cornerstone pieces that provide the framework on which the entire strategic plan is built. Each cornerstone serves a different purpose: defining what makes Team Kyrene exceptional, identifying the traits that will prepare our students to excel, and establishing Kyrene's promise for the future.

The Kyrene Promise is a vision and a mission all rolled into one unifying commitment. The Governing Board adopted the promise language to express both the action and the expected outcome if Kyrene creates the right environments and circumstances for student success.

Kyrene's Key Values are the traits we embody as educators. Every single employee in Kyrene plays a role in the education of each child. Our shared values define who we are and what it takes to meet our responsibilities to students, to each other and to our community.

The Portrait of a Kyrene Kid reflects our community's collective vision of the skills, traits and competencies each of our students should exemplify by the time they complete grade 8, in preparation for high school, college, career and life.

The Kyrene Promise

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.

Kyrene Key Values

Connection: We build and maintain trusting relationships so that our students, families and staff are seen, heard, and valued.

Compassion: We treat and respond to others with dignity, understanding, empathy, and kindness.

Courage: We possess the moral and mental strength to do what is right, even when it is challenging.

Collaboration: Together, we make a difference, by learning and working in unity to deliver excellence for our students, colleagues and community.

Curiosity: We reach beyond our comfort zone to explore innovative and unconventional ideas with a sense of wonder.

Portrait of a Kyrene Kid

Adaptable Learner: I possess the desire to learn, unlearn, and re-learn. I believe in the ability to master challenging concepts and demonstrate positive attitudes about learning.

Self-Advocate: I demonstrate personal agency. I possess confidence in my ability to reflect, overcome adversity, appropriately express needs, and act with purpose.

Community Contributor: I pursue opportunities, actions and contributions that positively impact the community and the world. I demonstrate global and cultural citizenship through empathy and respect for others.

Communicator: I articulate thoughts and ideas effectively, using spoken, written, and nonverbal skills in a variety of forms and contexts. I listen effectively to interpret meaning and intentions.

Critical Thinker: I demonstrate thinking that is clear, rational, open-minded, and informed by evidence. I am able to analyze and evaluate difficult or complex situations, and I ask questions to further understanding.

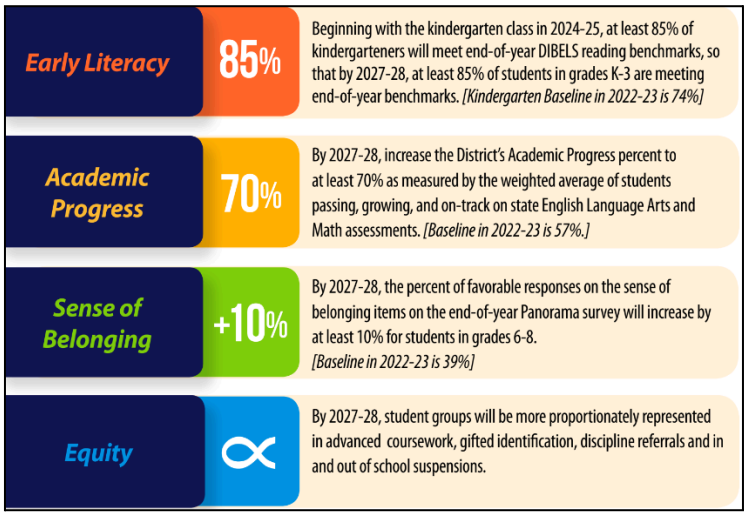
Problem Solver: I exhibit steadfastness in achieving success despite difficulty, opposition, or failure. I am able to identify and prioritize solutions.

Collaborator: I engage with others by honoring and leveraging diverse perspectives and strengths to achieve shared goals.

District Goals

Kyrene goals focus on student outcomes in the areas of early literacy, academic progress, sense of belonging and equity. Each area has an identified target with expected outcomes to be achieved over the next five years. These goals serve to create alignment of resources, systems, and organizational design to hold the District accountable on how to best meet the needs of each student.

By creating a scorecard that includes measures focusing on academic, social emotional, and equity, the District addresses the whole child and the environment in which they learn.



Early literacy is defined by the percentage of students in grades K-3 who are able to demonstrate grade-level reading competencies.

Academic Progress is a weighted calculation that uses student performance from state assessments in the subject areas of math and English language arts.

Sense of Belonging is a measurement that calculates the percent of items that students mark favorably (agree/strongly agree) illustrating their agreement that their experiences align to items that indicate a sense of belonging.

Equity defines a collection of measures that focus on improving student representation in identified populations for which they were disproportionately represented at the start of the plan.

Financial Investment and Outcomes

Kyrene invested a total of $3.3M in support of its strategic plan initiatives during the 2025-26 school year. A large portion of that amount ($1.4M) was related to early literacy, which included lowering class sizes in kindergarten through second grade, along with providing Language Essentials for Teachers of Reading and Spelling (LETRS) training for teachers. LETRS is comprehensive professional learning that provides educators and administrators with a deep knowledge of language and literacy aligned with the science of reading. This training provides participants with the skills needed for foundational and fundamental reading and writing instruction, and meets Arizona's requirement to hold a K-5 literacy endorsement. Results for early literacy have shown a 12% increase over the last three years. With continued success, the District anticipates that it will prove to be a leading indicator of later-year outcomes as measured by Academic Progress.

During the 2025-26 school year, Kyrene also focused significant effort and resources on our strategic plan initiative for Long Range Facilities Planning. The District reviewed enrollment projections, evaluated facility use, and conducted multiple public discussions to support Governing Board decisions regarding school consolidation. Ultimately, Kyrene's Governing Board voted to close six schools: three beginning with the 2026-27 year and three beginning with the 2027-28 school year. By closing these six schools, it will reduce Kyrene's annual operating expenses by millions of dollars each year. Kyrene invested a total of $0.8M of one-time expenditures during the 2025-26 school year to support these long-term facility changes, with most of that amount being used to modify classroom configurations, moving furniture and equipment, and supporting staff during the school consolidation process.

Equity Progress in Year 3

District Goal Areas	Baseline	2023-24	2024-25	2025-26	2027-28 EOY Goal
Early Literacy (Kindergarten)	74%*	78%* (+4% YoY)	81%* (+3% YoY)	86%* (+5% YoY)	85%
Academic Progress (Grades 3-8)	57%	57% (+0% YoY)	62% (+5% YoY)	62% (+0% YoY)	70%
Sense of Belonging (Grades 6-8)	39%	40% (+1% YoY)	47% (+7% YoY)	49% (+2% YoY)	+10%
Equity (More Proportionate)	–	58% (baseline)	73% (+15% vs Baseline)	**73%** (+15% vs Baseline)	∝

Data used for baseline is from the end of the 2022-23 school year, unless noted otherwise.
**Population is kindergarten only.*

Year over Year Change (YoY)
End of Year (EOY)

Another component in developing the strategic plan includes dedicating sufficient financial resources to support Kyrene's district-wide goals. An annual budget procedure, 3-101.C, was developed and implemented in 2020 to ensure that budget practices are consistent with supporting strategic objectives to produce the most benefits for students. Elements from this procedure include:

- Prepare and produce an annual balanced budget to the Governing Board.
- Create budget processes with fiscal responsibility and transparency to ensure financial resources are allocated to support the highest level of student achievement.
- Develop a five-year plan for curriculum activities.
- Develop a ten-year Capital Master Plan for district-wide facilities.

Through the budget development process, resources are aligned with the goals and objectives defined in the District's strategic plan. The long-term plans for curriculum and facilities are critical components of the budget. These costs are significant, so the commitment to invest and fund these areas in the budget must be consistent with the overall goals and objectives of the District. For the 2026-27 adopted budget, funding has been committed to support Kyrene's strategic capital needs for curriculum and facilities:

Curriculum Capital Plan

($ Millions)

Category	2026-27 Budget
English Language Arts and Spanish Language Arts	$0.8
Mathematics	$0.8
Social Studies	$0.3
Science	$0.7
Electives	$0.3
Assessment and General Resources	$0.8
Intervention and Special Education *includes Gifted Education*	$0.9
Total	**$4.6**

Facilities Capital Master Plan

($ Millions)

Category	2026-27 Budget
Maintain Schools	$23.3
Transportation	$0.3
Administrative	$0.0
Total	**$23.6**

Additionally, another $1.2M of funding has been budgeted to support Kyrene's strategic plan. Although the District will continue to support strategic plan initiatives over the next several years, for budgeting purposes the entire amount has been included in the 2026-27 fiscal year. Any remaining money at the end of the 2026-27 fiscal year will be carried over throughout the remaining strategic planning time period.

Significant Laws Affecting the Budget

The public elementary and secondary schools of Arizona are governed by the Arizona Constitution and Title 15 of the Arizona Revised Statutes (A.R.S.). The Arizona Legislature has required that the Arizona Department of Education (ADE) and the state's Auditor General interpret Title 15 and design the state's Uniform System of Financial Records (USFR) which is used in maintaining local school district financial records and preparing reports.

A school district budget is for the fiscal year from July 1 to June 30. Each school district must propose, adopt and revise an expenditure budget according to state law, designated timelines and other statutory requirements as listed below. The expenditure budget package includes the forms and instructions as dictated by the state that are required to be submitted in order to remain in compliance, and these forms are revised annually as needed based on legislation changes.

A.R.S. §15-903(A) requires the Superintendent of Public Instruction, in conjunction with the Auditor General, to prescribe the budget format to be used by all school districts. A.R.S. §15-905 requires districts to prepare and submit budgets containing the information and in the form provided by ADE. The Auditor General and ADE have developed the budget format to incorporate the information districts are statutorily required to include in their annual budgets. This format assists districts in complying with budget preparation and submission requirements. Districts are not allowed to modify the budget format. The elements of A.R.S. §15-905 are listed below as these are the statutory requirements for budget preparation, public notice, and budget revisions.

1) Not later than July 5 of each year, or no later than the publication of notice of the public hearing and board meeting as required by this section, the Governing Board of each school district shall prepare and furnish to the Superintendent of Public Instruction and the county school superintendent, unless waived by the county school superintendent, a proposed budget in electronic format for the budget year, which shall contain the information and be in the form as provided by the Department of Education. The proposed budget shall include the following:

    a) The total amount of revenues from all sources that was necessary to meet the school district's budget for the current year.

    b) The total amount of revenues by source that will be necessary to meet the proposed budget of the school district, excluding property taxes. The Governing Board shall prepare the proposed budget and a summary of the proposed budget. Both documents shall be kept on file at the school district office and shall be made available to the public on request. Not later than July 5 of each year, or no later than the publication of notice of the public hearing and board meeting required by this subsection, the Governing Board shall submit the proposed budget to the Department of Education, which shall prominently display this information about that school district on the website maintained by the department. If the school district maintains a website, the school district shall post a link to the website of the Department of Education where this information about the school district is posted. The Auditor General in conjunction with the Department of Education shall prescribe the form of the summary of the proposed budget for use by governing boards.

        School district governing boards may include in the proposed budget any items or amounts that are authorized by legislation filed with the Secretary of State and that will become effective during the budget year. If subsequent events prevent the legislation from becoming effective, school district Governing Boards must reduce their budgets by the amounts budgeted pursuant to the legislation that did not become effective.

2) The Governing Board of each school district shall prepare a notice fixing a time not later than July 15 and designating a public place within each school district at which a public hearing and board meeting shall be held. The Governing Board shall present the proposed budget for consideration of the residents and the taxpayers of the school district at that hearing and meeting.

3) The Governing Board of each school district shall publish or mail, before the hearing and meeting, a copy of the proposed budget or the summary of the proposed budget and a notice of the public hearing and board meeting no later than ten days before the meeting. The proposed budget and the summary of the proposed budget shall contain the percentage of increase or decrease in each budget category of the proposed budget as compared to each category of the budget for the current year. Notification shall be either by publication in a newspaper of general circulation within the school district in which the size of the newspaper print shall be at least eight-point type, by electronic transmission of the information to the Department of Education for posting on the department's website, or by mailing the information to each household in the school district. The cost of publication, website posting, or mailing shall be a charge against the school district. The publisher's affidavit of publication shall be filed by the Governing Board with the Superintendent of Public Instruction within thirty days after publication. If the budget or proposed budget and notice are posted on a website maintained by the Department of Education or mailed, the board shall file an affidavit with the Superintendent of Public Instruction within thirty days after the mailing or the date that the information is posted on the website. If a truth in taxation notice and hearing is required under section A.R.S. §15-905.01, the Governing Board may combine the notice and hearing under this section with the truth in taxation notice and hearing.

4) At the time and place fixed in the notice, the Governing Board shall hold the public hearing and present the proposed budget to the persons attending the hearing. On request of any person, the Governing Board shall explain the budget, and any resident or taxpayer of the school district may protest the inclusion of any item. A Governing Board member who has a substantial interest, as defined in section 38-502, in a specific item in the school district budget shall refrain from voting on the specific item. A Governing Board member may participate without creating a conflict of interest in adoption of a final budget even though the member may have substantial interest in specific items included in the budget.

5) Immediately following the public hearing, the president shall call to order the governing board meeting for the purpose of adopting the budget. The Governing Board shall adopt the budget, which shall not exceed the general budget limit or the unrestricted capital budget limit, making such deductions as it sees fit but making no additions to the proposed budget total for maintenance and operations or capital outlay, and shall enter the budget as adopted in its minutes. Not later than July 18, the budget as finally adopted shall be filed by the Governing Board with the county school superintendent who shall immediately transmit a copy to the board of supervisors. Not later than July 18, the budget as finally adopted shall be submitted electronically to the Superintendent of Public Instruction. Not later than July 18, the Governing Board shall submit the budget as finally adopted to the Department of Education, which shall prominently display this information about that school district on the website maintained by the department. If the school district maintains a website, the school district shall post a link to the website of the Department of Education where this information about the school district is posted. On or before October 30, the Superintendent of Public Instruction shall review the budget and notify the Governing Board if the budget is in excess of the general budget limit or the unrestricted capital budget limit. The Governing Board shall revise the budget as follows:

   a) Before December 18, the Governing Board shall file the revised budget it adopts with the county school superintendent who shall immediately transmit a copy to the board of supervisors. Not later than December 18, the budget as revised shall be submitted electronically to the Superintendent of Public Instruction. School districts that are subject to section A.R.S. §15-914.01

are not required to send a copy of revised budgets to the county school superintendent. Procedures for adjusting expenditures or revising the budget shall be as prescribed in the uniform system of financial records.

6) The Governing Board of each school district may budget for expenditures within the school district budget as follows:

   a) Amounts within the general budget limit, as provided in section A.R.S. §15-947, subsection C, may only be budgeted in the following sections of the budget:

      i) The maintenance and operation section.

      ii) The capital outlay section.

   b) Amounts within the unrestricted capital budget limit, as provided in section A.R.S. §15-947, subsection D, may only be budgeted in the unrestricted capital outlay subsection of the budget. Monies received pursuant to the unrestricted capital budget limit shall be placed in the unrestricted capital outlay fund. The monies in the fund are not subject to reversion.

7) The Governing Board may authorize the expenditure of budgeted amounts within the maintenance and operation section of the budget for any subsection within the section in excess of amounts specified in the adopted budget only by action taken at a public meeting of the governing board and if the expenditures for all subsections of the section do not exceed the amount budgeted as provided in this section.

Budget Policies

Identifying clear policies and having effective processes is a critical component of the District's budget planning. The Kyrene School District operates in accordance with policies established by the Governing Board and procedures developed by the Superintendent. The Board, which represents the local community, adopts policies after careful deliberation, and the school administration implements the policies through specific procedures. The Board and administration evaluate the effects of the policies and procedures and revise them on an ongoing basis as necessary.

These Governing Board policies guide and impact the development of the annual budget. Chapter three of Kyrene's policy manual deals with budgetary and financial issues as well as business operations. The following budget policies have been adopted by the Kyrene Governing Board and were used to guide the preparation and administration of this budget. These policies include:

- 3-101 - Budget Adoption
- 3-102 - Revenue
- 3-103 - Expenses and Payroll
- 3-104 - Property Controls
- 3-105 - Disposition of Property
- 3-106 - Federal Grants and Other Funding Sources
- 3-107 - Fiscal Accounting and Financial Reporting
- 3-108 - Audits
- 3-109 - Procurement

Budget Procedures

Procedures are the method by which the school administration implements the Governing Board policies. Multiple procedures have been developed for the policies listed above and provide more specific details on how to carry out and implement Board policies. Although all procedures play a role in developing the annual budget, procedure 3-101.C deals with elements that are foundational to this work.

Budget Adoption - Annual Budget (Procedure 3-101.C): Procedure 3-101.C was developed and implemented to create fiscal responsibility and transparency and ensure maximum financial resources are allocated to support student achievement while also creating the most benefits for students. Specific elements from that procedure include:

- Prepare and produce an annual balanced budget to the Governing Board.
- Create budget processes with fiscal responsibility and transparency to ensure financial resources are allocated to support the highest level of student achievement.
- Develop a five-year plan for curriculum activities.
- Develop a ten-year Capital Master Plan for district-wide facilities.

The District uses a zero-based budgeting method in building and developing annual budgets, meaning that expenditures for each operational area begin at zero, and any proposed expenditure must be reviewed, justified and approved each year. Through the budget development process, resources are aligned with the goals and objectives defined in the District's strategic plan and are continuously evaluated using a cost-benefit analysis. Each year the District is also directed to prepare and present a balanced budget to the Governing Board for approval. This practice is essential because it ensures financial decisions are sustainable and will not jeopardize the long-term fiscal health of the District. The budget is considered balanced when total expenditures are equal to or less than total revenues. The District also considers the budget to be balanced when fund balances from previous years are spent on one-time or non-routine expenditures. This situation is especially prevalent in the areas of capital spending where budgeted expenditures are often dependent on the issuance of bonds, or in the areas of grant funding, when funding is often received in a different fiscal year versus when the actual spending takes place.

Developing long-term capital plans for curriculum and facilities are also part of procedure 3-101.C. The long-term plans for curriculum and facilities are critical components of the budget because they ensure funding is available to support the long-term needs in both of these areas.

Kyrene does not have a formal policy or procedure that specifically defines a minimum or maximum fund balance threshold level. However, by requiring an annual balanced budget be presented to the Governing Board, procedure 3-101.C establishes a condition where fund balances will not structurally decline as part of the budget development and approval process.

Types of Funds and Definitions

School districts in Arizona follow the guidelines prescribed by the Uniform System of Financial Records (USFR) for accounting structure and financial reporting. The USFR has been developed by the Office of the Auditor General and the Arizona Department of Education pursuant to Arizona Revised Statutes (A.R.S.) §15-271. The USFR prescribes the internal control policies and procedures to be used by Arizona school districts for accounting, financial reporting, budgeting, attendance reporting, and various other compliance requirements. These policies and procedures are in conformity with generally accepted practices as well as federal and state laws.

For proper accounting and financial reporting, districts must account for their financial position and operational results in accordance with generally accepted accounting principles applicable to governmental units, which requires using a fund accounting system. Fund accounting systems provide the means to

separate financial resources into specific funds in order to determine compliance with finance-related legal, contractual or other restrictive requirements and to aid management by separating transactions related to certain restrictions and specific district functions or activities.

Funds

A fund is a fiscal and accounting entity with a set of accounts that are separated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Funds contain a self-balancing set of accounts that record cash and other financial resources, liabilities and equity/residual balances. Although accounts are separately maintained for each specific type of fund activity, funds that have similar characteristics are combined into broad fund categories. There are three fund categories: governmental, proprietary and fiduciary.

Governmental funds account for most of a district's financial resources based on the purposes for which these resources may or must be used. Governmental funds are classified into four fund types: general, special revenue, capital projects and debt service.

Proprietary funds account for the District's ongoing activities that are financed and operated in a manner similar to private business enterprises. Proprietary funds are generally self-sustaining with user charges as the primary source of revenues. The District has one proprietary fund type: internal service funds. The District's print shop is one of the individual funds within the internal service fund type, and although the print shop services both internal and external customers, all print shop activities are included as proprietary funds for purposes of this report.

Proprietary funds are not shown or displayed in the financial schedules because the principal operating revenues of the internal service funds are typically charges for health benefits and other charges to district departments for goods and services. This means that the revenue and expenditures related to internal service funds have already been accounted for in other sections of governmental funds. Therefore, only governmental funds are accounted for and shown in the financial section of this report. This practice mirrors the methodology used in developing the financial statements for the District's Annual Comprehensive Financial Report (ACFR) and prevents the duplication of revenues and expenditures in the financial statements.

Fiduciary funds account for assets a district holds in a trustee capacity or as an agent for individuals, private organizations, and other governmental entities and which therefore may not be used to support the District's own programs. The District does not currently utilize any fiduciary fund types, mainly as a result of changes to Governmental Accounting Standards Board (GASB) No. 84 that revised the definition of Student Activities funds and changed the classification from a fiduciary fund to a special revenue fund effective in the fiscal year 2020-21. For reporting and comparative purposes, any historical financial records for the Student Activities fund are included and shown as a special revenue fund.

Classification of Revenue and Expenditures

Revenue Classifications

School districts in Arizona follow the guidelines prescribed by the Uniform System of Financial Records (USFR) for their accounting structure and chart of accounts. This structure establishes the requirements for a complete fund accounting system, including the recording of assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/fund net position, revenues, other financing sources, expenditures and other financing uses.

Arizona school districts receive revenues from local, state and federal sources. In general, districts receive local and state revenues based on an equalization formula set by Arizona law. This "equalization formula

funding" provides the base funding for districts through locally levied property taxes and state-appropriated monies. Revenues are categorized according to the following codes:

- **1000—Revenue from local sources:** Includes taxes levied by the county on the assessed value of real and personal property located within a school district. Also includes interest income, portions of food service operations, district activities that generate revenue, tax credit donations, gifts and donations, and income from the rental of real or personal property.
- **2000—Revenue from intermediate sources:** Includes revenue received from county sources.
- **3000—Revenue from state sources:** Includes state equalization assistance as well as state funding that designates restricted or specific purposes.
- **4000—Revenue from federal sources:** Includes proceeds or grants received from the federal government that can be used for any restricted or unrestricted purposes.
- **5000—Other financing sources:** Includes income received from bond issuances, transfers-in and lease proceeds.

Expenditure Classifications

District expenditures are tracked and reported by fund, program, function, object and unit codes according to the criteria as defined in the USFR.

Program: Programs are activities designed to achieve a specific goal or set of objectives. The primary program classifications are regular education, special education and transportation.

Function: Functions describe the activity for which a service is acquired, or an expenditure is made. The function classifications are instruction, support services, non-instructional services, facilities acquisition and construction, debt service and other financing uses.

Object: Objects are the most detailed classification level and describe the service or material obtained as the result of a specific expenditure. The main object classifications are salaries, benefits, purchased services and supplies.

Unit: A unit separates expenditures by a location or separate level.

Function Classifications

Functions are a way to categorize expenditures and are defined by the USFR according to the following codes:

- **1000—Instruction:** Includes the activities dealing directly with the interaction between teachers and students. It includes the salaries and benefits of certified teachers, classroom furniture, and technology used by students in the classroom or that has a student instruction focus.
- **2100—Support Services, Students:** Activities designed to assess and improve student well-being and to supplement the teaching process.
- **2200—Support Services, Instruction:** Activities associated with assisting instructional staff with the content and process of providing learning experiences for students.
- **2300—Support Services, General Administration:** Activities associated with establishing and administering policy for the operation of a district.
- **2400—Support Services, School Administration:** Activities concerned with the overall administrative responsibility for a school.
- **2500—Central Services:** Relates to activities that support other administrative and instructional functions, including fiscal services, human resources, planning and administrative information technology.

- **2600—Plant Operations:** Includes activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition. This also includes the activities of maintaining safety in buildings, on the grounds and in the vicinity of schools.
- **2700—Student Transportation:** Includes activities concerned with conveying students to and from school, as provided by state and federal law. This includes trips between home and school and trips to school activities.
- **2900—Other Support Services:** All other support services not coded elsewhere in the function 2000 range.
- **3100—Food Service Operations:** Activities concerned with providing food to students and staff in a school or district. This function includes preparing and serving regular and incidental meals, lunches, or snacks in connection with school activities and food delivery.
- **3200—Enterprise Operations:** Activities that are financed and operated in a manner similar to private business enterprises, where the stated intent is to finance or recover the costs primarily through user charges.
- **3300—Community Services Operations:** Activities concerned with providing community services to students, staff, or other community participants. Examples of this function would be offering parental training or operating a community swimming pool, a recreation program for the elderly or a childcare center for working parents.
- **3400—Bookstore Operations:** Activities concerned with bookstore operations.
- **4000—Facilities Acquisition & Construction:** Activities concerned with acquiring land and buildings, remodeling buildings, constructing buildings and additions to buildings, initially installing or extending service systems and other built-in equipment and improving sites.
- **5000—Debt Service:** Activities related to servicing long-term debt and other long-term obligations including payments of both principal and interest. This function is used to account for bond interest payments, retirement of bonded debt including current and advance refundings, financed purchase agreements, leases and subscription-based information technology arrangements (software subscriptions).
- **6000—Other Financing Uses:** A number of outlays are not properly classified as expenditures, but still require budgetary or accounting control. These include certain transfers of monies from one fund to another, indirect costs and payments to bond escrow agents.

Classification of Objects

Objects are a way to categorize expenditures and are defined by the USFR according to the following codes:

- **6100—Salaries:** Amounts earned by permanent or temporary employees of the district.
- **6200—Employee Benefits:** Includes taxes, state retirement system contributions, worker's compensation and other health/employee benefit programs.
- **6300—Purchased Professional and Technical Services:** Services that by their nature can be performed only by persons or firms with specialized skills and knowledge.
- **6400—Purchased Property Services:** Includes services for utilities (other than from telecommunications and energy services), water, cleaning services, disposal services, repair and maintenance services not performed directly by district employees, rental costs and construction services.
- **6500—Other Purchased Services:** Includes student transportation services provided outside of the district, insurance, telecommunications, advertising, tuition, travel and food service management.
- **6600—Supplies:** Includes energy costs, textbooks, library books, and other items that are consumed, worn out, or deteriorate through use.
- **6700—Property:** Expenditures for the purchase of land and land improvements, building, equipment and depreciation.

- **6800—Debt Service and Miscellaneous:** Includes dues and fees, bond principal and interest payments, instructional software subscriptions or amounts not coded to any other expenditure object code.
- **6900—Other Financing Uses:** Includes indirect cost transfers, fund transfers-out or for extraordinary items (natural disasters, environmental issues, etc.).

Basis of Accounting

Basis of accounting refers to when changes in a fund's resources are recognized in the accounting records and reported in the financial statements. Basis of accounting also relates to the timing of the measurements made, regardless of the measurement focus applied. The general ledger for school districts is maintained on a cash basis for day-to-day transaction activities, but converted to a modified accrual basis for governmental funds and accrual basis for proprietary and fiduciary funds for financial statement presentation purposes.

The modified accrual basis is a government accounting method where revenue is recognized when it becomes measurable and available to finance expenditures of the current period. Revenue is considered available when it is collected within the current period or during the encumbrance period thereafter. Expenditures are typically recognized in the period in which the liability is incurred. However, principal and interest on general long-term debt, claims and judgments and compensated absences are recognized when due. The modified accrual basis is used for budget development as well as the financial statements presented in this document.

The accrual basis is a governmental accounting method where districts recognize increases and decreases in economic resources as soon as the underlying transaction or event occurs. Revenues are recognized when they are earned, and expenses are recognized as soon as a liability is incurred, regardless of the timing of the related cash inflows and outflows.

Budget Development Process

The budget development process is designed to create fiscal responsibility and transparency and ensure maximum financial resources are allocated to support student achievement while also creating the most benefits for students. The District uses a zero-based budgeting method in building and developing annual budgets, meaning that expenditures for each operational area begin at zero, and any proposed expenditure must be reviewed, justified and approved each year. Through the budget development process, resources are aligned with the goals and objectives defined in the District's strategic plan and are continuously evaluated using a cost-benefit analysis.

Consistent with District budget procedures, each year the District prepares and presents a balanced budget to the Governing Board for approval. This practice is essential because it ensures financial decisions are sustainable and will not jeopardize the long-term fiscal health of the District. The budget is considered balanced when total expenditures are equal to or less than total revenues. The District also considers the budget to be balanced when fund balances from previous years are spent on one-time or non-routine expenditures. This situation is especially prevalent with state and federal grants as funding can be received in a different fiscal year versus when the actual spending takes place. It can also be the case in the category of capital spending as budgeted expenditures are often dependent on the issuance of bonds, so there are often timing issues between when bond revenue is received versus when the actual expenditure takes place.

Operating Budget

The District operates under an annual budget, with fiscal years beginning July 1 and ending June 30. Budget development is a year-round process that involves the Legislature, community, employees and the Governing Board. The budget development process begins in the fall, right after the school year begins.

During this time, the District reviews its long-term strategic plan and sets goals and objectives for the upcoming fiscal year. This includes working closely with directors and school leaders to identify and prioritize any strategic areas that will have an impact on the annual budget. For any new programs impacting the budget, a cost-benefit analysis is performed to ensure measurable goals are in place to evaluate the effectiveness of these programs in the future.



In January, the Governor's office presents a statewide budget proposal. Although this proposal ultimately does not become the final state budget, this is typically when the District has the first opportunity to see any proposed changes that could occur in state funding. Ultimately, both the House and Senate of the Arizona Legislature must agree and approve the elements of the state's budget, and this activity typically occurs in late spring or early summer. The state budget becomes law and is finalized once signed by the Governor. The District does not know its final funding until the state ultimately passes and approves a statewide budget for the coming year.

From January through May, ongoing work takes place with directors, principals, and department leaders to develop a detailed operating budget for the upcoming fiscal year. This involves the areas of assigning organizational staffing, departmental spending, capital planning and estimating enrollment and revenue projections. Employee compensation is also determined through a collaborative process with various employee groups. Because the state ultimately determines the District's funding level, and available resources are often not adequate to address all the needs of the District, all spending requests are reviewed and prioritized before anything becomes finalized in the budget. This process ensures that any funding decisions are sustainable for the long-term.

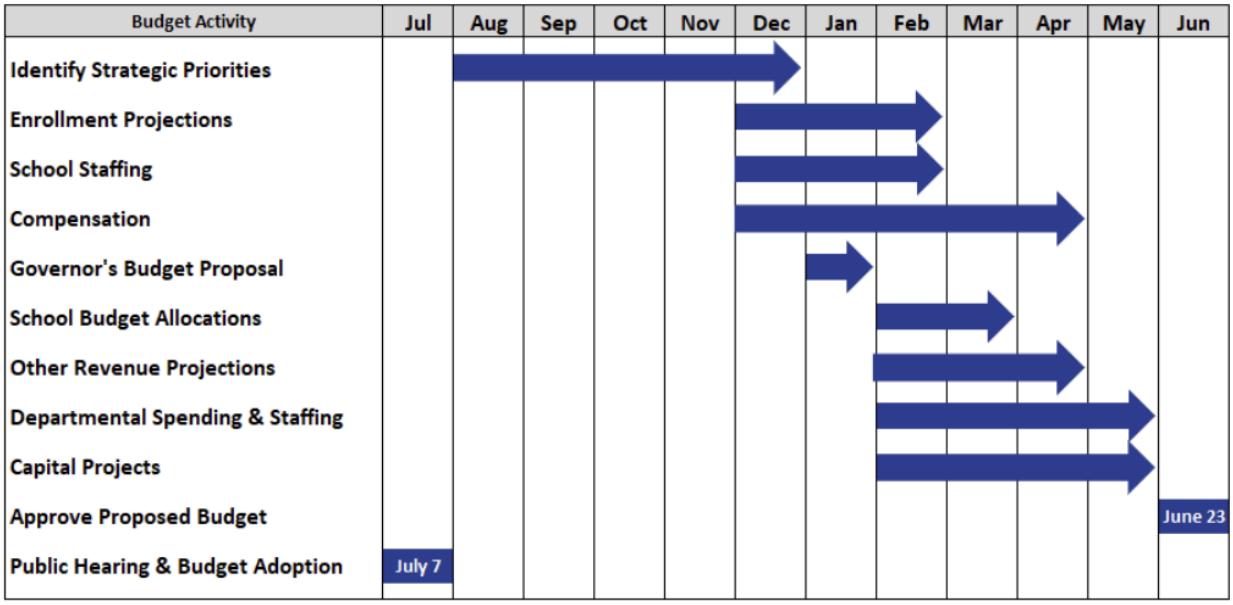
Public budget presentations take place during board meetings throughout the spring as information becomes known and decisions are finalized. In late June the proposed budget is presented to the Governing Board, and the Board votes to adopt the budget at a public hearing held in early July. Per Arizona statute, the expenditure budget must be adopted by July 15.

Capital Budget

The development of the capital budget occurs concurrently with the creation of the District's operating budget. Capital budgets typically involve areas such as facilities, technology and curriculum. Each of these areas develops a long-range plan that identifies both short-term and long-term needs. Like the operating budget, the capital budget is aligned with and incorporates the priorities identified in the District's strategic plan. Development of the capital budget involves collaboration among directors, school leaders and project managers to ensure resources are allocated optimally to support student achievement. Once developed, the capital budget is also presented to the Governing Board and community as part of the spring budget presentations.

Budget Timeline and Calendar

The following chart and table shows the timeline of activities that took place in order to produce the annual operating and capital budgets for the 2026-27 fiscal year.



Date	Budget Type	Activity	Authority
By July 5	Proposed Expenditure Budget	An electronic copy of the proposed expenditure budget must be prepared and furnished to the Superintendent of Public Instruction and the county school superintendent, unless waived by the county school superintendent. Districts that maintain a website must provide a link on their website to the proposed budget summary on ADE's website.	A.R.S. §15-905(A)
By July 5	Proposed Expenditure Budget	Not later than July 5, but at least 10 days prior to the governing board meeting to adopt the proposed expenditure budget, a copy of the proposed expenditure budget or budget summary, and a notice of the public hearing and governing board meeting must be published in a newspaper of general circulation within the district, posted on the Arizona Department of Education's (ADE) website, or mailed to each household in the district.	A.R.S. §15-905(C)
By July 15	Proposed Expenditure Budget	The proposed expenditure budget must be presented at a public hearing immediately followed by a governing board meeting to adopt the budget.	A.R.S. §15-905(B), (D), and (E)
By July 18	Adopted Expenditure Budget	The adopted expenditure budget must be submitted to the county school superintendent and the Superintendent of Public Instruction and posted on ADE's website. Districts that maintain a website must provide a link on their website to the adopted budget on ADE's website.	A.R.S. §15-905(E)

By Dec. 5	Revised Expenditure Budget	If the Governing Board received notification from the Superintendent of Public Instruction that the adopted expenditure budget is in excess of the general budget limit or the unrestricted capital budget limit by 1 percent or more of the general budget limit, by December 5 or at least 10 days prior to the governing board meeting, publication and notice of a public hearing of the revised expenditure budget is needed.	A.R.S. §15-905(E)
By Dec. 15	Revised Expenditure Budget	If the Governing Board receives notification from the Superintendent of Public Instruction that the adopted expenditure budget is in excess of the general budget limit or the unrestricted capital budget limit by 1 percent or more of the general budget limit, it shall adopt a revised budget for the current year.	A.R.S. §15-905(E)
By May 15	Revised Expenditure Budget	Before May 15, expenditure budget revisions must be made and the revised budget approved at a governing board meeting. These include: revisions for certain overestimated or underestimated tuition revenues, revisions for overestimated or underestimated joint career and technical education and vocational education center average daily membership, and revisions for overestimated or underestimated allowable budget balance carryforward in the M&O fund.	A.R.S. §15-905(I) and (J) A.R.S. §15-910.01 (C) A.R.S. §15-943.01 (B)

Budget Management

The District has mechanisms in place to ensure compliance with the adopted budget and has a strong focus on transparency and accountability with regard to budget management. An automated online control system is in place to provide real-time financial information as prescribed by the Uniform System of Financial Records (USFR). Budget control groups are also created and assigned to individuals who have budget ownership. This provides another layer of control over expenditures and how they are recorded in the District's financial records.

Additionally, reports can be run in real time and contain expense details, account information and remaining balances to ensure budget administrators have adequate visibility regarding their budgets. Requisitions, purchase orders and employee positions are also recorded as encumbrances against available budget appropriations at the time they are originated. This assists budget administrators with seeing a full year picture of their respective budget as well as any anticipated expenditures in the coming year.

Other Local Revenue Sources

Arizona school districts are allowed to generate additional funding through voter-approved budget overrides for three possible areas: Maintenance and Operations (M&O), District Additional Assistance (DAA/capital) and bond. Thanks to the support of our Kyrene community, a DAA/Capital Override and bond were approved by voters in November 2023 and an M&O override was approved in November 2025. These areas provide the District with additional funding that is greatly needed to support our schools as Kyrene could not provide the same level of student or facility support by relying purely on state funding.

For M&O overrides, A.R.S. §15-481 allows a school district in Arizona to increase its budget up to 15% of its Revenue Control Limit (using prior year average daily membership figures) if the voters in the district approve the measure during an election. The voter authorization is valid for a period of up to seven years. However, the full funding amount for an M&O override is only provided through the first five years. If the override is not reviewed and approved by voters before the end of year five, the funding amount drops by ⅓ in year six, another ⅓ in year seven, then finally drops to zero in the following year. A school district is allowed to renew its M&O override prior to the phase out period, which would reset the seven year cycle.

Kyrene's M&O override funding is used to hire additional teacher positions that reduce class size, support elementary and middle school instructional programs such as art, music, band, chorus, languages, and physical education, and also provide additional student support services such as occupational and physical therapy services, academic and behavioral support services, speech, vision and hearing services. This funding also allows the District to hire additional staff to provide a variety of resources and support services to students beyond what would be possible if relying solely on state funding. The budgeted M&O Override amount for the 2026-27 budget is $14.6M.

For DAA/Capital Override funding, A.R.S. §15-481 allows a school district to receive up to 10% of its Revenue Control Limit to be used for capital purposes. The voter authorization is valid for a period of up to seven years, but there is no phase down of funding for DAA/Capital Overrides. The override calculation is based on the Revenue Control Limit amount using the prior year average daily membership figures, and no state equalization assistance is provided for override amounts. A school district is allowed to renew its DAA/Capital Override at any time prior to the end of the seventh year, which would reset the seven year cycle. Kyrene's DAA/Capital Override funding is used to provide instructional materials and technology for students, software and licensing, technology equipment, network equipment and vehicles needed to support students. The budgeted DAA/Capital Override amount for the 2026-27 budget is $8.5M.

Bond funding is used to maintain the school buildings and grounds, repair school buildings, purchase transportation vehicles or address other administrative capital needs. Because the average age of Kyrene schools is over 35 years old, without the support of our Kyrene community through these initiatives, there is not enough state funding to provide this level of capital support for our students and school facilities. The Kyrene community voted to approve $161M of bonds to be issued in the November 2023 election.

Outside of the state educational funding formula, districts also receive funding through additional statutory funding mechanisms, such as funds generated from local sources, the Classroom Site fund, Instructional Improvement funds or from grant funding.

Kyrene also generates local revenues from the operation of robust and award-winning Community Educational programming throughout the District. This revenue is generated by serving thousands of children through a variety of academic classes, programs, and recreation activities offered throughout the school year as well as during school breaks. Programs are designed to develop the whole child and support student achievement. The District also generates smaller sources of local funding from other sources such as use of facility rentals, or leases from areas such as small cell tower locations.

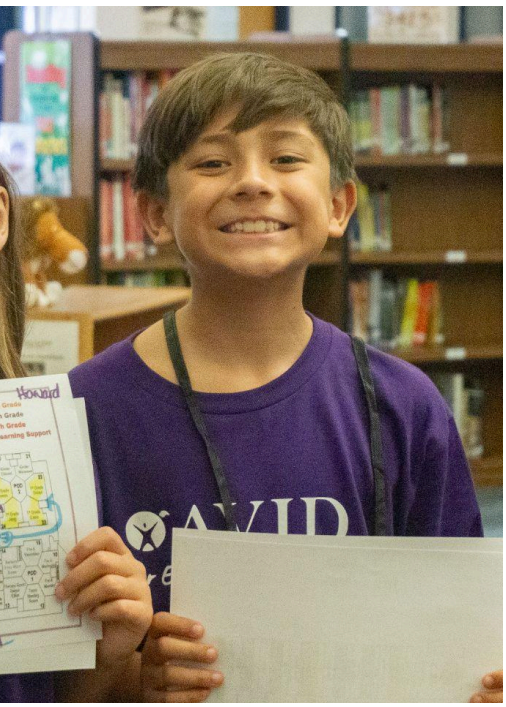
Arizona also provides funding to school districts through the Classroom Site fund and Instructional Improvement fund. The Classroom Site fund was created as a result of Proposition 301 and is defined in

A.R.S. §15-977. Funding for the Classroom Site fund is based on a 0.6% sales tax with the proceeds to be used for public education in the form of class size reduction, teacher compensation, teacher performance pay, intervention programs, teacher development, dropout prevention programs, teacher insurance premiums and student support services.

The Instructional Improvement fund receives money from state gaming revenue and is defined by A.R.S. §15-977. Up to 50% of the monies received in the Instructional Improvement fund may be used for teacher compensation and class size reduction, and the remaining money must be used for dropout prevention and instructional improvement programs, including programs to develop minimum reading skills for students by the end of third grade.

State and federal grants are another source of revenue for school districts. These state and federal grants relate to additional funding provided to supplement educational programs provided by the District. These areas include Title, IDEA, or other specific areas as designated by the state of Arizona or federal government.

FINANCIAL SECTION







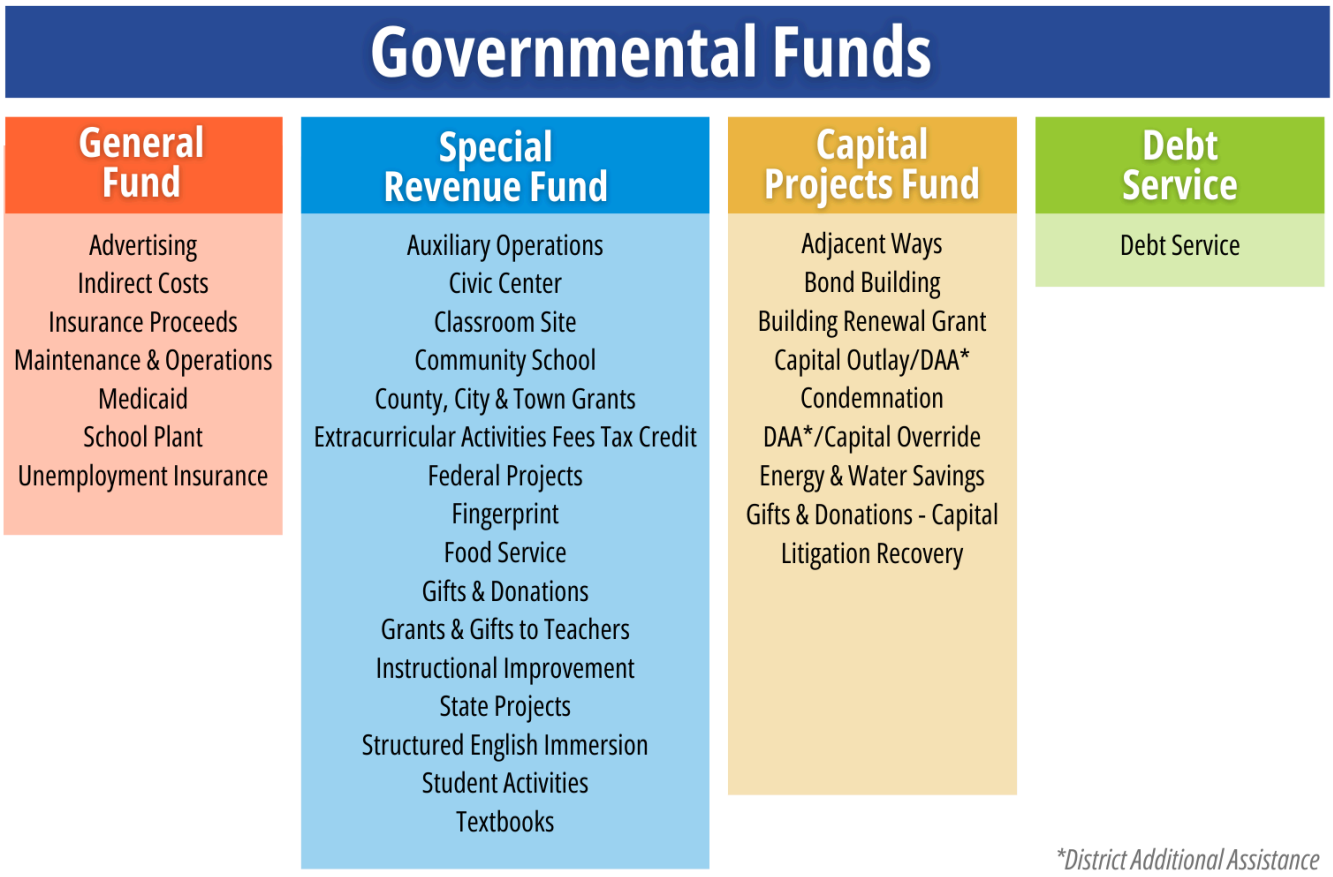
Financial Overview

The financial section contains detailed information about Kyrene's revenues and expenditures for the 2026-27 budget. Revenue amounts are presented by the various sources (local, intermediate, state, federal and other sources), and expenditures are presented by object as well as by function. All financial schedules contain the 2026-27 adopted budget information, the current year budget, three years of prior year data for comparative purposes and three years of forecasted data.

Budget information in the financial schedules is reported and presented at three different levels. The highest (or summarized) level is shown for all governmental funds. The remaining schedules provide budget information for the next level, which would be represented by each fund type: general, special revenue, capital projects and debt service. Within each fund type, budgets for each individual fund are also presented and would represent the lowest level of information available. Below is a summary for how funds are consolidated in the financial statements.

In Arizona, public school districts are required to follow strict laws and rules about how money can be used. Some funds come with specific legal restrictions, while others have guidelines from state or federal programs. This means that the various fund types listed below (general, special revenue, capital projects and debt service) can not be used interchangeably, and it also means that school expenses can not be paid from any source that has a revenue source or an available fund balance. For example, capital money can not be spent on classroom instruction or be used for teacher salaries. These statutory and program restrictions help ensure that taxpayer dollars are spent in line with state and federal requirements.

Below is a representation of the three levels for how financial information is presented in this report.



Fund Categories

The District uses fund accounting to ensure compliance with finance-related legal requirements. All of the funds utilized across the District can be divided and summarized into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds account for most of a district's financial resources based on the purposes for which these resources may or must be used. Governmental funds are classified into four fund types: general, special revenue, capital projects and debt service.

- **General Fund:** The General Fund accounts for and reports all financial resources of a district except those required to be accounted for and reported in another fund. This is the largest fund type and contains a school district's maintenance and operations fund.
- **Special Revenue Funds:** Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.
- **Capital Projects Funds:** Capital projects funds account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays.
- **Debt Service Funds:** Debt service funds account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest. These funds would only be applicable when school districts have issued bonds.

Proprietary Funds

Proprietary funds account for a district's ongoing activities that are financed and operated in a manner similar to private business enterprises. Proprietary funds are generally self-sustaining with user charges as the primary source of revenues. The District has one proprietary fund type: internal service funds. The District's print shop is one of the individual funds within the internal service fund type, and although the print shop services both internal and external customers, all print shop activities are included as proprietary funds for purposes of this report.

- **Internal service funds**: Internal service funds account for activities that provide goods or services to other funds, departments, component units or to other governmental entities on a cost-reimbursement basis.

Proprietary funds are not shown or displayed in the financial schedules because the principal operating revenues of the internal service funds are typically charges for health benefits and other charges to district departments for goods and services. This means that the revenue and expenditures related to internal service funds have already been accounted for in other sections of governmental funds. Therefore, only governmental funds are accounted for and shown in the schedules displayed in the financial section of this report. This practice mirrors the methodology used in developing the financial statements for the District's Annual Comprehensive Financial Report (ACFR) and prevents the duplication of revenues and expenditures in the financial statements.

Fiduciary Funds

Fiduciary funds account for assets a district holds in a trustee capacity or as an agent for individuals, private organizations and other governmental entities and which therefore may not be used to support the District's own programs. The District does not currently utilize any fiduciary fund types, mainly as a result of changes to Governmental Accounting Standards Board (GASB) No. 84 that revised the definition of Student Activities

funds and changed the classification from a fiduciary fund to a special revenue fund effective in the fiscal year 2020-21. Prior to GASB No. 84, the District reported Student Activities funds as part of the fiduciary funds category. For reporting and comparative purposes, any historical financial records for the Student Activities fund are included and shown as a special revenue fund.

Major Revenue Sources

Arizona school district revenues may be derived from local, county, state and federal sources, and may be received directly by the district, by the county school superintendent, or county treasurer on the district's behalf. School districts receive local and state revenues based on an equalization formula set by state law. This "equalization formula funding" in Arizona provides the state funding for Revenue Control Limits (RCL) and capital funding (known as District Additional Assistance or DAA) for districts through locally levied property taxes and state-appropriated monies.

The RCL is primarily based on a calculation that incorporates student enrollment counts and weights, base level per student funding amounts determined annually by the state, and transportation funding as dictated by the state. The RCL provides the majority of funding for school districts to support ongoing maintenance and operations expenditures.

Primary tax levies are established by the state of Arizona to provide funding for RCL and DAA capital funding. These levies are determined by applying tax rates against the net limited assessed valuation across all commercial and residential properties within the school district. This tax calculation is based on a limited value determination as specified in the Arizona constitution, which limits the value of the property used for tax purposes each year to five percent growth, up to the full cash value of the property. Property taxes are collected and distributed in November and April of each year. Regardless of the collection of taxes or the timeliness of being received in a district, the district can spend up to the budget capacity authorized by the funding formula.

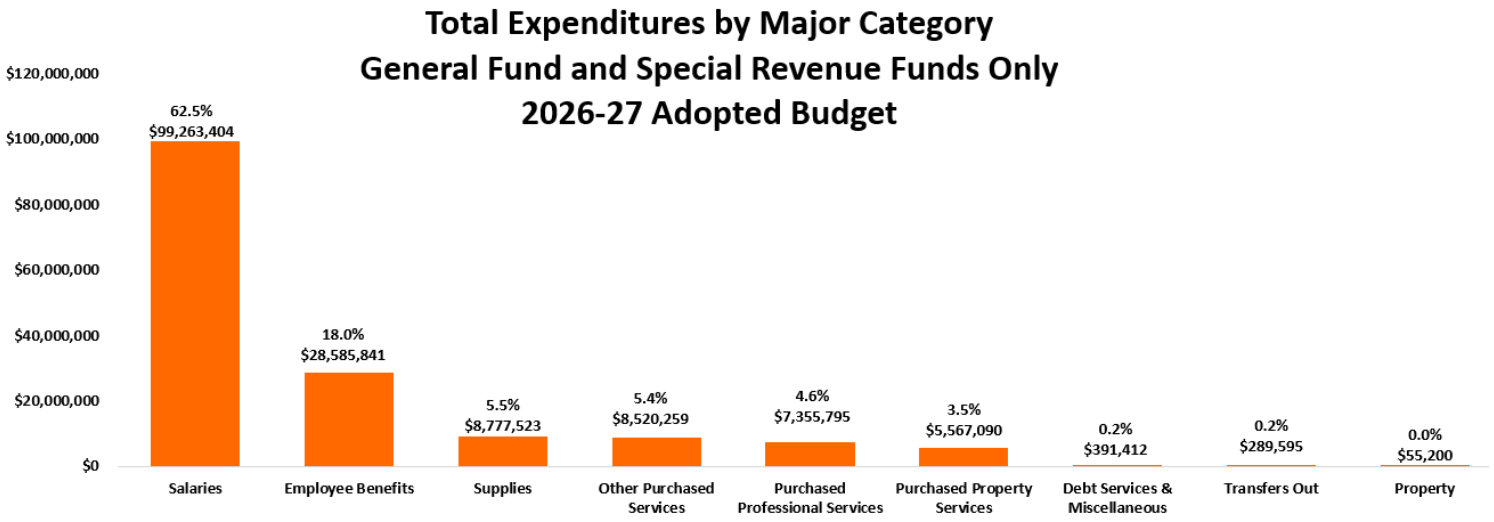
Equalization assistance is the amount of money that the state provides to school districts over and above the amounts raised with a state-wide primary tax rate, known as the uniform Qualifying Tax Rate (QTR). If the tax collected from the QTR is sufficient to fund the RCL and DAA amounts, no equalization assistance from the state is required. However, if the tax rate necessary to fund the state-established funding levels is not sufficient, this difference is provided by the state through equalization assistance. For Kyrene, the amount of property tax collected under the QTR is not sufficient to cover the state-established funding levels for RCL and DAA amounts, so state equalization is needed to provide the proper levels of state funding.

Prior to the 2022-23 school year, each county board of supervisors was required to annually levy a state equalization assistance property tax rate, which was subtracted from the state equalization provided to a school district. As part of S.B. 1733, which was enacted in June 2022, the requirement to levy a state equalization assistance property tax rate was repealed to remove the county tax, and this revenue source is now funded from the state general fund. Due to this change, any revenue previously recorded as an "Intermediate" source has been shifted to a "State" revenue source and this change is reflected in the financial schedules for all years and revenue projections beginning with the 2022-23 fiscal year.

Major Expenditure Categories

Arizona school district expenditures are tracked and reported by fund, program, function, object and unit codes according to the criteria as defined in the Uniform System of Financial Records (USFR). This common system of accounting allows consistent financial reporting and aggregation of revenues and expenditures. Governmental fund expenditures include salaries and benefits, supplies, purchased professional and technical services, purchased property services, other purchased services, other miscellaneous charges, and principal and interest payments on long-term debt. Expenditures may also include acquisition or construction costs for land, buildings, vehicles, furniture and equipment, land and building improvements, and capital lease payments, but those expenditures are primarily contained in capital projects funds.

The general fund and special revenue fund comprise the majority of the District's day-to-day operating funds and 80.5% of total expenditures within those two fund categories are related to salaries and employee benefits.



Revenue and Expenditure Assumptions

In Arizona, revenue for public education is controlled through state funding formulas, whether sourced from property taxes or from the state budget in the form of "equalization assistance." The state frequently does not allocate funding across multiple fiscal years, which makes it difficult to project revenues or expenditures for future years. Therefore, the District has attempted to make conservative and realistic future estimates based on reasonable assumptions, but the annual legislative sessions will ultimately determine the future funding amounts allocated for all public schools.

Projected Revenue Assumptions:

- As defined by A.R.S. §15-901, the state of Arizona is required to increase the per pupil funding amount on an annual basis. Per state law, school districts receive an annual inflation increase based on the lesser of 2% or the annual change in the Gross Domestic Price deflator index, whichever is less. For future year projections, a 1.5% annual increase in state funding has been assumed for the Maintenance and Operations (M&O) fund.
- The projections for future student enrollment have been used to calculate the projected state level of funding for M&O and capital (District Additional Assistance) in future years.
- Revenues for the School Plant fund are based on future land lease contractual amounts.

- Projected revenue amounts for the District Additional Assistance/Capital Override fund are based on $8.5M per year, which reflects the amount approved by voters in November 2023.
- Bond revenues are estimated at $35.0M in 2027-28 and $35.0M in 2029-30.
- All other revenue amounts from recurring sources are assumed to be consistent with the 2026-27 adopted budget.

Projected Expenditure Assumptions:

- A reduction in operational expenditures is assumed in the years where student enrollment is declining. The expenditure reduction is assumed to be equivalent to the enrollment funding loss, which reflects a commitment by the District to make structural budget reductions in order to maintain a balanced budget. Expenditure reductions for projected years have been assumed proportionally across the following functions:
    - **1000—Instruction**
    - **2100—Support Services, Students**
    - **2200—Support Services, Instruction**
    - **2300—Support Services, General Administration**
    - **2400—Support Services, School Administration**
    - **2500—Central Services**
    - **2600—Plant Operations**
    - **2700—Student Transportation**
- Beginning in 2026-27, a 1% increase to salaries & benefits has been assumed for annual employee compensation increases. This amount is assumed to be sufficient to address any future increases to minimum wage increases per state law.
- The District has received several one-time federal grants in relation to the COVID-19 pandemic and does not expect those funds to continue into future years. However, all other grants are assumed to continue at the same rate as the 2026-27 adopted budget.
- Approximately $6.9M of additional one-time expenditures have been budgeted in the General Fund during the 2025-26 fiscal year, which includes amounts to support the implementation of Kyrene's new strategic plan as well as funding for one-time stipends. Although costs to support the strategic plan will span multiple years, the entire $6.9M amount has been budgeted in the 2026-27 year.
- All other expenditures are assumed to remain consistent with the 2026-27 adopted budget and should not exceed future projected revenue assumptions.

Fund Balances:

School districts in Arizona are allowed to carry forward any unused cash or budget balances from year to year. A fund balance is the difference between total fund assets and deferred outflows of resources and total fund liabilities and deferred inflows of resources of governmental funds. For certain funds, the ending cash balance is the best way to illustrate the amount of funding that will be carried forward into the next year. For some funds, however, the budget balance is a more accurate indicator of the carry forward amount because it reflects the budgeted capacity that school districts are allowed to spend, regardless of when the actual cash proceeds are received.

The financial schedules in this report calculate the ending fund balance based on the following methodology: beginning fund balance plus current year revenue less current year expenditures. This approach is appropriate when calculating ending cash fund balances. However, an "adjusted" ending fund balance is provided in situations where the budget balance more accurately reflects the ending fund balance, or when certain fund groupings blend cash and budgeted funds. In these cases the adjusted ending fund balance will be used as the beginning fund balance for the next fiscal year. The change in fund balances is calculated as the difference between current year revenues and expenditures.

Changes in fund balances are mainly influenced by the following factors:

1. **Difference between total revenue vs. expenditures**: In situations where revenues exceed expenditures, this results in a surplus for the year. Likewise, if expenditures exceed revenues this will result in a deficit.
2. **Timing issues**: This situation occurs when the period in which revenues are received is different from the period when expenditures actually take place. This is fairly common with state and federal grants, debt service or when bond sales occur.
3. **Managing cash balances**: Because of the multitude of funds and individual state laws that prescribe specific uses for individual funds in the state of Arizona, it is very common for school districts to manage expenditures and cash activities between multiple funds on an ongoing basis. Because cash funds can not have negative balances, ongoing management and monitoring of funds and fund balances must occur throughout the year. Often, there are multiple funds that can meet the eligibility requirements to pay for expenditures according to the USFR and state laws, so this cash management activity can cause balances to fluctuate between multiple funds or fund types throughout the year or over multiple years.

Kyrene does not rely on using prior year fund balances to produce a balanced operating budget. Any significant increases or decreases in fund balances are typically due to timing differences from when revenues are received vs. when expenditures are incurred, and those situations are explained in the "explanation/comments" section of the financial statements. It is common to see larger swings in fund balances in both capital and grant-related funds, and those swings are typically experienced because revenues are often received in a different fiscal year from when the expenditures take place.

2026-27 Budget Summary

Revenue

The 2026-27 budget assumes $189.1M in total governmental fund revenue, which is $1.4M lower (a 0.7% decrease) from the prior year. Kyrene's 2026-27 revenue budget assumes a reduction of $3.5M in ongoing Maintenance and Operations operational revenue from expected enrollment decline. Kyrene works with an outside firm that specializes in providing demographic information for our district. After consultation with our demographer, the 2026-27 budget assumes a reduction of 659 students vs. the prior year. Kyrene's opportunity for student enrollment growth is limited due to several reasons. The District boundaries are landlocked with minimal room for growth or new housing, which restricts the opportunity to increase the overall population residing within Kyrene's boundaries. In addition, the community is aging in place with limited turnover in neighborhoods, creating reduced opportunity for families with school-age children to move into the District. The impact of past economic recessions has also resulted in a declining birth rate across Maricopa County, resulting in fewer new incoming kindergarten students.

Expenditures

The 2026-27 budget assumes $221.6M in total government fund expenditures, which is $5.5M higher (a 2.5% increase) from the prior year. Capital expenditures are expected to increase by $3.3M and account for most of the annual change. Capital expenditures typically impact the areas of school construction, transportation and information technology. Kyrene's 2026-27 budgeted expenditures also include $6.9M of one-time operational expenditures within the General Fund as the District has dedicated money towards supporting its strategic plan, employee stipends and other one-time events. Although the entire $6.9M has been budgeted in the 2026-27 year, any remaining or unspent money will continue to be budgeted throughout the strategic plan time period as necessary. The overall district budget also includes $4.9M of operational expenditure reductions that were made in order to align budgetary spending with changes in enrollment.

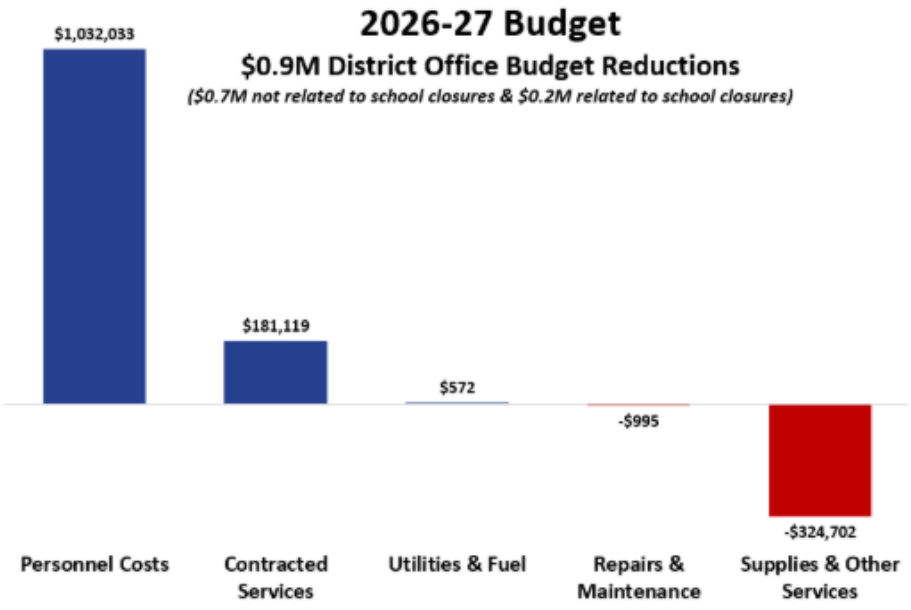
Fiscal Responsibility

Because of Arizona's funding formula for education, enrollment declines equate to less state funding. Whenever this occurs, Kyrene undertakes significant efforts in that same year to reduce operational expenditures in order to right size spending against any expected revenue declines. The goal is to reduce ongoing operational expenditures by an amount equal to the funding decreases so that a sustainable and balanced budget is produced. In order to accomplish this, Kyrene has developed and uses a timeless spending model. The concept of Kyrene's timeless spending model involves looking at how expenditures should ideally be spent in future years across all operational functions to ensure that maximum resources continue to be allocated to the classroom. By using this model, Kyrene looks at the expected budgetary impact from enrollment changes and determines how proportionate expenditure reductions need to take place across all district operational areas. This model also provides safeguards so that one particular group or area is not disproportionately overburdened with potential budget reductions.

Expenditure reductions take place across operational and functional areas as defined by the Uniform System of Financial Records (USFR) and the Arizona Auditor General's office. For Kyrene, the operational areas included in its timeless spending model include classroom instruction, student support areas, instructional support, administration, plant operations and transportation. It is important to note that most capital items and capital expenditures are not included in Kyrene's timeless spending model, so any expenditure reductions necessary to balance the budget must take place within the ongoing operational categories of personnel costs, contracted services, medical costs, supplies, services, repairs/maintenance or utilities/fuel. Because of strict laws and rules in Arizona that determine how different fund sources can and can not be used, this also means the impact from lower funding due to enrollment loss in Kyrene's annual operating budget can not be balanced by making changes to capital spending, debt service, grants or other non-operational special revenue funds.

The 2026-27 budget includes a total permanent reduction of $4.9M in operational expenditures. District office reductions account for $0.9M of that total and those budget reductions are taking place across a variety of areas. Although most expenditure reductions take place in the area of personnel costs, these reductions will happen without the need to implement a reduction in force, because these position reductions will be achieved mostly through employee retirements or closing unfilled positions.

The District also expects to see increases in property insurance costs of $0.3M as a result of rate increases related to higher assessed property values.



Overall budgets related to schools in 2026-27 decreased by $4.0M primarily as a result of lower personnel costs due to enrollment changes. Whenever there are year-to-year enrollment changes, school staffing allocations and budgeted resources naturally adjust up or down based on student changes. This variable nature and the adjustment to school budgets is important because it means that classroom resources will always be in line with supporting student needs while still keeping dollars spent in the classroom at the highest level. The reduction in personnel costs will occur without any need to implement a reduction in force or an increase to class sizes, and will be achieved through employee retirements or closing unfilled positions.

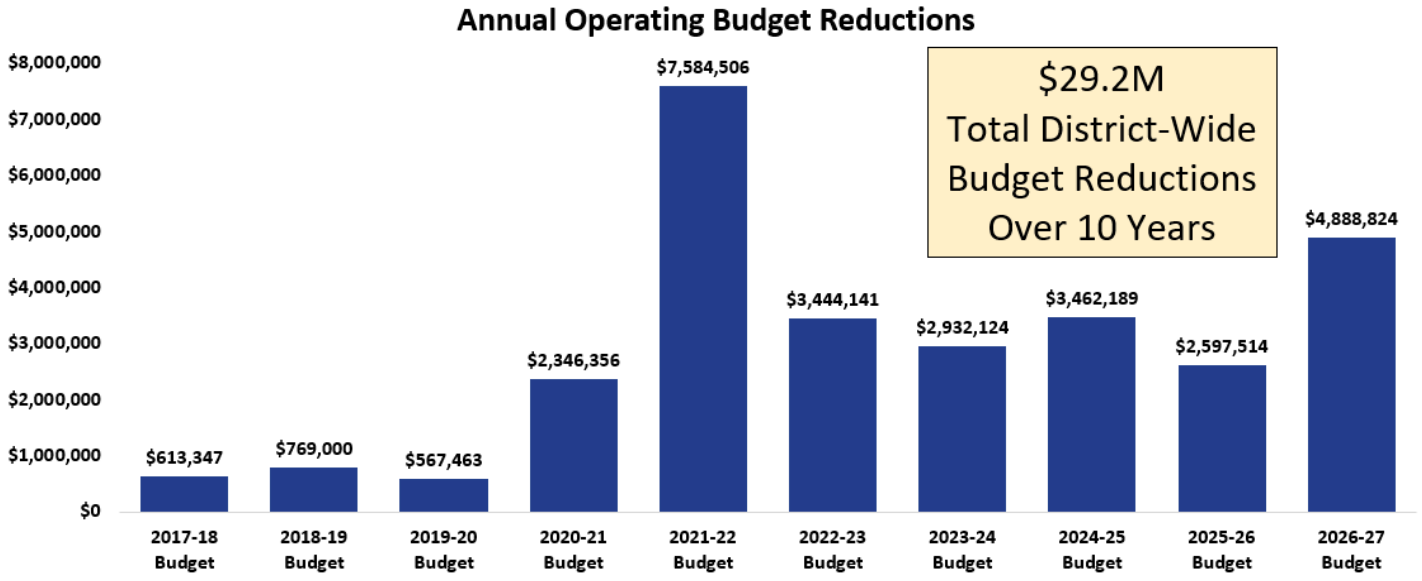
Budget Impact of Closing Schools

Throughout the 2025-26 school year the District engaged in conversations with the Governing Board and community related to closing schools. Kyrene's existing school sites were built to hold 20,000 students, but Kyrene's enrollment had dropped below 13,000 in recent years. Ultimately the Governing Board voted to close three schools at the end of the 2025-26 school year, with three additional schools to be closed at the end of the 2026-27 school year.

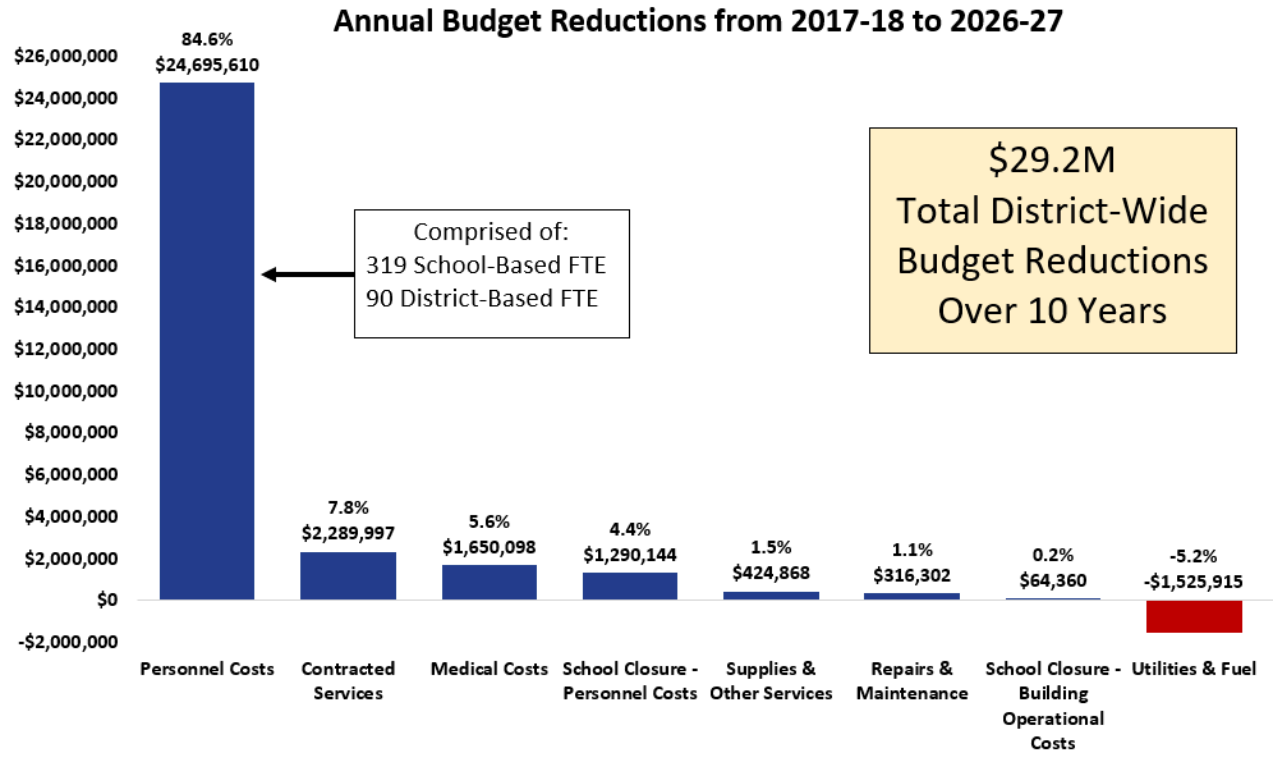
As a result of closing the first three schools, Kyrene's annual operating expenses will decrease in the 2026-27 operating budget by $1.4M. Those expenditure reductions are the result of reducing personnel costs only and relate to the positions directly tied to operating the facilities identified to close. 2026-27 savings are exclusively personnel, as the District continues to maintain and utilize the school buildings. Additional savings or other financial opportunities may be realized in future years, when the District makes decisions with the Governing Board about what to do with the facilities and properties. Although $1.4M represents a substantial cost reduction, another $3.5M of operational expenditure reductions were necessary in order to account for forecasted enrollment funding losses and produce a balanced budget for 2026-27.

History of Balancing the Budget

Although losing state funding from enrollment declines makes it very difficult to create a sustainable and balanced budget, Kyrene has done so for many years. Over the last ten years, Kyrene has lost $28.1M in state funding due to lower enrollment. Without expenditure reductions, it would have been impossible to produce a balanced and sustainable budget over this time period. Utilizing Kyrene's timeless spending model, operational expenditures were reduced by $29.2M over this same ten-year period, demonstrating Kyrene's commitment to creating financially sustainable budgets and being fiscally responsible to our community.



Expenditures were reduced in a variety of ways over this ten-year time period, with the largest amount of reductions ($24.7M) made in personnel costs, equating to 409 full-time positions, and representing 84.6% of the total reduction amount. Because almost 85% of Kyrene's overall operational budget relates to personnel costs, most of those reductions should be expected to take place in this area. Any decreases to personnel costs were mainly achieved through employee retirements or closing unfilled positions. Each year, Kyrene looks for opportunities to reduce expenses through attrition, reorganizing departmental work, retirements, or eliminating vacant positions rather than pursuing other options such as implementing a reduction in force, raising class sizes or eliminating programs.



Governmental Funds

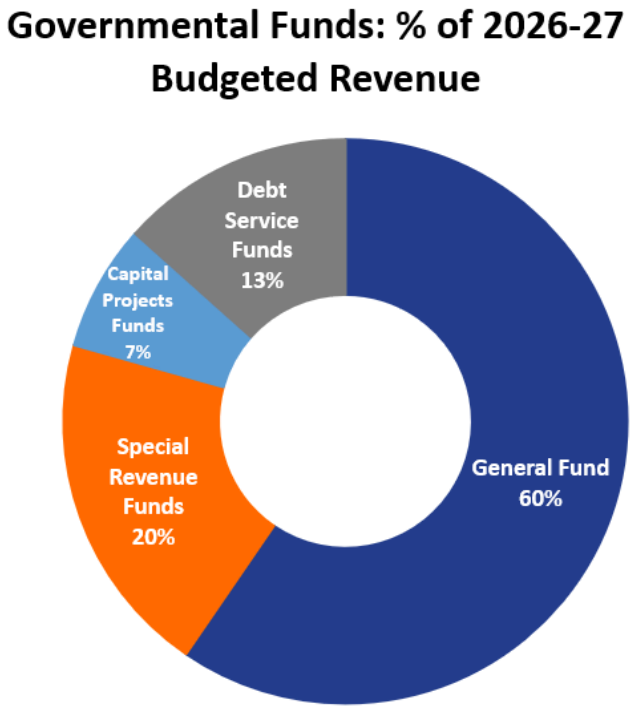




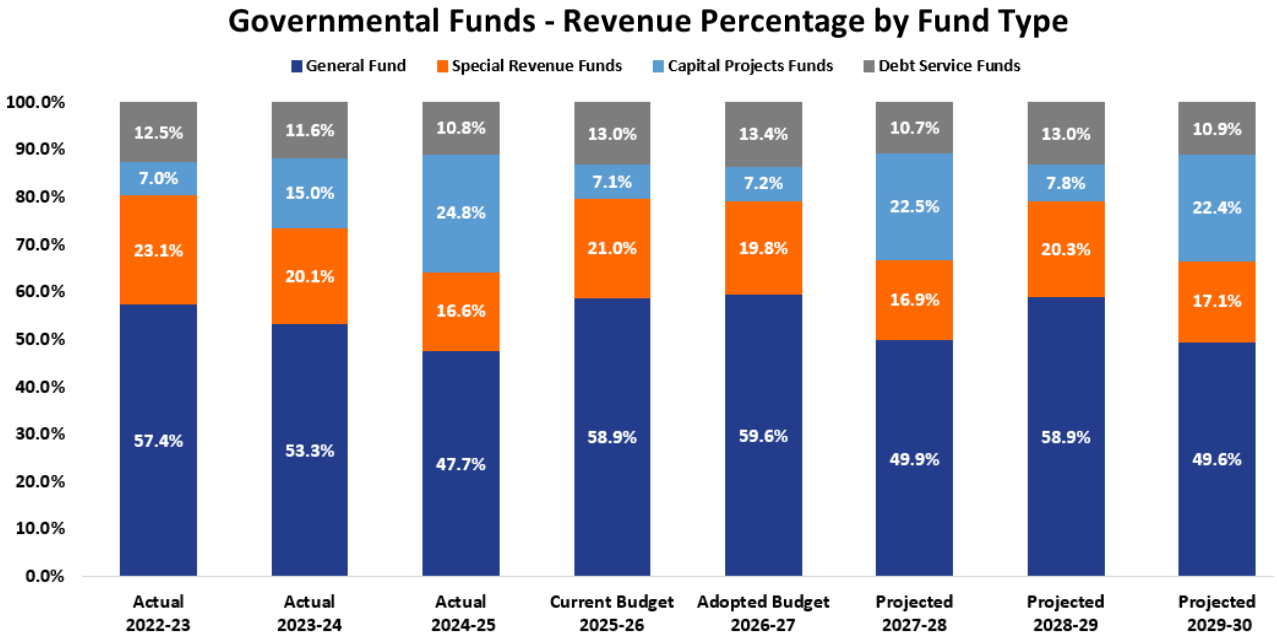


Governmental Funds

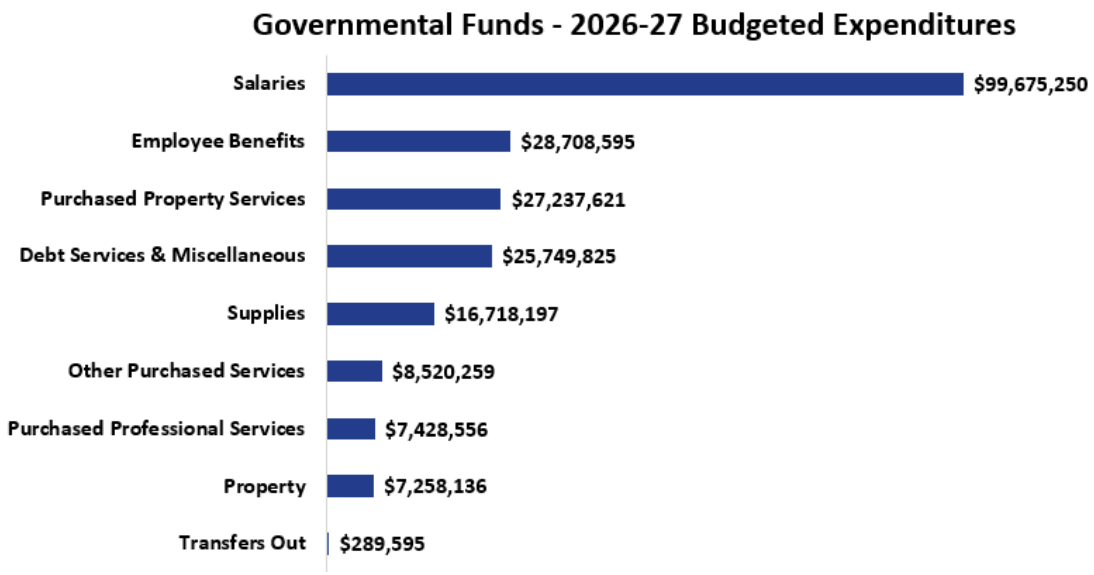
Governmental funds account for most of a district's financial resources and consist of four fund types: general, special revenue, capital projects and debt service. The General Fund is the largest revenue source within the governmental funds category and comprises 60% of the total $189.1M revenue budget for 2026-27.



Historically, the General Fund has always been the largest source of revenue, and a breakdown of revenue by the various fund types is displayed below. The large fluctuations in Capital Projects Funds is explained by the timing of when bonds are sold.



Of the $221.6M expenditure budget for 2026-27, salary and benefit costs make up the largest component, at $128.4M or 58% of the total. Capital expenditures are captured in both the purchased property services and property categories, which comprise $34.5M of total expenditures in 2026-27. The primary funding sources for capital expenditures comes from the District's bond and District Additional Assistance/Capital Override, underscoring the importance of the support from our community to provide the additional capital funding needed to support Kyrene's school sites and provide the technology resources for students. A full breakdown of budgeted governmental fund expenditures for the 2026-27 fiscal year is listed below:



Governmental Funds
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$103,470,921**	**$102,060,269**	**$111,939,724**	**$120,060,261**	**$94,438,146**	**$61,973,896**	**$74,601,748**	**$52,630,242**
Revenue:								
1000-Revenue From Local Sources	$97,943,444	$102,020,820	$102,058,228	$109,328,163	$112,048,006	$109,936,256	$109,275,306	$108,920,241
2000-Revenue From Intermediate Sources	$57,452	$1,211	-$264,492	$0	$0	$0	$0	$0
3000-Revenue From State Sources	$83,732,074	$86,901,451	$80,087,633	$73,039,602	$68,314,881	$67,124,238	$66,349,327	$66,290,405
4000-Revenue From Federal Sources	$20,344,340	$18,535,998	$11,189,756	$7,997,821	$8,469,303	$8,469,303	$8,469,303	$8,469,303
5000-Other Financing Sources/Transfers In	$1,414,334	$20,821,002	$43,683,041	$107,069	$289,595	$35,289,595	$289,595	$35,289,595
Total Revenue	**$203,491,644**	**$228,280,482**	**$236,754,166**	**$190,472,655**	**$189,121,785**	**$220,819,392**	**$184,383,531**	**$218,969,544**
Expenditures:								
6100-Salaries	$95,405,153	$96,810,450	$95,850,025	$94,786,235	$99,675,250	$95,509,900	$94,272,799	$94,441,403
6200-Employee Benefits	$29,139,225	$30,329,601	$28,836,978	$30,229,399	$28,708,595	$27,715,427	$27,404,420	$27,453,349
6300-Purchased Professional Services	$7,861,491	$6,981,413	$8,942,309	$9,257,784	$7,428,556	$4,298,074	$4,222,702	$4,187,835
6400-Purchased Property Services	$18,732,911	$25,959,919	$33,984,761	$19,758,252	$27,237,621	$23,350,101	$23,353,263	$23,308,467
6500-Other Purchased Services	$7,405,636	$8,385,128	$8,751,814	$9,457,729	$8,520,259	$7,742,943	$7,605,095	$7,541,327
6600-Supplies	$10,284,447	$10,319,554	$12,554,438	$12,727,335	$16,718,197	$17,800,095	$17,316,355	$16,998,603
6700-Property	$5,971,221	$10,976,567	$13,062,889	$14,037,257	$7,258,136	$7,472,427	$7,471,467	$7,471,023
6800-Debt Services & Miscellaneous	$25,467,001	$27,285,127	$27,571,143	$25,733,712	$25,749,825	$24,012,978	$24,419,340	$24,376,843
6900-Transfers Out	$1,061,023	$358,207	$152,097	$107,069	$289,595	$289,595	$289,595	$289,595
Total Expenditures	**$201,328,110**	**$217,405,967**	**$229,706,454**	**$216,094,771**	**$221,586,034**	**$208,191,540**	**$206,355,036**	**$206,068,445**
Ending Fund Balance	**$105,634,455**	**$112,934,784**	**$118,987,436**	**$94,438,146**	**$61,973,896**	**$74,601,748**	**$52,630,242**	**$65,531,341**
Change In Fund Balances	**$2,163,534**	**$10,874,515**	**$7,047,712**	**-$25,622,115**	**-$32,464,250**	**$12,627,852**	**-$21,971,505**	**$12,901,099**
***Adjusted Ending Fund Balance**	**$102,060,269**	**$111,939,724**	**$120,060,261**	**NA**	**NA**	**NA**	**NA**	**NA**

Governmental Funds

Expenditures by Function

Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$103,470,921**	**$102,060,269**	**$111,939,724**	**$120,060,261**	**$94,438,146**	**$61,973,896**	**$74,601,748**	**$52,630,242**
Revenue:								
1000-Revenue From Local Sources	$97,943,444	$102,020,820	$102,058,228	$109,328,163	$112,048,006	$109,936,256	$109,275,306	$108,920,241
2000-Revenue From Intermediate Sources	$57,452	$1,211	($264,492)	$0	$0	$0	$0	$0
3000-Revenue From State Sources	$83,732,074	$86,901,451	$80,087,633	$73,039,602	$68,314,881	$67,124,238	$66,349,327	$66,290,405
4000-Revenue From Federal Sources	$20,344,340	$18,535,998	$11,189,756	$7,997,821	$8,469,303	$8,469,303	$8,469,303	$8,469,303
5000-Other Financing Sources/Transfers In	$1,414,334	$20,821,002	$43,683,041	$107,069	$289,595	$35,289,595	$289,595	$35,289,595
Total Revenue	**$203,491,644**	**$228,280,482**	**$236,754,166**	**$190,472,655**	**$189,121,785**	**$220,819,392**	**$184,383,531**	**$218,969,544**
Expenditures:								
1000-Instruction	$89,976,924	$91,518,330	$91,203,226	$90,052,567	$94,951,931	$93,286,740	$91,854,925	$91,755,528
2100-Student Support	$14,446,051	$14,730,474	$15,030,614	$16,405,188	$15,831,065	$14,600,783	$14,470,310	$14,477,245
2200-Instruction Support	$7,199,167	$8,281,019	$8,512,850	$9,067,921	$7,226,276	$7,108,858	$7,008,321	$6,977,856
2300-General Administration	$1,208,876	$1,504,236	$1,464,128	$1,590,893	$1,704,957	$1,666,054	$1,647,914	$1,645,523
2400-School Administration	$7,433,932	$7,849,477	$7,531,353	$7,331,820	$6,580,402	$6,392,763	$6,339,816	$6,347,015
2500-Central Services	$7,694,381	$8,644,380	$10,241,006	$7,965,318	$7,660,959	$6,749,211	$6,693,080	$6,688,019
2600-Plant Operations	$15,539,003	$16,569,649	$17,531,032	$17,101,246	$19,631,531	$18,251,244	$18,003,184	$17,912,952
2700-Transportation	$6,078,333	$8,182,470	$8,931,640	$11,981,617	$6,350,726	$5,354,430	$5,303,637	$5,303,796
3100-Food Service Operations	$4,405,604	$5,074,531	$5,436,514	$5,755,876	$4,738,888	$4,590,793	$4,511,841	$4,475,318
3200-Enterprise Operations	$16,115	$9,781	$13,672	$7,322	$7,322	$0	$0	$0
3300-Community Services Operations	$7,689,457	$7,903,777	$8,244,883	$9,205,509	$9,331,664	$9,020,688	$8,937,032	$8,938,217
4000-Facilities Acquisition & Construction	$13,797,167	$20,695,560	$29,019,023	$14,292,944	$21,949,805	$17,282,380	$17,282,380	$17,282,380
5000-Debt Service	$24,782,075	$26,084,075	$26,394,417	$25,229,480	$25,330,913	$23,598,000	$24,013,000	$23,975,000
6000-Transfers Out	$1,061,023	$358,207	$152,097	$107,069	$289,595	$289,595	$289,595	$289,595
Total Expenditures	**$201,328,110**	**$217,405,967**	**$229,706,454**	**$216,094,771**	**$221,586,034**	**$208,191,540**	**$206,355,036**	**$206,068,445**
Ending Fund Balance	**$105,634,455**	**$112,934,784**	**$118,987,436**	**$94,438,146**	**$61,973,896**	**$74,601,748**	**$52,630,242**	**$65,531,341**
Change In Fund Balances	**$2,163,534**	**$10,874,515**	**$7,047,712**	**-$25,622,115**	**-$32,464,250**	**$12,627,852**	**-$21,971,505**	**$12,901,099**
***Adjusted Ending Fund Balance**	**$102,060,269**	**$111,939,724**	**$120,060,261**	**NA**	**NA**	**NA**	**NA**	**NA**

Explanation/Comments:

For the 2026-27 budget, the District is expecting $189.1M in total governmental fund revenue, which is in line with the prior year. The timing of the bond sales is the main driver for the swings in revenues and fund balances throughout the 8-year time period between 2022-23 and 2029-30. Bond sales of $35.0M are expected to take place during both the 2027-28 and 2029-30 fiscal years.

The District is expecting $221.6M in total governmental fund expenditures for 2026-27, which is an expected increase of 2.5% from the prior year. That increase is driven mainly by higher capital expenditures vs the prior year as outlined in the District's capital spending plans. 2026-27 also includes $6.9M of expenditures that are captured in the General Fund and would be considered one-time or nonrecurring in nature.

An "adjusted" ending fund balance* is provided in situations where the budget balance more accurately reflects the ending fund balance, or when certain fund groupings blend cash and budgeted funds. In these cases the adjusted ending fund balance is used as the beginning fund balance for the next fiscal year.

General Fund

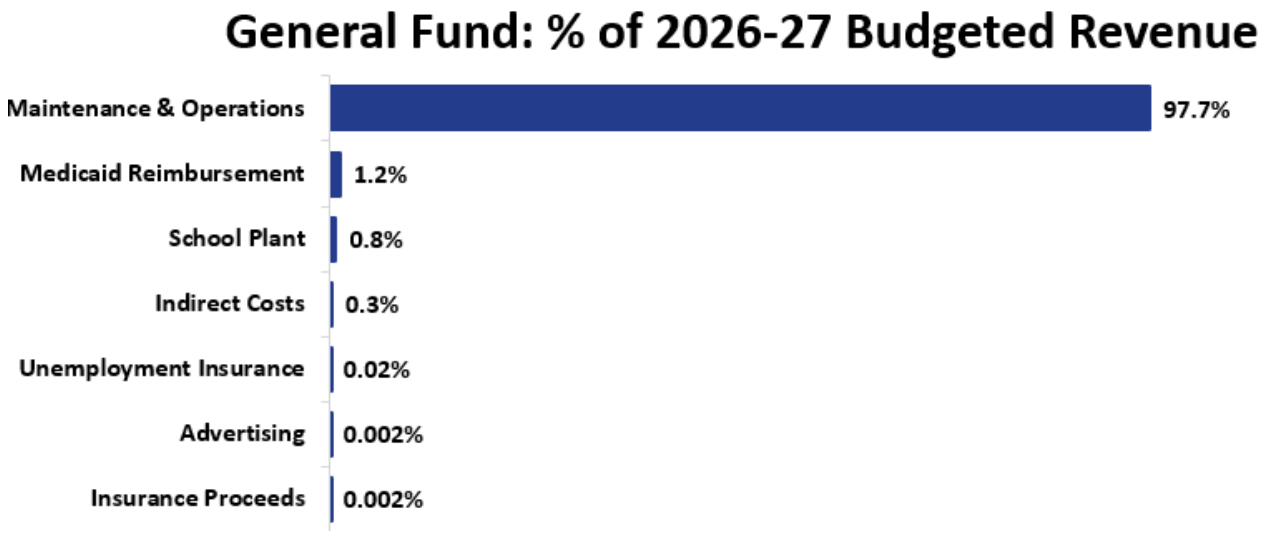




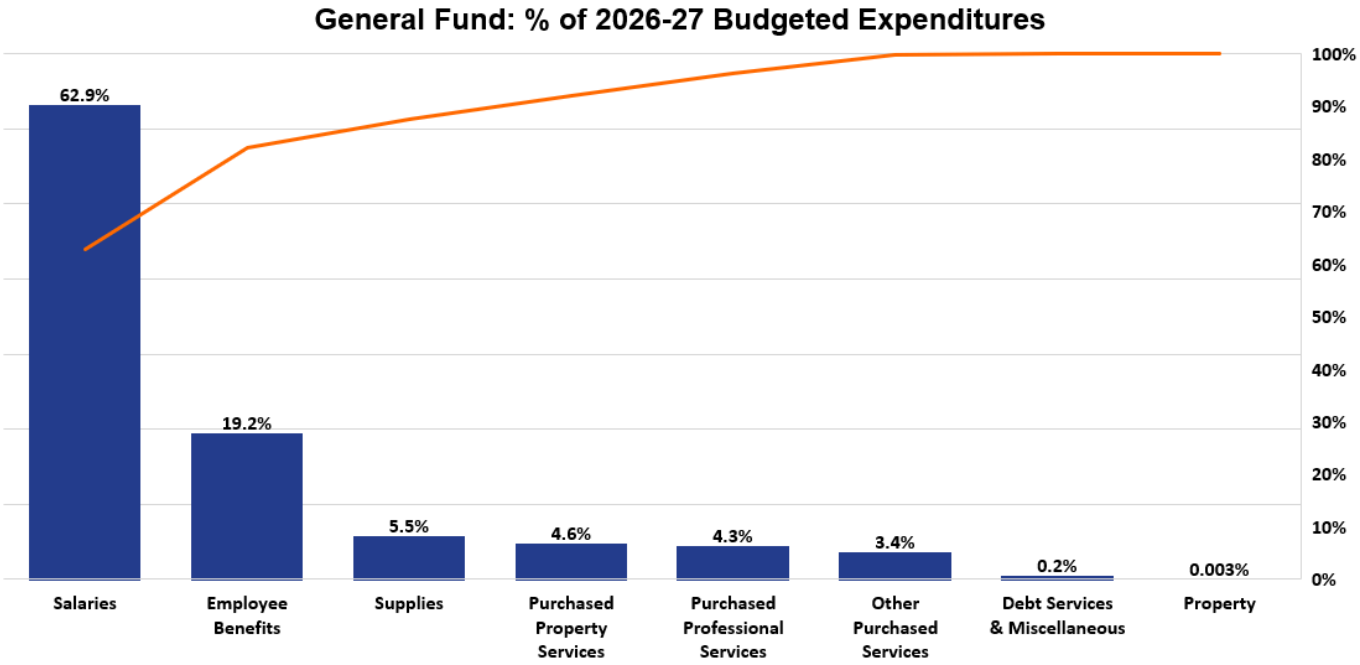


General Fund

The General Fund accounts for and reports all financial resources of a district except those required to be accounted for and reported in another fund. Although several individual funds comprise the total activity for the General Fund, the M&O fund is by far the largest as it comprise 98% of total General Fund revenues for the 2026-27 fiscal year.



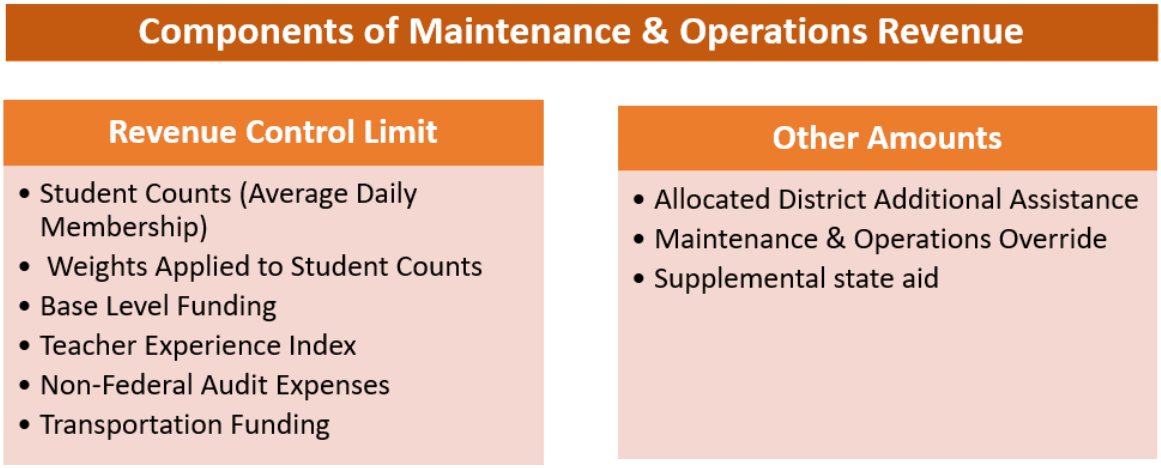
The M&O fund is also where most of the day-to-day expenditures take place for regular education, special education and transportation. Typically, these day-to-day budgeted expenditures include salaries, employee benefits, supplies, utilities, general maintenance and repairs and other expenditures that are not of a capital nature. Salaries and benefits make up the vast majority of expenditures within the General Fund category, at 82% of the total.



The M&O revenue budget is based on a number of formulas as defined by Arizona state law and begins with an estimate of student enrollment which is used to estimate the Average Daily Membership (ADM) for the upcoming budget year. ADM is a key component in the Arizona funding formula for school districts and is a method of counting the number of enrolled students based upon the first 100 school days.

Additional weights are applied to the ADM estimates as defined by A.R.S. §15-943 and are designed to take into consideration the additional cost of educating certain classifications of students. These weighted student counts are then multiplied by a base funding level as determined by the state. Additional funding can also be obtained for school districts that have higher average years of teacher experience vs. the overall state average according to A.R.S. §15-941. However, school districts are not penalized if the average years of experience is lower than the state average. The state of Arizona also provides funding to reimburse school districts for the cost of non-federal audit services. Transportation funding as defined by A.R.S. §15-945 and A.R.S. §15-946 is also added to these amounts to determine the Revenue Control Limit (RCL) for the District.

Any funding allocated to M&O from District Additional Assistance (DAA) is also included, plus any funding provided from voter-approved M&O overrides and other supplemental state aid payments. In prior years this additional supplemental state aid was provided via Prop 123 funding, which was related to the lawsuit settlement over inflationary funding that was passed by voters in May 2016 to increase school funding for a ten-year period. Beginning with the 2025-26 school year, that equivalent funding is provided in the form of additional state aid, which comes from the state of Arizona's General Fund. Together, all of these amounts determine the total M&O revenue for the upcoming budget year.



In addition to M&O, the following funds are included in the General Fund for Kyrene.

Fund Name	Description
Advertising	Related to the sale of advertising
Indirect Costs	Transfers from federal project funds or food service
Insurance Proceeds	Money received from insurance claims
Maintenance & Operations	Supports day-to-day school operations
Medicaid	Money received from Medicaid reimbursement
School Plant	Sale/lease of property
Unemployment Insurance	Unemployment insurance contributions

General Fund
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$22,383,605**	**$31,259,421**	**$35,338,671**	**$31,089,231**	**$30,147,189**	**$23,282,444**	**$22,454,470**	**$21,642,634**
Revenue:								
1000-Revenue From Local Sources	$52,746,051	$54,240,834	$52,678,316	$54,719,774	$57,864,777	$56,587,271	$55,855,827	$55,792,607
2000-Revenue From Intermediate Sources	$49,819	($5,216)	-$231,531	$0	$0	$0	$0	$0
3000-Revenue From State Sources	$61,709,707	$63,956,422	$58,210,508	$56,343,683	$53,094,769	$51,904,126	$51,129,215	$51,070,293
4000-Revenue From Federal Sources	$872,907	$2,161,835	$1,271,463	$1,000,000	$1,400,000	$1,400,000	$1,400,000	$1,400,000
5000-Other Financing Sources/Transfers In	$1,414,334	$1,318,910	$986,496	$107,069	$289,595	$289,595	$289,595	$289,595
Total Revenue	**$116,792,818**	**$121,672,785**	**$112,915,251**	**$112,170,526**	**$112,649,141**	**$110,180,992**	**$108,674,637**	**$108,552,495**
Expenditures:								
6100-Salaries	$67,769,132	$74,533,564	$73,919,554	$69,883,504	$75,186,321	$71,413,048	$70,356,984	$70,483,608
6200-Employee Benefits	$21,282,133	$24,359,427	$23,092,736	$22,376,864	$22,894,649	$21,998,538	$21,730,371	$21,769,366
6300-Purchased Professional Services	$3,675,854	$3,837,566	$6,145,665	$6,076,215	$5,082,435	$2,011,794	$1,975,966	$1,959,393
6400-Purchased Property Services	$4,693,413	$5,296,533	$5,689,861	$5,645,170	$5,466,369	$6,189,231	$6,194,145	$6,150,159
6500-Other Purchased Services	$2,725,724	$3,342,190	$3,364,670	$3,600,975	$4,106,997	$3,432,325	$3,371,244	$3,342,988
6600-Supplies	$4,743,727	$5,221,246	$5,248,716	$5,284,097	$6,546,581	$5,738,856	$5,636,600	$5,589,297
6700-Property	$2,697	$611	$8,643	$3,000	$3,000	$2,930	$2,878	$2,854
6800-Debt Services & Miscellaneous	$142,394	$388,273	$317,899	$242,742	$227,535	$222,243	$218,285	$216,454
Total Expenditures	**$105,035,074**	**$116,979,410**	**$117,787,745**	**$113,112,568**	**$119,513,886**	**$111,008,966**	**$109,486,473**	**$109,514,119**
Ending Fund Balance	**$34,141,349**	**$35,952,796**	**$30,466,177**	**$30,147,189**	**$23,282,444**	**$22,454,470**	**$21,642,634**	**$20,681,010**
Change In Fund Balances	**$11,757,744**	**$4,693,375**	**-$4,872,494**	**-$942,042**	**-$6,864,745**	**-$827,974**	**-$811,836**	**-$961,624**
***Adjusted Ending Fund Balance**	**$31,259,421**	**$35,338,671**	**$31,089,231**	**NA**	**NA**	**NA**	**NA**	**NA**

General Fund
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$22,383,605**	**$31,259,421**	**$35,338,671**	**$31,089,231**	**$30,147,189**	**$23,282,444**	**$22,454,470**	**$21,642,634**
Revenue:								
1000-Revenue From Local Sources	$52,746,051	$54,240,834	$52,678,316	$54,719,774	$57,864,777	$56,587,271	$55,855,827	$55,792,607
2000-Revenue From Intermediate Sources	$49,819	($5,216)	-$231,531	$0	$0	$0	$0	$0
3000-Revenue From State Sources	$61,709,707	$63,956,422	$58,210,508	$56,343,683	$53,094,769	$51,904,126	$51,129,215	$51,070,293
4000-Revenue From Federal Sources	$872,907	$2,161,835	$1,271,463	$1,000,000	$1,400,000	$1,400,000	$1,400,000	$1,400,000
5000-Other Financing Sources/Transfers In	$1,414,334	$1,318,910	$986,496	$107,069	$289,595	$289,595	$289,595	$289,595
Total Revenue	**$116,792,818**	**$121,672,785**	**$112,915,251**	**$112,170,526**	**$112,649,141**	**$110,180,992**	**$108,674,637**	**$108,552,495**
Expenditures:								
1000-Instruction	$57,927,245	$63,870,709	$65,722,165	$63,081,839	$65,995,348	$62,180,230	$61,183,525	$61,274,919
2100-Student Support	$11,707,824	$12,301,487	$11,935,058	$10,797,214	$12,422,612	$11,256,973	$11,166,246	$11,181,444
2200-Instruction Support	$4,249,701	$5,636,810	$6,065,313	$6,532,646	$5,320,391	$5,091,426	$5,049,595	$5,055,661
2300-General Administration	$1,091,164	$1,491,690	$1,386,806	$1,389,951	$1,701,957	$1,663,123	$1,645,036	$1,642,669
2400-School Administration	$6,911,201	$7,468,546	$6,929,353	$6,858,076	$6,177,859	$5,995,557	$5,945,640	$5,952,137
2500-Central Services	$4,319,893	$5,525,661	$4,304,712	$4,656,658	$4,739,073	$3,966,999	$3,932,496	$3,935,322
2600-Plant Operations	$13,328,857	$15,069,577	$15,888,270	$14,595,778	$16,977,768	$15,843,532	$15,602,346	$15,512,094
2700-Transportation	$4,955,542	$5,227,062	$4,909,567	$4,861,414	$5,848,696	$4,861,274	$4,814,405	$4,813,924
3100-Food Service Operations	$244,057	$155,878	$165,958	$162,232	$153,421	$149,852	$147,184	$145,949
3200-Enterprise Operations	$16,115	$9,781	$13,672	$7,322	$7,322	$0	$0	$0
3300-Community Services Operations	$283,474	$222,209	$258,940	$169,439	$169,439	$0	$0	$0
4000-Facilities Acquisition & Construction	$0	$0	$207,931	$0	$0	$0	$0	$0
Total Expenditures	**$105,035,074**	**$116,979,410**	**$117,787,745**	**$113,112,568**	**$119,513,886**	**$111,008,966**	**$109,486,473**	**$109,514,119**
Ending Fund Balance	**$34,141,349**	**$35,952,796**	**$30,466,177**	**$30,147,189**	**$23,282,444**	**$22,454,470**	**$21,642,634**	**$20,681,010**
Change In Fund Balances	**$11,757,744**	**$4,693,375**	**-$4,872,494**	**-$942,042**	**-$6,864,745**	**-$827,974**	**-$811,836**	**-$961,624**
***Adjusted Ending Fund Balance**	**$31,259,421**	**$35,338,671**	**$31,089,231**	**NA**	**NA**	**NA**	**NA**	**NA**

Explanation/Comments:

Expenditures were lower in the 2022-23 year due to a high number of unfilled positions and lower medical expenditures, which is why the ending fund balance increased over that time period. Rather than increase its fund balance, the District has decided to spend down reserve balances in future years for expenditures that would be considered one-time or nonrecurring in nature, mostly in support of its strategic plan. The 2026-27 Adopted Budget contains $6.9M of General Fund expenditures that would be considered one-time or nonrecurring in nature. This entire $6.9M has been budgeted in just the 2026-27 year, although many expenditures may take place in future years to support strategic plan initiatives, and this explains the fund balance change for that year. Any unspent money at the end of the 2026-27 year will continue to be budgeted throughout the strategic plan time period as necessary.

The increase in 2023-24 revenue is mainly a result from $3.6M in one-time state funding for public schools that was also spent during the 2023-24 fiscal year. Revenues for projected years include a 1.5% annual increase in state funding for inflation increases, and also include the estimated funding impact from anticipated student enrollment changes.

The General Fund shows a declining fund balance in the projected years. However, this does not mean the fund has a structural deficit during those years, but rather is a reflection of how revenue and expenditure projections were accounted for between different fund categories. The entire impact of revenue declines from enrollment changes were included in the M&O fund, but the equivalent dollar reduction in operational expenditures also exists in funds other than M&O (such as special revenue funds). When aggregating all fund categories and fund types, the District has a balanced structural budget during these projection years, which reflects the commitment by the District to make operational budget reductions in order to maintain an overall balanced budget.

An “adjusted” ending fund balance* is provided in situations where the budget balance more accurately reflects the ending fund balance, or when certain fund groupings blend cash and budgeted funds. In these cases the adjusted ending fund balance is used as the beginning fund balance for the next fiscal year.

Advertising
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$13,269**	**$17,130**	**$12,384**	**$16,039**	**$17,339**	**$4,839**	**$4,839**	**$4,839**
Revenue:								
1000-Revenue From Local Sources	$6,700	$3,700	$4,150	$2,500	$2,500	$2,500	$2,500	$2,500
Total Revenue	**$6,700**	**$3,700**	**$4,150**	**$2,500**	**$2,500**	**$2,500**	**$2,500**	**$2,500**
Expenditures:								
6500-Other Purchased Services	$831	$0	$0	$1,200	$15,000	$2,500	$2,500	$2,500
6600-Supplies	$554	$2,325	$495	$0	$0	$0	$0	$0
6800-Debt Services & Miscellaneous	$1,455	$6,121	$0	$0	$0	$0	$0	$0
Total Expenditures	**$2,839**	**$8,446**	**$495**	**$1,200**	**$15,000**	**$2,500**	**$2,500**	**$2,500**
Ending Fund Balance	**$17,130**	**$12,384**	**$16,039**	**$17,339**	**$4,839**	**$4,839**	**$4,839**	**$4,839**
Change In Fund Balances	**$3,861**	**-$4,746**	**$3,655**	**$1,300**	**-$12,500**	**$0**	**$0**	**$0**

Advertising
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$13,269**	**$17,130**	**$12,384**	**$16,039**	**$17,339**	**$4,839**	**$4,839**	**$4,839**
Revenue:								
1000-Revenue From Local Sources	$6,700	$3,700	$4,150	$2,500	$2,500	$2,500	$2,500	$2,500
Total Revenue	**$6,700**	**$3,700**	**$4,150**	**$2,500**	**$2,500**	**$2,500**	**$2,500**	**$2,500**
Expenditures:								
2500-Central Services	$2,839	$8,446	$495	$1,200	$15,000	$2,500	$2,500	$2,500
Total Expenditures	**$2,839**	**$8,446**	**$495**	**$1,200**	**$15,000**	**$2,500**	**$2,500**	**$2,500**
Ending Fund Balance	**$17,130**	**$12,384**	**$16,039**	**$17,339**	**$4,839**	**$4,839**	**$4,839**	**$4,839**
Change In Fund Balances	**$3,861**	**-$4,746**	**$3,655**	**$1,300**	**-$12,500**	**$0**	**$0**	**$0**

Explanation/Comments:
The District expects very little activity in this fund and budgeted/projected expenditures are aligned with revenue.

Indirect Costs
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$3,137,299**	**$3,826,993**	**$3,225,640**	**$2,677,923**	**$2,484,669**	**$2,448,674**	**$2,417,196**	**$2,388,281**
Revenue:								
1000-Revenue From Local Sources	$0	$103,505	$93,145	$15,000	$15,000	$15,000	$15,000	$15,000
5000-Other Financing Sources/Transfers In	$1,061,023	$411,123	$151,988	$107,069	$289,595	$289,595	$289,595	$289,595
Total Revenue	**$1,061,023**	**$514,629**	**$245,132**	**$122,069**	**$304,595**	**$304,595**	**$304,595**	**$304,595**
Expenditures:								
6100-Salaries	$142,875	$696,657	$616,067	$234,969	$251,615	$248,279	$246,385	$246,824
6200-Employee Benefits	$55,000	$160,464	$176,782	$80,355	$88,974	$87,794	$87,125	$87,280
6300-Purchased Professional Services	$0	$61,736	$0	$0	$0	$0	$0	$0
6400-Purchased Property Services	$3,721	$0	$0	$0	$0	$0	$0	$0
6600-Supplies	$169,734	$197,123	$0	$0	$0	$0	$0	$0
Total Expenditures	**$371,329**	**$1,115,982**	**$792,849**	**$315,324**	**$340,589**	**$336,074**	**$333,510**	**$334,104**
Ending Fund Balance	**$3,826,993**	**$3,225,640**	**$2,677,923**	**$2,484,669**	**$2,448,674**	**$2,417,196**	**$2,388,281**	**$2,358,771**
Change In Fund Balances	**$689,694**	**-$601,353**	**-$547,716**	**-$193,255**	**-$35,994**	**-$31,479**	**-$28,915**	**-$29,509**

Indirect Costs
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$3,137,299**	**$3,826,993**	**$3,225,640**	**$2,677,923**	**$2,484,669**	**$2,448,674**	**$2,417,196**	**$2,388,281**
Revenue:								
1000-Revenue From Local Sources	$0	$103,505	$93,145	$15,000	$15,000	$15,000	$15,000	$15,000
5000-Other Financing Sources/Transfers In	$1,061,023	$411,123	$151,988	$107,069	$289,595	$289,595	$289,595	$289,595
Total Revenue	**$1,061,023**	**$514,629**	**$245,132**	**$122,069**	**$304,595**	**$304,595**	**$304,595**	**$304,595**
Expenditures:								
1000-Instruction	$0	$662,283	$0	$0	$0	$0	$0	$0
2100-Student Support	$9,906	$55,622	$11,465	$0	$0	$0	$0	$0
2200-Instruction Support	$1,038	$1,778	$0	$1,050	$1,050	$1,036	$1,028	$1,030
2300-General Administration	$822	$1,796	$0	$650	$650	$641	$636	$638
2400-School Administration	$5,343	$0	$0	$6,100	$6,100	$6,019	$5,973	$5,984
2500-Central Services	$177,470	$150,830	$291,731	$305,924	$331,189	$326,798	$324,305	$324,883
2600-Plant Operations	$176,031	$243,673	$489,652	$800	$800	$789	$783	$785
2700-Transportation	$719	$0	$0	$800	$800	$789	$783	$785
Total Expenditures	**$371,329**	**$1,115,982**	**$792,849**	**$315,324**	**$340,589**	**$336,074**	**$333,510**	**$334,104**
Ending Fund Balance	**$3,826,993**	**$3,225,640**	**$2,677,923**	**$2,484,669**	**$2,448,674**	**$2,417,196**	**$2,388,281**	**$2,358,771**
Change In Fund Balances	**$689,694**	**-$601,353**	**-$547,716**	**-$193,255**	**-$35,994**	**-$31,479**	**-$28,915**	**-$29,509**

Explanation/Comments:
The District projects future expenditures to be closer to pre-pandemic levels. Higher revenue amounts in 2022-23 reflect the impact from one-time federal grants.

Insurance Proceeds
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$193,467**	**$245,055**	**$362,475**	**$382,705**	**$382,705**	**$382,705**	**$382,763**	**$382,865**
Revenue:								
1000-Revenue From Local Sources	$60,825	$168,704	$20,230	$2,500	$2,500	$2,500	$2,500	$2,500
Total Revenue	**$60,825**	**$168,704**	**$20,230**	**$2,500**	**$2,500**	**$2,500**	**$2,500**	**$2,500**
Expenditures:								
6100-Salaries	$138	$0	$0	$0	$0	$0	$0	$0
6200-Employee Benefits	$31	$0	$0	$0	$0	$0	$0	$0
6400-Purchased Property Services	$9,069	$51,284	$0	$2,500	$2,500	$2,442	$2,398	$2,378
Total Expenditures	**$9,237**	**$51,284**	**$0**	**$2,500**	**$2,500**	**$2,442**	**$2,398**	**$2,378**
Ending Fund Balance	**$245,055**	**$362,475**	**$382,705**	**$382,705**	**$382,705**	**$382,763**	**$382,865**	**$382,987**
Change In Fund Balances	**$51,588**	**$117,420**	**$20,230**	**$0**	**$0**	**$58**	**$102**	**$122**

Insurance Proceeds
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$193,467**	**$245,055**	**$362,475**	**$382,705**	**$382,705**	**$382,705**	**$382,763**	**$382,865**
Revenue:								
1000-Revenue From Local Sources	$60,825	$168,704	$20,230	$2,500	$2,500	$2,500	$2,500	$2,500
Total Revenue	**$60,825**	**$168,704**	**$20,230**	**$2,500**	**$2,500**	**$2,500**	**$2,500**	**$2,500**
Expenditures:								
2600-Plant Operations	$679	$15,285	$0	$0	$0	$0	$0	$0
2700-Transportation	$8,558	$35,999	$0	$2,500	$2,500	$2,442	$2,398	$2,378
Total Expenditures	**$9,237**	**$51,284**	**$0**	**$2,500**	**$2,500**	**$2,442**	**$2,398**	**$2,378**
Ending Fund Balance	**$245,055**	**$362,475**	**$382,705**	**$382,705**	**$382,705**	**$382,763**	**$382,865**	**$382,987**
Change In Fund Balances	**$51,588**	**$117,420**	**$20,230**	**$0**	**$0**	**$58**	**$102**	**$122**

Explanation/Comments:
The District expects very little activity in this fund and budgeted/projected expenditures are aligned with revenue.

Maintenance & Operations
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$14,636,518**	**$23,177,125**	**$25,508,106**	**$21,540,986**	**$20,708,214**	**$14,052,628**	**$13,573,441**	**$13,092,649**
Revenue:								
1000-Revenue From Local Sources	$52,698,567	$53,925,651	$52,357,293	$53,873,274	$56,968,277	$55,690,771	$54,859,327	$54,796,107
2000-Revenue From Intermediate Sources	$49,819	($5,216)	-$231,531	$0	$0	$0	$0	$0
3000-Revenue From State Sources	$61,709,707	$63,956,422	$58,210,508	$56,343,683	$53,094,769	$51,904,126	$51,129,215	$51,070,293
Total Revenue	**$114,458,093**	**$117,876,857**	**$110,336,270**	**$110,216,957**	**$110,063,046**	**$107,594,897**	**$105,988,542**	**$105,866,400**
Expenditures:								
6100-Salaries	$66,644,866	$73,574,455	$72,413,747	$68,480,995	$73,748,216	$69,994,011	$68,948,771	$69,072,886
6200-Employee Benefits	$20,895,075	$24,118,174	$22,607,146	$21,898,017	$22,407,260	$21,517,611	$21,253,112	$21,291,257
6300-Purchased Professional Services	$3,634,712	$3,098,395	$6,046,666	$5,975,159	$4,982,879	$1,914,554	$1,880,458	$1,864,685
6400-Purchased Property Services	$4,680,623	$5,245,249	$5,481,826	$5,642,670	$5,463,869	$5,336,789	$5,241,747	$5,197,781
6500-Other Purchased Services	$2,488,175	$3,042,596	$3,356,182	$3,599,575	$4,091,797	$3,429,630	$3,368,552	$3,340,298
6600-Supplies	$4,557,693	$4,987,309	$5,201,789	$5,211,397	$5,806,381	$5,668,335	$5,567,335	$5,520,613
6800-Debt Services & Miscellaneous	$134,415	$374,320	$310,342	$241,915	$218,230	$213,154	$209,358	$207,602
Total Expenditures	**$103,035,559**	**$114,440,496**	**$115,417,699**	**$111,049,729**	**$116,718,632**	**$108,074,084**	**$106,469,333**	**$106,495,122**
Ending Fund Balance	**$26,059,052**	**$26,613,486**	**$20,426,677**	**$20,708,214**	**$14,052,628**	**$13,573,441**	**$13,092,649**	**$12,463,928**
Change In Fund Balances	**$11,422,534**	**$3,436,361**	**-$5,081,429**	**-$832,772**	**-$6,655,586**	**-$479,187**	**-$480,791**	**-$628,722**
***Adjusted Ending Fund Balance**	**$23,177,125**	**$25,508,106**	**$21,540,986**	**NA**	**NA**	**NA**	**NA**	**NA**

Maintenance & Operations
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$14,636,518**	**$23,177,125**	**$25,508,106**	**$21,540,986**	**$20,708,214**	**$14,052,628**	**$13,573,441**	**$13,092,649**
Revenue:								
1000-Revenue From Local Sources	$52,698,567	$53,925,651	$52,357,293	$53,873,274	$56,968,277	$55,690,771	$54,859,327	$54,796,107
2000-Revenue From Intermediate Sources	$49,819	($5,216)	($231,531)	$0	$0	$0	$0	$0
3000-Revenue From State Sources	$61,709,707	$63,956,422	$58,210,508	$56,343,683	$53,094,769	$51,904,126	$51,129,215	$51,070,293
Total Revenue	**$114,458,093**	**$117,876,857**	**$110,336,270**	**$110,216,957**	**$110,063,046**	**$107,594,897**	**$105,988,542**	**$105,866,400**
Expenditures:								
1000-Instruction	$57,927,245	$62,321,685	$65,708,447	$63,081,839	$65,995,348	$61,330,230	$60,233,525	$60,324,919
2100-Student Support	$11,228,066	$12,231,500	$11,471,818	$10,276,922	$11,913,716	$10,755,370	$10,669,012	$10,683,855
2200-Instruction Support	$4,226,705	$5,615,101	$6,048,625	$6,492,096	$5,281,341	$5,053,273	$5,012,112	$5,018,482
2300-General Administration	$1,086,154	$1,479,167	$1,365,868	$1,123,130	$1,407,488	$1,372,734	$1,357,035	$1,354,326
2400-School Administration	$6,905,858	$7,468,546	$6,929,353	$6,851,976	$6,171,759	$5,989,538	$5,939,667	$5,946,153
2500-Central Services	$3,106,192	$4,948,232	$3,248,328	$3,513,803	$3,547,627	$2,804,207	$2,779,110	$2,780,428
2600-Plant Operations	$13,086,558	$14,804,796	$15,312,348	$14,512,857	$16,225,775	$15,760,837	$15,520,465	$15,430,249
2700-Transportation	$4,927,831	$5,183,601	$4,894,342	$4,858,114	$5,845,396	$4,858,043	$4,811,223	$4,810,761
3100-Food Service Operations	$244,057	$155,878	$165,958	$162,232	$153,421	$149,852	$147,184	$145,949
3200-Enterprise Operations	$13,418	$9,781	$13,672	$7,322	$7,322	$0	$0	$0
3300-Community Services Operations	$283,474	$222,209	$258,940	$169,439	$169,439	$0	$0	$0
Total Expenditures	**$103,035,559**	**$114,440,496**	**$115,417,699**	**$111,049,729**	**$116,718,632**	**$108,074,084**	**$106,469,333**	**$106,495,122**
Ending Fund Balance	**$26,059,052**	**$26,613,486**	**$20,426,677**	**$20,708,214**	**$14,052,628**	**$13,573,441**	**$13,092,649**	**$12,463,928**
Change In Fund Balances	**$11,422,534**	**$3,436,361**	**-$5,081,429**	**-$832,772**	**-$6,655,586**	**-$479,187**	**-$480,791**	**-$628,722**
***Adjusted Ending Fund Balance**	**$23,177,125**	**$25,508,106**	**$21,540,986**	**NA**	**NA**	**NA**	**NA**	**NA**

Explanation/Comments:
Expenditures were lower in the 2022-23 year due to a high number of unfilled positions and lower medical expenditures, which is why the ending fund balance increased over that time period. Rather than increase its fund balance, the District has decided to spend down reserve balances in future years for expenditures that would be considered one-time or nonrecurring in nature, mostly in support of its strategic plan. The 2025-26 Adopted Budget contains $6.9M of General Fund expenditures that would be considered one-time or nonrecurring in nature. The entire $6.9M has been budgeted in just the 2026-27 year, although many expenditures may take place in future years to support strategic plan initiatives, and this explains the fund balance change for that year. Any unspent money at the end of the 2026-27 year will continue to be budgeted throughout the strategic plan time period as necessary.

The increase in 2023-24 revenue is mainly a result from $3.6M in one-time state funding for public schools that was also spent during the 2023-24 fiscal year. Revenues for projected years include a 1.5% annual increase in state funding for annual inflation increases, and also include the estimated funding impact from anticipated student enrollment changes. Prior to S.B. 1733, school districts that received a portion of their maintenance and operations funding from the state equalization assistance property tax rate would record that revenue as an “Intermediate” revenue source. Beginning with the 2022-23 school year, as part of S.B. 1733 there will no longer be any “2000-Revenue from Intermediate Sources” recorded by school districts.

The M&O fund shows a declining fund balance in the projected years. However, this does not mean the fund has a structural deficit during those years. Rather, this is a reflection of how revenue and expenditure projections were accounted for between different fund categories. The entire impact of revenue declines from enrollment changes were included in the M&O fund, but the equivalent dollar reduction in operational expenditures also exists in funds other than M&O (such as special revenue funds). When aggregating all fund categories and fund types, the District has a balanced structural budget during these projection years, which reflects the commitment by the District to make operational budget reductions in order to maintain an overall balanced budget.

An “adjusted” ending fund balance* is provided in situations where the budget balance more accurately reflects the ending fund balance, or when certain fund groupings blend cash and budgeted funds. In these cases the adjusted ending fund balance is used as the beginning fund balance for the next fiscal year.

Medicaid Reimbursement
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$3,137,874**	**$2,595,457**	**$3,687,191**	**$3,745,909**	**$3,027,094**	**$2,676,498**	**$2,350,954**	**$2,040,406**
Revenue:								
1000-Revenue From Local Sources	-$20,042	-$7,871	$136,417	$0	$0	$0	$0	$0
4000-Revenue From Federal Sources	$872,907	$2,161,835	$1,271,463	$1,000,000	$1,400,000	$1,400,000	$1,400,000	$1,400,000
Total Revenue	**$852,866**	**$2,153,964**	**$1,407,879**	**$1,000,000**	**$1,400,000**	**$1,400,000**	**$1,400,000**	**$1,400,000**
Expenditures:								
6100-Salaries	$981,253	$262,451	$889,740	$1,167,540	$1,186,489	$1,170,758	$1,161,827	$1,163,898
6200-Employee Benefits	$332,028	$74,208	$301,840	$373,492	$379,846	$374,810	$371,951	$372,614
6300-Purchased Professional Services	$41,142	$677,435	$98,999	$101,056	$99,556	$97,241	$95,509	$94,708
6400-Purchased Property Services	$0	$0	$105	$0	$0	$0	$0	$0
6500-Other Purchased Services	$18,588	$5,204	$4,488	$200	$200	$195	$192	$190
6600-Supplies	$15,747	$34,489	$46,432	$72,700	$72,200	$70,521	$69,265	$68,684
6700-Property	$0	$611	$0	$3,000	$3,000	$2,930	$2,878	$2,854
6800-Debt Services & Miscellaneous	$6,525	$7,832	$7,557	$827	$9,305	$9,089	$8,927	$8,852
Total Expenditures	**$1,395,283**	**$1,062,230**	**$1,349,161**	**$1,718,815**	**$1,750,596**	**$1,725,544**	**$1,710,548**	**$1,711,799**
Ending Fund Balance	**$2,595,457**	**$3,687,191**	**$3,745,909**	**$3,027,094**	**$2,676,498**	**$2,350,954**	**$2,040,406**	**$1,728,607**
Change In Fund Balances	**-$542,417**	**$1,091,734**	**$58,718**	**-$718,815**	**-$350,596**	**-$325,544**	**-$310,548**	**-$311,799**

Medicaid Reimbursement
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$3,137,874**	**$2,595,457**	**$3,687,191**	**$3,745,909**	**$3,027,094**	**$2,676,498**	**$2,350,954**	**$2,040,406**
Revenue:								
1000-Revenue From Local Sources	($20,042)	($7,871)	$136,417	$0	$0	$0	$0	$0
4000-Revenue From Federal Sources	$872,907	$2,161,835	$1,271,463	$1,000,000	$1,400,000	$1,400,000	$1,400,000	$1,400,000
Total Revenue	**$852,866**	**$2,153,964**	**$1,407,879**	**$1,000,000**	**$1,400,000**	**$1,400,000**	**$1,400,000**	**$1,400,000**
Expenditures:								
1000-Instruction	$0	$886,742	$13,719	$0	$0	$0	$0	$0
2100-Student Support	$469,853	$14,364	$451,774	$520,292	$508,896	$501,603	$497,234	$497,588
2200-Instruction Support	$21,958	$19,931	$16,688	$39,500	$38,000	$37,116	$36,455	$36,149
2300-General Administration	$4,188	$4,146	$13,970	$266,171	$293,819	$289,748	$287,364	$287,705
2500-Central Services	$815,262	$123,762	$760,158	$810,731	$826,688	$815,171	$808,398	$809,296
2600-Plant Operations	$65,589	$5,823	$86,270	$82,121	$83,194	$81,906	$81,097	$81,061
2700-Transportation	$18,433	$7,462	$6,583	$0	$0	$0	$0	$0
Total Expenditures	**$1,395,283**	**$1,062,230**	**$1,349,161**	**$1,718,815**	**$1,750,596**	**$1,725,544**	**$1,710,548**	**$1,711,799**
Ending Fund Balance	**$2,595,457**	**$3,687,191**	**$3,745,909**	**$3,027,094**	**$2,676,498**	**$2,350,954**	**$2,040,406**	**$1,728,607**
Change In Fund Balances	**-$542,417**	**$1,091,734**	**$58,718**	**-$718,815**	**-$350,596**	**-$325,544**	**-$310,548**	**-$311,799**

Explanation/Comments:

Revenue and expenditures have returned to typical pre-COVID levels. Going forward, a slow depletion of the fund balance is projected for future years.

School Plant
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$1,230,840**	**$1,363,324**	**$2,022,968**	**$2,707,371**	**$3,507,371**	**$3,689,371**	**$3,689,371**	**$3,689,371**
Revenue:								
1000-Revenue From Local Sources	$0	$46,247	$66,469	$800,000	$850,000	$850,000	$950,000	$950,000
5000-Other Financing Sources/Transfers In	$353,311	$907,787	$834,508	$0	$0	$0	$0	$0
Total Revenue	**$353,311**	**$954,034**	**$900,976**	**$800,000**	**$850,000**	**$850,000**	**$950,000**	**$950,000**
Expenditures:								
6400-Purchased Property Services	$0	$0	$207,931	$0	$0	$850,000	$950,000	$950,000
6500-Other Purchased Services	$218,130	$294,390	$0	$0	$0	$0	$0	$0
6600-Supplies	$0	$0	$0	$0	$668,000	$0	$0	$0
6700-Property	$2,697	$0	$8,643	$0	$0	$0	$0	$0
Total Expenditures	**$220,827**	**$294,390**	**$216,573**	**$0**	**$668,000**	**$850,000**	**$950,000**	**$950,000**
Ending Fund Balance	**$1,363,324**	**$2,022,968**	**$2,707,371**	**$3,507,371**	**$3,689,371**	**$3,689,371**	**$3,689,371**	**$3,689,371**
Change In Fund Balances	**$132,484**	**$659,644**	**$684,403**	**$800,000**	**$182,000**	**$0**	**$0**	**$0**

School Plant
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$1,230,840**	**$1,363,324**	**$2,022,968**	**$2,707,371**	**$3,507,371**	**$3,689,371**	**$3,689,371**	**$3,689,371**
Revenue:								
1000-Revenue From Local Sources	$0	$46,247	$66,469	$800,000	$850,000	$850,000	$950,000	$950,000
5000-Other Financing Sources/Transfers In	$353,311	$907,787	$834,508	$0	$0	$0	$0	$0
Total Revenue	**$353,311**	**$954,034**	**$900,976**	**$800,000**	**$850,000**	**$850,000**	**$950,000**	**$950,000**
Expenditures:								
1000-Instruction	$0	$0	$0	0	$0	$850,000	$950,000	$950,000
2500-Central Services	$218,130	$294,390	$0	0	$0	$0	$0	$0
2600-Plant Operations	$0	$0	$0	0	$668,000	$0	$0	$0
2700-Transportation	$0	$0	$8,643	0	$0	$0	$0	$0
3200-Enterprise Operations	$2,697	$0	$0	0	$0	$0	$0	$0
4000-Facilities Acquisition & Construction	$0	$0	$207,931	0	$0	$0	$0	$0
Total Expenditures	**$220,827**	**$294,390**	**$216,573**	**$0**	**$668,000**	**$850,000**	**$950,000**	**$950,000**
Ending Fund Balance	**$1,363,324**	**$2,022,968**	**$2,707,371**	**$3,507,371**	**$3,689,371**	**$3,689,371**	**$3,689,371**	**$3,689,371**
Change In Fund Balances	**$132,484**	**$659,644**	**$684,403**	**$800,000**	**$182,000**	**$0**	**$0**	**$0**

Explanation/Comments:

The District entered into a lease agreement in October 2020 to develop a 28-acre parcel of land owned by Kyrene that is located in Phoenix. The revenue that is shown from 2023-24 through 2028-29 reflects the contractual lease increases over that time period. No planned expenditures are anticipated for the 2025-26 year from this fund.

Unemployment Insurance
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$34,337**	**$34,337**	**$28,652**	**$18,297**	**$19,797**	**$27,728**	**$35,906**	**$44,223**
Revenue:								
1000-Revenue From Local Sources	$0	$896	$613	$26,500	$26,500	$26,500	$26,500	$26,500
Total Revenue	**$0**	**$896**	**$613**	**$26,500**	**$26,500**	**$26,500**	**$26,500**	**$26,500**
Expenditures:								
6200-Employee Benefits	$0	$6,581	$6,968	$25,000	$18,569	$18,323	$18,183	$18,215
6500-Other Purchased Services	$0	$0	$4,000	$0	$0	$0	$0	$0
Total Expenditures	**$0**	**$6,581**	**$10,968**	**$25,000**	**$18,569**	**$18,323**	**$18,183**	**$18,215**
Ending Fund Balance	**$34,337**	**$28,652**	**$18,297**	**$19,797**	**$27,728**	**$35,906**	**$44,223**	**$52,507**
Change In Fund Balances	**$0**	**-$5,685**	**-$10,355**	**$1,500**	**$7,931**	**$8,177**	**$8,317**	**$8,285**

Unemployment Insurance
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$34,337**	**$34,337**	**$28,652**	**$18,297**	**$19,797**	**$27,728**	**$35,906**	**$44,223**
Revenue:								
1000-Revenue From Local Sources	$0	$896	$613	$26,500	$26,500	$26,500	$26,500	$26,500
Total Revenue	**$0**	**$896**	**$613**	**$26,500**	**$26,500**	**$26,500**	**$26,500**	**$26,500**
Expenditures:								
2300-General Administration	$0	$6,581	$6,968	$0	$0	$0	$0	$0
2500-Central Services	$0	$0	$4,000	$25,000	$18,569	$18,323	$18,183	$18,215
Total Expenditures	**$0**	**$6,581**	**$10,968**	**$25,000**	**$18,569**	**$18,323**	**$18,183**	**$18,215**
Ending Fund Balance	**$34,337**	**$28,652**	**$18,297**	**$19,797**	**$27,728**	**$35,906**	**$44,223**	**$52,507**
Change In Fund Balances	**$0**	**-$5,685**	**-$10,355**	**$1,500**	**$7,931**	**$8,177**	**$8,317**	**$8,285**

Explanation/Comments:
Revenue and expenditures have returned to typical pre-COVID levels. The District projects future expenditures to be low and closer to pre-pandemic levels.

Special Revenue Funds



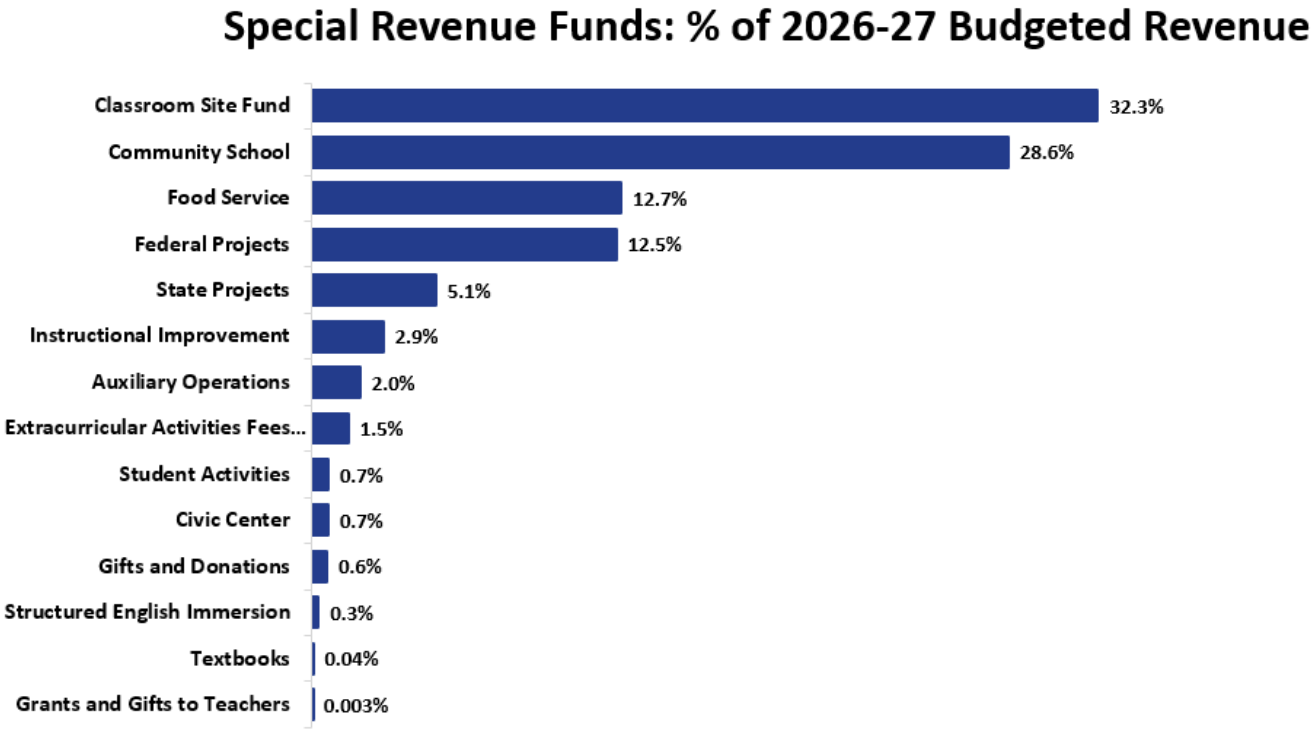




Special Revenue Funds

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. This is the broadest fund type within the governmental funds category, as each of these individual funds is designated to handle very different types of activities.

For the 2026-27 budget, 86% of revenue originates from four individual funds: Classroom Site Fund, Community School, Food Service and Federal Projects.



The following individual funds listed below comprise the special revenue fund for Kyrene. Governmental Accounting Standards Board No. 84 revised the definition of Student Activities funds and changed the classification from a fiduciary fund to a special revenue fund effective in fiscal year 2020-21. For reporting and comparative purposes, any historical financial records for the Student Activities fund are included as a special revenue fund type.

Fund Name	Description
Auxiliary Operations	Bookstore operations, athletics, or extracurricular activities
Civic Center	Rental and use of school facilities
Classroom Site	Portion of state sales tax and State Trust Land revenues as part of Prop 301
Community School	Tuition based preschool, before and after school programs
County, City and Town Grants	Monies received from county, city and town grants
Extracurricular Activities Fees Tax Credit	Related to activities from public school tax credits
Federal Projects	Federally funded projects (includes Title, IDEA Part B, E-Rate, ESSER, etc.)
Fingerprint	Activities associated with fingerprinting employees
Food Service	Revenues generated from school cafeteria operations
Gifts & Donations	Non-capital donations to the District
Grants & Gifts to Teachers	Grants and gifts under $1,500 designated for instructional purposes
Instructional Improvement	Monies received from gaming revenue
State Projects	State funded projects (includes Results Based Funding, Gifted, State Grants, etc.)
Structured English Immersion	State grant for English Language Learner (ELL) instruction and programs
Student Activities	Student organizations, clubs, activities
Textbooks	Replacement or repair of lost/damaged textbooks or library books

Federal Projects is one of the largest fund types within the special revenue funds and includes all Title funding, IDEA Part B, Elementary and Secondary School Emergency Relief (ESSER) funding, and other federal reimbursement programs such as E-Rate. Title funds are supplemental funds that support the District's basic educational model and can be used for instructional staffing to support programs, materials, supplies or training. These funds are geared toward supporting low-income students, students who have limited English proficiency and Native American students. IDEA Part B funding provides services to children with disabilities under the Individuals with Disabilities Education Act (IDEA). However, the amount of funding provided by IDEA Part B and the state funding for special education does not come close to funding the overall special education needs of the District. Each year Kyrene has to dedicate millions of M&O dollars or identify other funding sources to bridge this funding gap with special education.

There are no budgeted projections or financial activities planned for County, City, and Town grants and Fingerprint funds due to their limited scope and immaterial balances. Therefore, no financial schedules will be presented for these groupings of funds.

Special Revenue Funds
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$16,587,331**	**$14,860,737**	**$20,736,697**	**$22,484,752**	**$18,338,299**	**$16,498,025**	**$15,451,851**	**$14,790,182**
Revenue:								
1000-Revenue From Local Sources	$12,796,613	$14,108,876	$14,743,507	$16,223,504	$15,162,545	$15,087,545	$15,087,545	$15,087,545
2000-Revenue From Intermediate Sources	$0	$7,226	$0	$0	$0	$0	$0	$0
3000-Revenue From State Sources	$14,739,946	$15,450,759	$14,741,382	$16,695,919	$15,220,112	$15,220,112	$15,220,112	$15,220,112
4000-Revenue From Federal Sources	$19,471,432	$16,374,163	$9,918,294	$6,997,821	$7,069,303	$7,069,303	$7,069,303	$7,069,303
Total Revenue	**$47,007,991**	**$45,941,025**	**$39,403,183**	**$39,917,244**	**$37,451,960**	**$37,376,960**	**$37,376,960**	**$37,376,960**
Expenditures:								
6100-Salaries	$27,416,323	$22,276,886	$21,562,128	$24,506,503	$24,077,084	$23,758,214	$23,577,177	$23,619,157
6200-Employee Benefits	$7,790,523	$5,970,174	$5,636,839	$7,732,683	$5,691,192	$5,615,737	$5,572,898	$5,582,831
6300-Purchased Professional Services	$4,147,711	$3,004,951	$2,644,520	$3,155,401	$2,273,360	$2,220,486	$2,180,941	$2,162,648
6400-Purchased Property Services	$612,595	$202,402	$112,276	$95,287	$100,721	$98,378	$96,626	$95,816
6500-Other Purchased Services	$4,679,913	$5,042,938	$5,387,143	$5,856,754	$4,413,262	$4,310,618	$4,233,851	$4,198,338
6600-Supplies	$1,691,103	$1,688,146	$1,417,678	$2,195,712	$2,230,942	$1,919,054	$1,880,248	$1,862,296
6700-Property	$347,199	$255,740	$347,436	$159,518	$52,200	$50,986	$50,078	$49,658
6800-Debt Services & Miscellaneous	$542,532	$776,183	$839,418	$254,770	$163,877	$160,066	$157,215	$155,896
6900-Transfers Out	$1,061,023	$358,207	$151,988	$107,069	$289,595	$289,595	$289,595	$289,595
Total Expenditures	**$48,288,921**	**$39,575,628**	**$38,099,424**	**$44,063,697**	**$39,292,233**	**$38,423,134**	**$38,038,629**	**$38,016,237**
Ending Fund Balance	**$15,306,401**	**$21,226,134**	**$22,040,456**	**$18,338,299**	**$16,498,025**	**$15,451,851**	**$14,790,182**	**$14,150,905**
Change In Fund Balances	**-$1,280,930**	**$6,365,397**	**$1,303,759**	**-$4,146,453**	**-$1,840,274**	**-$1,046,174**	**-$661,670**	**-$639,277**
***Adjusted Ending Fund Balance**	**$14,860,737**	**$20,736,697**	**$22,484,752**	**NA**	**NA**	**NA**	**NA**	**NA**

Special Revenue Funds
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$16,587,331**	**$14,860,737**	**$20,736,697**	**$22,484,752**	**$18,338,299**	**$16,498,025**	**$15,451,851**	**$14,790,182**
Revenue:								
1000-Revenue From Local Sources	$12,796,613	$14,108,876	$14,743,507	$16,223,504	$15,162,545	$15,087,545	$15,087,545	$15,087,545
2000-Revenue From Intermediate Sources	$0	$7,226	$0	$0	$0	$0	$0	$0
3000-Revenue From State Sources	$14,739,946	$15,450,759	$14,741,382	$16,695,919	$15,220,112	$15,220,112	$15,220,112	$15,220,112
4000-Revenue From Federal Sources	$19,471,432	$16,374,163	$9,918,294	$6,997,821	$7,069,303	$7,069,303	$7,069,303	$7,069,303
Total Revenue	**$47,007,991**	**$45,941,025**	**$39,403,183**	**$39,917,244**	**$37,451,960**	**$37,376,960**	**$37,376,960**	**$37,376,960**
Expenditures:								
1000-Instruction	$25,309,606	$19,634,401	$17,087,753	$18,861,767	$18,347,036	$17,829,155	$17,676,467	$17,693,775
2100-Student Support	$2,682,694	$2,382,443	$3,025,677	$4,660,151	$3,383,453	$3,324,126	$3,284,380	$3,276,117
2200-Instruction Support	$2,161,856	$1,745,413	$1,482,215	$1,168,158	$951,193	$937,753	$929,774	$930,622
2300-General Administration	$107,212	$1,598	$77,322	$200,942	$3,000	$2,930	$2,878	$2,854
2400-School Administration	$486,842	$13,575	$455,247	$448,274	$402,543	$397,206	$394,176	$394,879
2500-Central Services	$2,001,176	$803,664	$1,508,956	$1,455,472	$1,158,390	$1,141,458	$1,131,185	$1,131,666
2600-Plant Operations	$1,871,375	$931,022	$419,078	$1,866,129	$742,299	$731,155	$724,281	$724,301
2700-Transportation	$1,064,941	$1,084,611	$647,241	$906,020	$492,030	$485,283	$481,358	$481,998
3100-Food Service Operations	$4,161,544	$4,863,467	$5,250,907	$5,378,644	$4,385,467	$4,283,469	$4,207,186	$4,171,897
3300-Community Services Operations	$7,371,895	$7,658,378	$7,962,256	$9,011,070	$9,137,225	$9,001,004	$8,917,348	$8,918,533
4000-Facilities Acquisition & Construction	$8,758	$98,848	$30,037	$0	$0	$0	$0	$0
5000-Debt Service	$0	$0	$748	$0	$0	$0	$0	$0
6000-Transfers Out	$1,061,023	$358,207	$151,988	$107,069	$289,595	$289,595	$289,595	$289,595
Total Expenditures	**$48,288,921**	**$39,575,628**	**$38,099,424**	**$44,063,697**	**$39,292,233**	**$38,423,134**	**$38,038,629**	**$38,016,237**
Ending Fund Balance	**$15,306,401**	**$21,226,134**	**$22,040,456**	**$18,338,299**	**$16,498,025**	**$15,451,851**	**$14,790,182**	**$14,150,905**
Change In Fund Balances	**-$1,280,930**	**$6,365,397**	**$1,303,759**	**-$4,146,453**	**-$1,840,274**	**-$1,046,174**	**-$661,670**	**-$639,277**
***Adjusted Ending Fund Balance**	**$14,860,737**	**$20,736,697**	**$22,484,752**	**NA**	**NA**	**NA**	**NA**	**NA**

Explanation/Comments:
2024-25 revenue decreased by $6.5M, which was mostly a result of a decline in Federal Projects revenue as one-time federal grant funding that was issued to local areas to address recovery efforts in response to the COVID-19 pandemic expired.

An “adjusted” ending fund balance* is provided in situations where the budget balance more accurately reflects the ending fund balance, or when certain fund groupings blend cash and budgeted funds. In these cases the adjusted ending fund balance is used as the beginning fund balance for the next fiscal year.

Auxiliary Operations
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$665,185**	**$698,280**	**$1,093,940**	**$1,104,006**	**$938,248**	**$559,541**	**$410,886**	**$275,792**
Revenue:								
1000-Revenue From Local Sources	$656,506	$743,301	$1,034,506	$742,000	$742,000	$742,000	$742,000	$742,000
Total Revenue	**$656,506**	**$743,301**	**$1,034,506**	**$742,000**	**$742,000**	**$742,000**	**$742,000**	**$742,000**
Expenditures:								
6100-Salaries	$265,071	$49,850	$470,231	$504,086	$491,191	$484,678	$480,981	$481,839
6200-Employee Benefits	$44,976	$14,643	$89,438	$112,777	$110,076	$108,617	$107,788	$107,980
6300-Purchased Professional Services	$50,924	$3,589	$90,921	$98,214	$100,607	$98,267	$96,517	$95,707
6400-Purchased Property Services	$3,288	$697	$2,568	$1,707	$6,295	$6,149	$6,039	$5,988
6500-Other Purchased Services	$18,403	$1,252	$2,812	$1,095	$1,095	$1,070	$1,050	$1,042
6600-Supplies	$111,690	$79,922	$142,659	$175,599	$410,094	$190,556	$183,422	$180,123
6700-Property	$1,276	$597	$1,578	$200	$0	$0	$0	$0
6800-Debt Services & Miscellaneous	$127,782	$197,090	$224,232	$14,080	$1,350	$1,319	$1,295	$1,284
Total Expenditures	**$623,411**	**$347,640**	**$1,024,440**	**$907,758**	**$1,120,708**	**$890,655**	**$877,093**	**$873,963**
Ending Fund Balance	**$698,280**	**$1,093,940**	**$1,104,006**	**$938,248**	**$559,541**	**$410,886**	**$275,792**	**$143,829**
Change In Fund Balances	**$33,095**	**$395,660**	**$10,066**	**-$165,758**	**-$378,708**	**-$148,655**	**-$135,093**	**-$131,963**

Auxiliary Operations
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$665,185**	**$698,280**	**$1,093,940**	**$1,104,006**	**$938,248**	**$559,541**	**$410,886**	**$275,792**
Revenue:								
1000-Revenue From Local Sources	$656,506	$743,301	$1,034,506	$742,000	$742,000	$742,000	$742,000	$742,000
Total Revenue	**$656,506**	**$743,301**	**$1,034,506**	**$742,000**	**$742,000**	**$742,000**	**$742,000**	**$742,000**
Expenditures:								
1000-Instruction	$514,389	$261,771	$834,125	$733,441	$936,403	$708,923	$696,878	$693,553
2100-Student Support	$10,537	$600	$890	$0	$0	$0	$0	$0
2200-Instruction Support	$16,548	$12,383	$9,952	$0	$0	$0	$0	$0
2400-School Administration	$680	$5,035	$4,862	$0	$0	$0	$0	$0
2500-Central Services	$59,758	$57,406	$159,534	$172,610	$178,010	$175,583	$174,177	$174,422
2600-Plant Operations	$9,687	$2,478	$2,026	$1,707	$6,295	$6,149	$6,039	$5,988
2700-Transportation	$11,811	$7,968	$13,052	$0	$0	$0	$0	$0
Total Expenditures	**$623,411**	**$347,640**	**$1,024,440**	**$907,758**	**$1,120,708**	**$890,655**	**$877,093**	**$873,963**
Ending Fund Balance	**$698,280**	**$1,093,940**	**$1,104,006**	**$938,248**	**$559,541**	**$410,886**	**$275,792**	**$143,829**
Change In Fund Balances	**$33,095**	**$395,660**	**$10,066**	**-$165,758**	**-$378,708**	**-$148,655**	**-$135,093**	**-$131,963**

Explanation/Comments:
Budgeted and projected expenditures are expected to be in line with revenue projections.

Civic Center
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$549,837**	**$230,686**	**$121,974**	**$173,490**	**$160,257**	**$211,579**	**$265,862**	**$321,965**
Revenue:								
1000-Revenue From Local Sources	$278,793	$266,043	$261,374	$250,000	$250,000	$250,000	$250,000	$250,000
Total Revenue	**$278,793**	**$266,043**	**$261,374**	**$250,000**	**$250,000**	**$250,000**	**$250,000**	**$250,000**
Expenditures:								
6100-Salaries	$382,044	$137,023	$120,521	$185,674	$135,129	$133,337	$132,320	$132,556
6200-Employee Benefits	$123,137	$33,163	$31,713	$44,459	$30,750	$30,342	$30,111	$30,165
6300-Purchased Professional Services	$0	$0	$7,210	$0	$0	$0	$0	$0
6400-Purchased Property Services	$2,342	$17,670	$9,566	$1,000	$700	$684	$672	$666
6600-Supplies	$89,190	$186,899	$40,848	$32,100	$32,100	$31,353	$30,795	$30,537
6700-Property	$1,232	$0	$0	$0	$0	$0	$0	$0
Total Expenditures	**$597,944**	**$374,755**	**$209,857**	**$263,233**	**$198,679**	**$195,716**	**$193,897**	**$193,923**
Ending Fund Balance	**$230,686**	**$121,974**	**$173,490**	**$160,257**	**$211,579**	**$265,862**	**$321,965**	**$378,042**
Change In Fund Balances	**-$319,151**	**-$108,712**	**$51,516**	**-$13,233**	**$51,321**	**$54,284**	**$56,103**	**$56,077**

Civic Center
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$549,837**	**$230,686**	**$121,974**	**$173,490**	**$160,257**	**$211,579**	**$265,862**	**$321,965**
Revenue:								
1000-Revenue From Local Sources	$278,793	$266,043	$261,374	$250,000	$250,000	$250,000	$250,000	$250,000
Total Revenue	**$278,793**	**$266,043**	**$261,374**	**$250,000**	**$250,000**	**$250,000**	**$250,000**	**$250,000**
Expenditures:								
2100-Student Support	$0	$0	$4,269	$0	$0	$0	$0	$0
2200-Instruction Support	$5,030	$0	$7,006	$12,873	$13,345	$13,168	$13,067	$13,090
2500-Central Services	$0	$0	$420	$23,685	$0	$0	$0	$0
2600-Plant Operations	$491,007	$114,431	$136,824	$134,902	$93,376	$91,813	$90,789	$90,634
2700-Transportation	$100,675	$260,316	$60,135	$91,673	$91,658	$90,443	$89,753	$89,913
3300-Community Services Operations	$1,232	$7	$1,204	$100	$300	$293	$288	$285
Total Expenditures	**$597,944**	**$374,755**	**$209,857**	**$263,233**	**$198,679**	**$195,716**	**$193,897**	**$193,923**
Ending Fund Balance	**$230,686**	**$121,974**	**$173,490**	**$160,257**	**$211,579**	**$265,862**	**$321,965**	**$378,042**
Change In Fund Balances	**-$319,151**	**-$108,712**	**$51,516**	**-$13,233**	**$51,321**	**$54,284**	**$56,103**	**$56,077**

Explanation/Comments:

Budgeted and projected expenditures are expected to be in line with revenue projections.

Classroom Site Fund
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$6,308,557**	**$6,741,145**	**$7,449,793**	**$8,528,987**	**$7,645,381**	**$6,396,546**	**$5,324,813**	**$4,353,630**
Revenue:								
1000-Revenue From Local Sources	$140,381	$223,413	$234,559	$0	$0	$0	$0	$0
3000-Revenue From State Sources	$11,660,407	$11,864,332	$11,923,976	$12,094,804	$12,109,135	$12,109,135	$12,109,135	$12,109,135
Total Revenue	**$11,800,788**	**$12,087,745**	**$12,158,535**	**$12,094,804**	**$12,109,135**	**$12,109,135**	**$12,109,135**	**$12,109,135**
Expenditures:								
6100-Salaries	$8,739,905	$9,155,636	$8,980,246	$9,673,508	$11,009,854	$10,863,883	$10,781,009	$10,800,226
6200-Employee Benefits	$2,096,171	$2,121,757	$1,997,015	$3,177,623	$2,348,116	$2,316,984	$2,299,309	$2,303,408
6300-Purchased Professional Services	$44,221	$127,503	$50,225	$64,685	$0	$0	$0	$0
6500-Other Purchased Services	$24,339	$15,834	$25,213	$48,870	$0	$0	$0	$0
6600-Supplies	$4,591	$12,435	$13,275	$3,225	$0	$0	$0	$0
6800-Debt Services & Miscellaneous	$8,039	$671	$2,222	$10,500	$0	$0	$0	$0
Total Expenditures	**$10,917,266**	**$11,433,836**	**$11,068,196**	**$12,978,410**	**$13,357,970**	**$13,180,867**	**$13,080,318**	**$13,103,634**
Ending Fund Balance	**$7,192,079**	**$7,395,054**	**$8,540,131**	**$7,645,381**	**$6,396,546**	**$5,324,813**	**$4,353,630**	**$3,359,131**
Change In Fund Balances	**$883,522**	**$653,909**	**$1,090,338**	**-$883,606**	**-$1,248,835**	**-$1,071,732**	**-$971,183**	**-$994,499**
***Adjusted Ending Fund Balance**	**$6,741,145**	**$7,449,793**	**$8,528,987**	**NA**	**NA**	**NA**	**NA**	**NA**

Classroom Site Fund
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$6,308,557**	**$6,741,145**	**$7,449,793**	**$8,528,987**	**$7,645,381**	**$6,396,546**	**$5,324,813**	**$4,353,630**
Revenue:								
1000-Revenue From Local Sources	$140,381	$223,413	$234,559	$0	$0	$0	$0	$0
3000-Revenue From State Sources	$11,660,407	$11,864,332	$11,923,976	$12,094,804	$12,109,135	$12,109,135	$12,109,135	$12,109,135
Total Revenue	**$11,800,788**	**$12,087,745**	**$12,158,535**	**$12,094,804**	**$12,109,135**	**$12,109,135**	**$12,109,135**	**$12,109,135**
Expenditures:								
1000-Instruction	$10,701,557	$11,229,496	$10,863,736	$12,755,848	$12,335,956	$12,172,403	$12,079,547	$12,101,079
2100-Student Support	$0	$0	$14,833	$0	$1,022,014	$1,008,464	$1,000,771	$1,002,555
2200-Instruction Support	$215,709	$204,340	$188,880	$222,563	$0	$0	$0	$0
5000-Debt Service	$0	$0	$748	$0	$0	$0	$0	$0
Total Expenditures	**$10,917,266**	**$11,433,836**	**$11,068,196**	**$12,978,410**	**$13,357,970**	**$13,180,867**	**$13,080,318**	**$13,103,634**
Ending Fund Balance	**$7,192,079**	**$7,395,054**	**$8,540,131**	**$7,645,381**	**$6,396,546**	**$5,324,813**	**$4,353,630**	**$3,359,131**
Change In Fund Balances	**$883,522**	**$653,909**	**$1,090,338**	**-$883,606**	**-$1,248,835**	**-$1,071,732**	**-$971,183**	**-$994,499**
***Adjusted Ending Fund Balance**	**$6,741,145**	**$7,449,793**	**$8,528,987**	**NA**	**NA**	**NA**	**NA**	**NA**

Explanation/Comments:

The Classroom Site Fund was created as a result of Prop 301 and is defined in A.R.S. §15-977. Funding for the Classroom Site Fund is based on a 0.6% sales tax with the proceeds to be used for public education in the form of class size reduction, teacher compensation, teacher performance pay, intervention programs, teacher development, dropout prevention programs, teacher insurance premiums and student support services. School districts receive a per pupil amount based on prior year 100th day enrollment figures. Funding for this initiative was originally set to expire in 2021, but legislation was passed to extend Prop 301 funding for an additional 20 years (through June 30, 2041). The increase over time in total revenue is reflective of the economic growth in the state of Arizona.

An “adjusted” ending fund balance* is provided in situations where the budget balance more accurately reflects the ending fund balance, or when certain fund groupings blend cash and budgeted funds. In these cases the adjusted ending fund balance is used as the beginning fund balance for the next fiscal year.

Community School
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$1,692,724**	**$3,822,846**	**$4,660,678**	**$4,530,409**	**$4,503,651**	**$4,113,659**	**$3,887,837**	**$3,762,248**
Revenue:								
1000-Revenue From Local Sources	$8,508,090	$9,384,234	$9,719,648	$11,385,400	$10,727,555	$10,727,555	$10,727,555	$10,727,555
4000-Revenue From Federal Sources	$2,946,900	$10,000	$0	$0	$0	$0	$0	$0
Total Revenue	**$11,454,990**	**$9,394,234**	**$9,719,648**	**$11,385,400**	**$10,727,555**	**$10,727,555**	**$10,727,555**	**$10,727,555**
Expenditures:								
6100-Salaries	$5,675,257	$4,743,263	$6,115,936	$7,199,058	$7,175,767	$7,080,629	$7,026,615	$7,039,140
6200-Employee Benefits	$1,890,418	$1,583,703	$1,872,374	$2,235,376	$2,264,720	$2,234,694	$2,217,647	$2,221,600
6300-Purchased Professional Services	$1,165,082	$1,333,884	$1,116,880	$1,262,987	$921,934	$900,491	$884,455	$877,036
6400-Purchased Property Services	$48,508	$123,251	$34,407	$47,580	$43,726	$42,709	$41,948	$41,597
6500-Other Purchased Services	$130,570	$2,974	$94,241	$83,500	$86,000	$84,000	$82,504	$81,812
6600-Supplies	$297,905	$470,290	$422,108	$413,098	$496,453	$484,906	$476,271	$472,276
6700-Property	$26,179	$178,607	$51,674	$463	$200	$195	$192	$190
6800-Debt Services & Miscellaneous	$90,948	$120,430	$142,297	$170,096	$128,747	$125,753	$123,513	$122,477
Total Expenditures	**$9,324,868**	**$8,556,402**	**$9,849,917**	**$11,412,158**	**$11,117,547**	**$10,953,377**	**$10,853,144**	**$10,856,128**
Ending Fund Balance	**$3,822,846**	**$4,660,678**	**$4,530,409**	**$4,503,651**	**$4,113,659**	**$3,887,837**	**$3,762,248**	**$3,633,675**
Change In Fund Balances	**$2,130,122**	**$837,832**	**-$130,269**	**-$26,758**	**-$389,992**	**-$225,822**	**-$125,589**	**-$128,573**

Community School
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$1,692,724**	**$3,822,846**	**$4,660,678**	**$4,530,409**	**$4,503,651**	**$4,113,659**	**$3,887,837**	**$3,762,248**
Revenue:								
1000-Revenue From Local Sources	$8,508,090	$9,384,234	$9,719,648	$11,385,400	$10,727,555	$10,727,555	$10,727,555	$10,727,555
4000-Revenue From Federal Sources	$2,946,900	$10,000	$0	$0	$0	$0	$0	$0
Total Revenue	**$11,454,990**	**$9,394,234**	**$9,719,648**	**$11,385,400**	**$10,727,555**	**$10,727,555**	**$10,727,555**	**$10,727,555**
Expenditures:								
1000-Instruction	$584,741	$803,545	$533,777	$481,758	$265,183	$261,667	$259,671	$260,134
2100-Student Support	$50,472	$13,406	$18,428	$0	$0	$0	$0	$0
2300-General Administration	$61,065	$0	$73,932	$3,000	$3,000	$2,930	$2,878	$2,854
2400-School Administration	$414,201	$0	$434,700	$448,274	$402,543	$397,206	$394,176	$394,879
2500-Central Services	$814,920	$199	$815,434	$814,192	$720,895	$710,050	$703,354	$703,352
2600-Plant Operations	$33,545	$7,738	$7,893	$622,596	$566,628	$558,961	$554,542	$555,379
2700-Transportation	$0	$0	$6,399	$31,368	$22,372	$21,852	$21,463	$21,282
3300-Community Services Operations	$7,365,925	$7,655,770	$7,959,354	$9,010,970	$9,136,925	$9,000,711	$8,917,061	$8,918,247
4000-Facilities Acquisition & Construction	$0	$75,744	$0	$0	$0	$0	$0	$0
Total Expenditures	**$9,324,868**	**$8,556,402**	**$9,849,917**	**$11,412,158**	**$11,117,547**	**$10,953,377**	**$10,853,144**	**$10,856,128**
Ending Fund Balance	**$3,822,846**	**$4,660,678**	**$4,530,409**	**$4,503,651**	**$4,113,659**	**$3,887,837**	**$3,762,248**	**$3,633,675**
Change In Fund Balances	**$2,130,122**	**$837,832**	**-$130,269**	**-$26,758**	**-$389,992**	**-$225,822**	**-$125,589**	**-$128,573**

Explanation/Comments:
The Community School fund includes the revenues generated from the Kyrene Community Education program. Participation in Kyrene's before and after school programs have returned to pre-COVID-19 pandemic levels and going forward, budgeted and projected revenues are expected to remain closer to pre-pandemic levels.

Extracurricular Activities Fees Tax Credit
Expenditures by Object

Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$1,202,444**	**$995,227**	**$839,516**	**$816,127**	**$588,794**	**$528,428**	**$532,550**	**$547,507**
Revenue:								
1000-Revenue From Local Sources	$516,249	$518,714	$635,611	$525,000	$562,540	$562,540	$562,540	$562,540
Total Revenue	**$516,249**	**$518,714**	**$635,611**	**$525,000**	**$562,540**	**$562,540**	**$562,540**	**$562,540**
Expenditures:								
6100-Salaries	$212,729	$189,008	$123,629	$0	$0	$0	$0	$0
6200-Employee Benefits	$48,583	$43,260	$26,973	$2,333	$0	$0	$0	$0
6300-Purchased Professional Services	$28,871	$37,348	$19,503	$0	$0	$0	$0	$0
6400-Purchased Property Services	$14,899	$5,338	$3,063	$0	$0	$0	$0	$0
6500-Other Purchased Services	$68,365	$18,577	$72,023	$0	$0	$0	$0	$0
6600-Supplies	$82,667	$71,612	$44,110	$750,000	$622,906	$558,418	$547,583	$542,571
6700-Property	$18,042	$0	$237	$0	$0	$0	$0	$0
6800-Debt Services & Miscellaneous	$249,310	$309,281	$369,462	$0	$0	$0	$0	$0
Total Expenditures	**$723,466**	**$674,426**	**$659,000**	**$752,333**	**$622,906**	**$558,418**	**$547,583**	**$542,571**
Ending Fund Balance	**$995,227**	**$839,516**	**$816,127**	**$588,794**	**$528,428**	**$532,550**	**$547,507**	**$567,476**
Change In Fund Balances	**-$207,217**	**-$155,711**	**-$23,389**	**-$227,333**	**-$60,366**	**$4,122**	**$14,957**	**$19,969**

Extracurricular Activities Fees Tax Credit
Expenditures by Function

Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$1,202,444**	**$995,227**	**$839,516**	**$816,127**	**$588,794**	**$528,428**	**$532,550**	**$547,507**
Revenue:								
1000-Revenue From Local Sources	$516,249	$518,714	$635,611	$525,000	$562,540	$562,540	$562,540	$562,540
Total Revenue	**$516,249**	**$518,714**	**$635,611**	**$525,000**	**$562,540**	**$562,540**	**$562,540**	**$562,540**
Expenditures:								
1000-Instruction	$627,993	$606,960	$521,835	$752,333	$622,906	$558,418	$547,583	$542,571
2100-Student Support	$10,224	$7,955	$6,396	$0	$0	$0	$0	$0
2200-Instruction Support	$5,362	$0	$0	$0	$0	$0	$0	$0
2600-Plant Operations	$5,986	$0	$0	$0	$0	$0	$0	$0
2700-Transportation	$65,144	$59,510	$130,769	$0	$0	$0	$0	$0
4000-Facilities Acquisition & Construction	$8,758	$0	$0	$0	$0	$0	$0	$0
Total Expenditures	**$723,466**	**$674,426**	**$659,000**	**$752,333**	**$622,906**	**$558,418**	**$547,583**	**$542,571**
Ending Fund Balance	**$995,227**	**$839,516**	**$816,127**	**$588,794**	**$528,428**	**$532,550**	**$547,507**	**$567,476**
Change In Fund Balances	**-$207,217**	**-$155,711**	**-$23,389**	**-$227,333**	**-$60,366**	**$4,122**	**$14,957**	**$19,969**

Explanation/Comments:

Projected expenditures are expected to be in line with revenue projections.

Federal Projects
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**-$1,981,083**	**-$5,841,027**	**-$1,296,022**	**-$369,072**	**-$2,808,565**	**-$2,808,563**	**-$2,747,161**	**-$2,649,449**
Revenue:								
4000-Revenue From Federal Sources	$13,027,195	$12,868,722	$6,338,156	$4,042,716	$4,685,994	$4,685,994	$4,685,994	$4,685,994
Total Revenue	**$13,027,195**	**$12,868,722**	**$6,338,156**	**$4,042,716**	**$4,685,994**	**$4,685,994**	**$4,685,994**	**$4,685,994**
Expenditures:								
6100-Salaries	$9,637,937	$5,454,385	$3,217,982	$3,689,996	$3,528,158	$3,481,730	$3,455,371	$3,461,483
6200-Employee Benefits	$2,962,334	$1,475,338	$967,691	$1,143,161	$522,147	$515,224	$511,294	$512,205
6300-Purchased Professional Services	$2,068,330	$541,459	$340,457	$778,423	$99,642	$97,324	$95,591	$94,789
6400-Purchased Property Services	$504,367	$0	$0	$0	$0	$0	$0	$0
6500-Other Purchased Services	$631,874	$424,506	$368,746	$505,679	$69,200	$67,591	$66,387	$65,830
6600-Supplies	$679,495	$197,491	$346,976	$198,954	$167,470	$163,575	$160,662	$159,314
6700-Property	$99,143	$16,944	$0	$75,355	$0	$0	$0	$0
6800-Debt Services & Miscellaneous	$2,636	$43,356	$17,368	$33,573	$9,780	$9,553	$9,382	$9,304
6900-Transfers Out	$301,023	$170,238	$151,988	$57,069	$289,595	$289,595	$289,595	$289,595
Total Expenditures	**$16,887,139**	**$8,323,716**	**$5,411,207**	**$6,482,209**	**$4,685,991**	**$4,624,591**	**$4,588,281**	**$4,592,520**
Ending Fund Balance	**-$5,841,027**	**-$1,296,022**	**-$369,072**	**-$2,808,565**	**-$2,808,563**	**-$2,747,161**	**-$2,649,449**	**-$2,555,975**
Change In Fund Balances	**-$3,859,944**	**$4,545,006**	**$926,950**	**-$2,439,493**	**$2**	**$61,402**	**$97,712**	**$93,473**

Federal Projects
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**-$1,981,083**	**-$5,841,027**	**-$1,296,022**	**-$369,072**	**-$2,808,565**	**-$2,808,563**	**-$2,747,161**	**-$2,649,449**
Revenue:								
4000-Revenue From Federal Sources	$13,027,195	$12,868,722	$6,338,156	$4,042,716	$4,685,994	$4,685,994	$4,685,994	$4,685,994
Total Revenue	**$13,027,195**	**$12,868,722**	**$6,338,156**	**$4,042,716**	**$4,685,994**	**$4,685,994**	**$4,685,994**	**$4,685,994**
Expenditures:								
1000-Instruction	$11,091,481	$4,960,552	$2,539,266	$2,813,760	$2,745,973	$2,708,751	$2,687,132	$2,690,739
2100-Student Support	$1,135,465	$584,805	$691,797	$1,292,840	$315,925	$310,455	$306,813	$306,110
2200-Instruction Support	$1,775,086	$1,139,574	$1,125,311	$932,723	$937,849	$924,585	$916,707	$917,531
2300-General Administration	$45,227	$1,598	$48	$197,942	$0	$0	$0	$0
2400-School Administration	$4,521	$0	$0	$0	$0	$0	$0	$0
2500-Central Services	$894,519	$462,103	$276,016	$209,016	$18,650	$18,216	$17,892	$17,742
2600-Plant Operations	$754,607	$250,105	$193,907	$195,880	$0	$0	$0	$0
2700-Transportation	$885,211	$754,740	$432,874	$782,979	$378,000	$372,988	$370,143	$370,803
6000-Transfers Out	$301,023	$170,238	$151,988	$57,069	$289,595	$289,595	$289,595	$289,595
Total Expenditures	**$16,887,139**	**$8,323,716**	**$5,411,207**	**$6,482,209**	**$4,685,991**	**$4,624,591**	**$4,588,281**	**$4,592,520**
Ending Fund Balance	**-$5,841,027**	**-$1,296,022**	**-$369,072**	**-$2,808,565**	**-$2,808,563**	**-$2,747,161**	**-$2,649,449**	**-$2,555,975**
Change In Fund Balances	**-$3,859,944**	**$4,545,006**	**$926,950**	**-$2,439,493**	**$2**	**$61,402**	**$97,712**	**$93,473**

Explanation/Comments:

Federal Projects include all Title funding, IDEA Part B, federal grants issued in response to the COVID-19 pandemic, and other federal reimbursement programs such as E-Rate. Over a multi-year period, Kyrene was eligible for $14.3M in total federal ESSER grants, and this federal COVID-19 funding appears in the revenue numbers shown through the 2023-24 fiscal year. However, this funding expired after the 2023-24 fiscal year, and this was the main reason for the $6.5M revenue decline in 2024-25. Corresponding expenditures related to federal COVID-19 funding are also included during those same time periods.

It is common to see negative ending fund balances or large swings in fund balances for federal grant funds due to the nature of the timing between when expenditures are incurred vs. when revenues are received.

Food Service
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$2,445,875**	**$2,575,828**	**$2,671,922**	**$3,095,744**	**$2,432,296**	**$2,498,612**	**$2,671,873**	**$2,924,552**
Revenue:								
1000-Revenue From Local Sources	$2,309,730	$2,419,732	$2,386,400	$2,955,104	$2,383,309	$2,383,309	$2,383,309	$2,383,309
4000-Revenue From Federal Sources	$3,508,559	$3,523,349	$3,600,702	$2,955,105	$2,383,309	$2,383,309	$2,383,309	$2,383,309
Total Revenue	**$5,818,289**	**$5,943,081**	**$5,987,102**	**$5,910,209**	**$4,766,618**	**$4,766,618**	**$4,766,618**	**$4,766,618**
Expenditures:								
6100-Salaries	$544,550	$554,407	$180,480	$787,415	$186,037	$183,570	$182,170	$182,495
6200-Employee Benefits	$163,930	$164,373	$49,507	$269,298	$51,448	$50,766	$50,379	$50,468
6300-Purchased Professional Services	$3,700	$4,841	$6,214	$7,500	$7,350	$7,179	$7,051	$6,992
6400-Purchased Property Services	$25,910	$34,229	$44,215	$45,000	$50,000	$48,837	$47,967	$47,565
6500-Other Purchased Services	$3,768,615	$4,559,092	$4,814,830	$5,217,610	$4,256,967	$4,157,958	$4,083,909	$4,049,655
6600-Supplies	$231,377	$286,907	$163,827	$90,834	$72,500	$70,814	$69,553	$68,969
6700-Property	$178,424	$39,774	$286,537	$83,500	$52,000	$50,791	$49,886	$49,468
6800-Debt Services & Miscellaneous	$11,830	$15,395	$17,670	$22,500	$24,000	$23,442	$23,024	$22,831
6900-Transfers Out	$760,000	$187,969	$0	$50,000	$0	$0	$0	$0
Total Expenditures	**$5,688,336**	**$5,846,987**	**$5,563,279**	**$6,573,657**	**$4,700,302**	**$4,593,357**	**$4,513,940**	**$4,478,443**
Ending Fund Balance	**$2,575,828**	**$2,671,922**	**$3,095,744**	**$2,432,296**	**$2,498,612**	**$2,671,873**	**$2,924,552**	**$3,212,726**
Change In Fund Balances	**$129,953**	**$96,094**	**$423,822**	**-$663,448**	**$66,316**	**$173,261**	**$252,678**	**$288,175**

Food Service
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$2,445,875**	**$2,575,828**	**$2,671,922**	**$3,095,744**	**$2,432,296**	**$2,498,612**	**$2,671,873**	**$2,924,552**
Revenue:								
1000-Revenue From Local Sources	$2,309,730	$2,419,732	$2,386,400	$2,955,104	$2,383,309	$2,383,309	$2,383,309	$2,383,309
4000-Revenue From Federal Sources	$3,508,559	$3,523,349	$3,600,702	$2,955,105	$2,383,309	$2,383,309	$2,383,309	$2,383,309
Total Revenue	**$5,818,289**	**$5,943,081**	**$5,987,102**	**$5,910,209**	**$4,766,618**	**$4,766,618**	**$4,766,618**	**$4,766,618**
Expenditures:								
2500-Central Services	$225,916	$244,081	$230,263	$233,969	$238,835	$235,655	$233,844	$234,247
2600-Plant Operations	$540,876	$551,469	$72,506	$911,044	$76,000	$74,232	$72,910	$72,299
3100-Food Service Operations	$4,161,544	$4,863,467	$5,250,907	$5,378,644	$4,385,467	$4,283,469	$4,207,186	$4,171,897
4000-Facilities Acquisition & Construction	$0	$0	$9,604	$0	$0	$0	$0	$0
6000-Transfers Out	$760,000	$187,969	$0	$50,000	$0	$0	$0	$0
Total Expenditures	**$5,688,336**	**$5,846,987**	**$5,563,279**	**$6,573,657**	**$4,700,302**	**$4,593,357**	**$4,513,940**	**$4,478,443**
Ending Fund Balance	**$2,575,828**	**$2,671,922**	**$3,095,744**	**$2,432,296**	**$2,498,612**	**$2,671,873**	**$2,924,552**	**$3,212,726**
Change In Fund Balances	**$129,953**	**$96,094**	**$423,822**	**-$663,448**	**$66,316**	**$173,261**	**$252,678**	**$288,175**

Explanation/Comments:

Food Service is used to record the financial activity of school cafeteria operations which involve the preparation and serving of meals in connection with school functions. This fund includes all activities associated with the District's third-party food service provider as well as any other internal costs associated with the District. Food Service revenue declined by 50% in 2022-23 due to a condition during the COVID pandemic where all student meals were provided at no charge based on the guidance from the US Department of Agriculture Food and Nutrition Service. This situation ended on June 30, 2022, and the District projects future revenue and expenditures to be closer to pre-COVID pandemic levels.

Gifts and Donations
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$427,266**	**$442,873**	**$474,993**	**$378,122**	**$216,122**	**$202,844**	**$195,250**	**$191,909**
Revenue:								
1000-Revenue From Local Sources	$209,737	$260,912	$189,230	$175,000	$231,141	$231,141	$231,141	$231,141
Total Revenue	**$209,737**	**$260,912**	**$189,230**	**$175,000**	**$231,141**	**$231,141**	**$231,141**	**$231,141**
Expenditures:								
6100-Salaries	$26,029	$38,290	$32,720	$0	$0	$0	$0	$0
6200-Employee Benefits	$5,021	$7,484	$6,554	$0	$0	$0	$0	$0
6300-Purchased Professional Services	$8,172	$7,657	$112,357	$0	$0	$0	$0	$0
6400-Purchased Property Services	$3,663	$21,217	$18,007	$0	$0	$0	$0	$0
6500-Other Purchased Services	$27,373	$3,147	$4,817	$0	$0	$0	$0	$0
6600-Supplies	$84,854	$80,837	$74,407	$337,000	$244,419	$238,734	$234,483	$232,516
6700-Property	$21,744	$19,819	$6,863	$0	$0	$0	$0	$0
6800-Debt Services & Miscellaneous	$17,272	$50,340	$30,377	$0	$0	$0	$0	$0
Total Expenditures	**$194,130**	**$228,792**	**$286,102**	**$337,000**	**$244,419**	**$238,734**	**$234,483**	**$232,516**
Ending Fund Balance	**$442,873**	**$474,993**	**$378,122**	**$216,122**	**$202,844**	**$195,250**	**$191,909**	**$190,534**
Change In Fund Balances	**$15,607**	**$32,120**	**-$96,872**	**-$162,000**	**-$13,278**	**-$7,593**	**-$3,342**	**-$1,375**

Gifts and Donations
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$427,266**	**$442,873**	**$474,993**	**$378,122**	**$216,122**	**$202,844**	**$195,250**	**$191,909**
Revenue:								
1000-Revenue From Local Sources	$209,737	$260,912	$189,230	$175,000	$231,141	$231,141	$231,141	$231,141
Total Revenue	**$209,737**	**$260,912**	**$189,230**	**$175,000**	**$231,141**	**$231,141**	**$231,141**	**$231,141**
Expenditures:								
1000-Instruction	$123,958	$136,506	$218,896	$335,000	$242,419	$236,781	$232,564	$230,613
2100-Student Support	$5,259	$5,376	$6,595	$0	$0	$0	$0	$0
2200-Instruction Support	$22,225	$38,738	$10,578	$0	$0	$0	$0	$0
2300-General Administration	$920	$0	$3,342	$0	$0	$0	$0	$0
2400-School Administration	$17,662	$8,540	$7,035	$0	$0	$0	$0	$0
2500-Central Services	$5,535	$7,951	$9,066	$2,000	$2,000	$1,953	$1,919	$1,903
2600-Plant Operations	$14,800	$4,801	$5,923	$0	$0	$0	$0	$0
2700-Transportation	$1,439	$1,176	$2,535	$0	$0	$0	$0	$0
3300-Community Services Operations	$2,331	$2,601	$1,698	$0	$0	$0	$0	$0
4000-Facilities Acquisition & Construction	$0	$23,104	$20,433	$0	$0	$0	$0	$0
Total Expenditures	**$194,130**	**$228,792**	**$286,102**	**$337,000**	**$244,419**	**$238,734**	**$234,483**	**$232,516**
Ending Fund Balance	**$442,873**	**$474,993**	**$378,122**	**$216,122**	**$202,844**	**$195,250**	**$191,909**	**$190,534**
Change In Fund Balances	**$15,607**	**$32,120**	**-$96,872**	**-$162,000**	**-$13,278**	**-$7,593**	**-$3,342**	**-$1,375**

Explanation/Comments:

Projected expenditures are expected to be in line with revenue projections.

Grants and Gifts to Teachers
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$3,993**	**$4,763**	**$3,675**	**$3,679**	**$3,679**	**$3,679**	**$3,702**	**$3,742**
Revenue:								
1000-Revenue From Local Sources	$3,029	$124	$109	$1,000	$1,000	$1,000	$1,000	$1,000
Total Revenue	**$3,029**	**$124**	**$109**	**$1,000**	**$1,000**	**$1,000**	**$1,000**	**$1,000**
Expenditures:								
6500-Other Purchased Services	$140	$0	$0	$0	$0	$0	$0	$0
6600-Supplies	$750	$1,212	$106	$1,000	$1,000	$977	$959	$951
6700-Property	$1,159	$0	$0	$0	$0	$0	$0	$0
6800-Debt Services & Miscellaneous	$210	$0	$0	$0	$0	$0	$0	$0
Total Expenditures	**$2,259**	**$1,212**	**$106**	**$1,000**	**$1,000**	**$977**	**$959**	**$951**
Ending Fund Balance	**$4,763**	**$3,675**	**$3,679**	**$3,679**	**$3,679**	**$3,702**	**$3,742**	**$3,791**
Change In Fund Balances	**$770**	**-$1,088**	**$4**	**$0**	**$0**	**$23**	**$41**	**$49**

Grants and Gifts to Teachers
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$3,993**	**$4,763**	**$3,675**	**$3,679**	**$3,679**	**$3,679**	**$3,702**	**$3,742**
Revenue:								
1000-Revenue From Local Sources	$3,029	$124	$109	$1,000	$1,000	$1,000	$1,000	$1,000
Total Revenue	**$3,029**	**$124**	**$109**	**$1,000**	**$1,000**	**$1,000**	**$1,000**	**$1,000**
Expenditures:								
1000-Instruction	$2,119	$1,212	$95	$1,000	$1,000	$977	$959	$951
2100-Student Support	$0	$0	$10	$0	$0	$0	$0	$0
2700-Transportation	$140	$0	$0	$0	$0	$0	$0	$0
Total Expenditures	**$2,259**	**$1,212**	**$106**	**$1,000**	**$1,000**	**$977**	**$959**	**$951**
Ending Fund Balance	**$4,763**	**$3,675**	**$3,679**	**$3,679**	**$3,679**	**$3,702**	**$3,742**	**$3,791**
Change In Fund Balances	**$770**	**-$1,088**	**$4**	**$0**	**$0**	**$23**	**$41**	**$49**

Explanation/Comments:

Projected expenditures are expected to be in line with revenue projections.

Instructional Improvement Expenditures by Object

Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$3,024,210**	**$3,583,900**	**$3,829,655**	**$4,188,225**	**$4,283,790**	**$4,336,055**	**$4,402,212**	**$4,476,255**
Revenue:								
1000-Revenue From Local Sources	$378	$92,407	$122,857	$0	$0	$0	$0	$0
3000-Revenue From State Sources	$1,271,303	$982,794	$995,049	$850,000	$1,100,000	$1,100,000	$1,100,000	$1,100,000
Total Revenue	**$1,271,681**	**$1,075,200**	**$1,117,906**	**$850,000**	**$1,100,000**	**$1,100,000**	**$1,100,000**	**$1,100,000**
Expenditures:								
6100-Salaries	$580,995	$676,445	$624,184	$617,564	$860,517	$849,109	$842,631	$844,133
6200-Employee Benefits	$130,647	$152,830	$135,053	$136,871	$187,217	$184,735	$183,326	$183,652
6500-Other Purchased Services	$247	$0	$0	$0	$0	$0	$0	$0
6600-Supplies	$101	$57	$0	$0	$0	$0	$0	$0
6800-Debt Services & Miscellaneous	$0	$114	$100	$0	$0	$0	$0	$0
Total Expenditures	**$711,991**	**$829,445**	**$759,336**	**$754,435**	**$1,047,734**	**$1,033,843**	**$1,025,957**	**$1,027,786**
Ending Fund Balance	**$3,583,900**	**$3,829,655**	**$4,188,225**	**$4,283,790**	**$4,336,055**	**$4,402,212**	**$4,476,255**	**$4,548,470**
Change In Fund Balances	**$559,690**	**$245,755**	**$358,570**	**$95,565**	**$52,266**	**$66,157**	**$74,043**	**$72,214**

Instructional Improvement Expenditures by Function

Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$3,024,210**	**$3,583,900**	**$3,829,655**	**$4,188,225**	**$4,283,790**	**$4,336,055**	**$4,402,212**	**$4,476,255**
Revenue:								
1000-Revenue From Local Sources	$378	$92,407	$122,857	$0	$0	$0	$0	$0
3000-Revenue From State Sources	$1,271,303	$982,794	$995,049	$850,000	$1,100,000	$1,100,000	$1,100,000	$1,100,000
Total Revenue	**$1,271,681**	**$1,075,200**	**$1,117,906**	**$850,000**	**$1,100,000**	**$1,100,000**	**$1,100,000**	**$1,100,000**
Expenditures:								
1000-Instruction	$633,490	$749,535	$757,205	$754,435	$1,047,734	$1,033,843	$1,025,957	$1,027,786
2100-Student Support	$76,292	$77,541	$0	$0	$0	$0	$0	$0
2200-Instruction Support	$2,209	$2,369	$2,131	$0	$0	$0	$0	$0
Total Expenditures	**$711,991**	**$829,445**	**$759,336**	**$754,435**	**$1,047,734**	**$1,033,843**	**$1,025,957**	**$1,027,786**
Ending Fund Balance	**$3,583,900**	**$3,829,655**	**$4,188,225**	**$4,283,790**	**$4,336,055**	**$4,402,212**	**$4,476,255**	**$4,548,470**
Change In Fund Balances	**$559,690**	**$245,755**	**$358,570**	**$95,565**	**$52,266**	**$66,157**	**$74,043**	**$72,214**

Explanation/Comments:

As defined by A.R.S. §15-977, up to 50% of the monies received in the Instructional Improvement fund may be used for teacher compensation and class size reduction, and the remaining money must be used for dropout prevention and instructional improvement programs, including programs to develop minimum reading skills for students by the end of third grade. Projected expenditures are forecasted to be in line with revenue projections.

State Projects
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$1,890,465**	**$1,244,799**	**$1,046,053**	**-$256,196**	**$32,960**	**$32,960**	**$69,708**	**$132,112**
Revenue:								
3000-Revenue From State Sources	$1,621,514	$2,401,979	$1,677,213	$3,604,521	$1,908,977	$1,908,977	$1,908,977	$1,908,977
Total Revenue	**$1,621,514**	**$2,401,979**	**$1,677,213**	**$3,604,521**	**$1,908,977**	**$1,908,977**	**$1,908,977**	**$1,908,977**
Expenditures:								
6100-Salaries	$1,200,594	$1,131,392	$1,586,596	$1,770,493	$610,274	$602,182	$597,589	$598,654
6200-Employee Benefits	$279,993	$327,714	$429,861	$587,356	$154,876	$152,823	$151,657	$151,927
6300-Purchased Professional Services	$775,152	$945,406	$898,164	$943,592	$1,143,827	$1,117,224	$1,097,327	$1,088,123
6500-Other Purchased Services	$4,144	$17,556	$4,123	$0	$0	$0	$0	$0
6600-Supplies	$1,757	$178,658	$49,642	$9,903	$0	$0	$0	$0
6800-Debt Services & Miscellaneous	$5,539	$0	$11,077	$4,021	$0	$0	$0	$0
Total Expenditures	**$2,267,179**	**$2,600,726**	**$2,979,462**	**$3,315,365**	**$1,908,977**	**$1,872,229**	**$1,846,573**	**$1,838,704**
Ending Fund Balance	**$1,244,799**	**$1,046,053**	**-$256,196**	**$32,960**	**$32,960**	**$69,708**	**$132,112**	**$202,384**
Change In Fund Balances	**-$645,666**	**-$198,747**	**-$1,302,249**	**$289,156**	**$0**	**$36,748**	**$62,404**	**$70,273**

State Projects
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$1,890,465**	**$1,244,799**	**$1,046,053**	**-$256,196**	**$32,960**	**$32,960**	**$69,708**	**$132,112**
Revenue:								
3000-Revenue From State Sources	$1,621,514	$2,401,979	$1,677,213	$3,604,521	$1,908,977	$1,908,977	$1,908,977	$1,908,977
Total Revenue	**$1,621,514**	**$2,401,979**	**$1,677,213**	**$3,604,521**	**$1,908,977**	**$1,908,977**	**$1,908,977**	**$1,908,977**
Expenditures:								
1000-Instruction	$833,297	$691,479	$678,552	$123,055	$38,462	$37,952	$37,663	$37,730
2100-Student Support	$1,246,005	$1,542,162	$2,151,785	$3,192,311	$1,870,515	$1,834,277	$1,808,910	$1,800,975
2200-Instruction Support	$114,298	$335,162	$122,251	$0	$0	$0	$0	$0
2400-School Administration	$49,779	$0	$8,649	$0	$0	$0	$0	$0
2500-Central Services	$528	$31,924	$18,224	$0	$0	$0	$0	$0
2600-Plant Operations	$20,866	$0	$0	$0	$0	$0	$0	$0
3300-Community Services Operations	$2,406	$0	$0	$0	$0	$0	$0	$0
Total Expenditures	**$2,267,179**	**$2,600,726**	**$2,979,462**	**$3,315,365**	**$1,908,977**	**$1,872,229**	**$1,846,573**	**$1,838,704**
Ending Fund Balance	**$1,244,799**	**$1,046,053**	**-$256,196**	**$32,960**	**$32,960**	**$69,708**	**$132,112**	**$202,384**
Change In Fund Balances	**-$645,666**	**-$198,747**	**-$1,302,249**	**$289,156**	**$0**	**$36,748**	**$62,404**	**$70,273**

Explanation/Comments:

It is common to see large swings in fund balances for state projects and related grants due to the nature of the timing between when expenditures are incurred vs. when revenues are received. No additional revenue from Arizona's Results Based Funding Grant is included after the 2022-23 fiscal year as that money is now included in the state's base level funding formula beginning with the 2023-24 fiscal year. Projected expenditures are forecasted to be in line with revenue projections.

Structured English Immersion
Expenditures by Object

Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$0**	**-$9,799**	**$0**	**-$15,500**	**$28,956**	**$28,956**	**$30,308**	**$32,428**
Revenue:								
3000-Revenue From State Sources	$186,723	$201,654	$124,766	$146,594	$102,000	$102,000	$102,000	$102,000
Total Revenue	**$186,723**	**$201,654**	**$124,766**	**$146,594**	**$102,000**	**$102,000**	**$102,000**	**$102,000**
Expenditures:								
6100-Salaries	$151,211	$146,039	$109,604	$78,709	$80,158	$79,095	$78,492	$78,632
6200-Employee Benefits	$45,311	$45,817	$30,661	$23,429	$21,842	$21,552	$21,388	$21,426
Total Expenditures	**$196,522**	**$191,855**	**$140,266**	**$102,138**	**$102,000**	**$100,648**	**$99,880**	**$100,058**
Ending Fund Balance	**-$9,799**	**$0**	**-$15,500**	**$28,956**	**$28,956**	**$30,308**	**$32,428**	**$34,370**
Change In Fund Balances	**-$9,799**	**$9,799**	**-$15,500**	**$44,456**	**$0**	**$1,352**	**$2,120**	**$1,942**

Structured English Immersion
Expenditures by Function

Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$0**	**-$9,799**	**$0**	**-$15,500**	**$28,956**	**$28,956**	**$30,308**	**$32,428**
Revenue:								
3000-Revenue From State Sources	$186,723	$201,654	$124,766	$146,594	$102,000	$102,000	$102,000	$102,000
Total Revenue	**$186,723**	**$201,654**	**$124,766**	**$146,594**	**$102,000**	**$102,000**	**$102,000**	**$102,000**
Expenditures:								
1000-Instruction	$196,522	$191,855	$140,266	$102,138	$102,000	$100,648	$99,880	$100,058
Total Expenditures	**$196,522**	**$191,855**	**$140,266**	**$102,138**	**$102,000**	**$100,648**	**$99,880**	**$100,058**
Ending Fund Balance	**-$9,799**	**$0**	**-$15,500**	**$28,956**	**$28,956**	**$30,308**	**$32,428**	**$34,370**
Change In Fund Balances	**-$9,799**	**$9,799**	**-$15,500**	**$44,456**	**$0**	**$1,352**	**$2,120**	**$1,942**

Explanation/Comments:

Expenditures are expected to be in line with revenue projections and are aligned with annual grant funding.

Student Activities
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$258,815**	**$264,103**	**$279,163**	**$293,430**	**$293,430**	**$368,430**	**$372,500**	**$379,614**
Revenue:								
1000-Revenue From Local Sources	$154,249	$166,560	$146,417	$175,000	$250,000	$175,000	$175,000	$175,000
Total Revenue	**$154,249**	**$166,560**	**$146,417**	**$175,000**	**$250,000**	**$175,000**	**$175,000**	**$175,000**
Expenditures:								
6100-Salaries	$0	$1,148	$0	$0	$0	$0	$0	$0
6200-Employee Benefits	$0	$94	$0	$0	$0	$0	$0	$0
6300-Purchased Professional Services	$3,258	$3,263	$2,589	$0	$0	$0	$0	$0
6400-Purchased Property Services	$9,618	$0	$450	$0	$0	$0	$0	$0
6500-Other Purchased Services	$5,842	$0	$338	$0	$0	$0	$0	$0
6600-Supplies	$101,277	$107,489	$104,498	$175,000	$175,000	$170,930	$167,886	$166,478
6800-Debt Services & Miscellaneous	$28,967	$39,506	$24,276	$0	$0	$0	$0	$0
Total Expenditures	**$148,961**	**$151,500**	**$132,151**	**$175,000**	**$175,000**	**$170,930**	**$167,886**	**$166,478**
Ending Fund Balance	**$264,103**	**$279,163**	**$293,430**	**$293,430**	**$368,430**	**$372,500**	**$379,614**	**$388,136**
Change In Fund Balances	**$5,288**	**$15,060**	**$14,266**	**$0**	**$75,000**	**$4,070**	**$7,114**	**$8,522**

Student Activities
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$258,815**	**$264,103**	**$279,163**	**$293,430**	**$293,430**	**$368,430**	**$372,500**	**$379,614**
Revenue:								
1000-Revenue From Local Sources	$154,249	$166,560	$146,417	$175,000	$250,000	$175,000	$175,000	$175,000
Total Revenue	**$154,249**	**$166,560**	**$146,417**	**$175,000**	**$250,000**	**$175,000**	**$175,000**	**$175,000**
Expenditures:								
2100-Student Support	$148,439	$150,599	$130,672	$175,000	$175,000	$170,930	$167,886	$166,478
2700-Transportation	$522	$901	$1,479	$0	$0	$0	$0	$0
Total Expenditures	**$148,961**	**$151,500**	**$132,151**	**$175,000**	**$175,000**	**$170,930**	**$167,886**	**$166,478**
Ending Fund Balance	**$264,103**	**$279,163**	**$293,430**	**$293,430**	**$368,430**	**$372,500**	**$379,614**	**$388,136**
Change In Fund Balances	**$5,288**	**$15,060**	**$14,266**	**$0**	**$75,000**	**$4,070**	**$7,114**	**$8,522**

Explanation/Comments:

Governmental Accounting Standards Board No. 84 revised the definition of Student Activities funds and changed the classification from a fiduciary fund to a special revenue fund effective in fiscal year 2020-21. For reporting and comparative purposes, any historical financial records for the Student Activities fund are included as a special revenue fund type. The District projects future revenue and expenditures to be closer to pre-COVID-19 pandemic levels.

Textbooks
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$90,735**	**$98,205**	**$96,394**	**$92,665**	**$98,665**	**$104,665**	**$110,874**	**$117,240**
Revenue:								
1000-Revenue From Local Sources	$12,920	$12,526	$12,377	$15,000	$15,000	$15,000	$15,000	$15,000
Total Revenue	**$12,920**	**$12,526**	**$12,377**	**$15,000**	**$15,000**	**$15,000**	**$15,000**	**$15,000**
Expenditures:								
6600-Supplies	$5,450	$14,337	$15,223	$9,000	$9,000	$8,791	$8,634	$8,562
6700-Property	$0	$0	$547	$0	$0	$0	$0	$0
6800-Debt Services & Miscellaneous	$0	$0	$336	$0	$0	$0	$0	$0
Total Expenditures	**$5,450**	**$14,337**	**$16,106**	**$9,000**	**$9,000**	**$8,791**	**$8,634**	**$8,562**
Ending Fund Balance	**$98,205**	**$96,394**	**$92,665**	**$98,665**	**$104,665**	**$110,874**	**$117,240**	**$123,679**
Change In Fund Balances	**$7,470**	**-$1,811**	**-$3,729**	**$6,000**	**$6,000**	**$6,209**	**$6,366**	**$6,438**

Textbooks
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$90,735**	**$98,205**	**$96,394**	**$92,665**	**$98,665**	**$104,665**	**$110,874**	**$117,240**
Revenue:								
1000-Revenue From Local Sources	$12,920	$12,526	$12,377	$15,000	$15,000	$15,000	$15,000	$15,000
Total Revenue	**$12,920**	**$12,526**	**$12,377**	**$15,000**	**$15,000**	**$15,000**	**$15,000**	**$15,000**
Expenditures:								
1000-Instruction	$60	$1,489	$0	$9,000	$9,000	$8,791	$8,634	$8,562
2200-Instruction Support	$5,390	$12,847	$16,106	$0	$0	$0	$0	$0
Total Expenditures	**$5,450**	**$14,337**	**$16,106**	**$9,000**	**$9,000**	**$8,791**	**$8,634**	**$8,562**
Ending Fund Balance	**$98,205**	**$96,394**	**$92,665**	**$98,665**	**$104,665**	**$110,874**	**$117,240**	**$123,679**
Change In Fund Balances	**$7,470**	**-$1,811**	**-$3,729**	**$6,000**	**$6,000**	**$6,209**	**$6,366**	**$6,438**

Explanation/Comments:

The District expects very little activity in this fund and budgeted/projected expenditures are aligned with revenue.

Capital Projects Funds

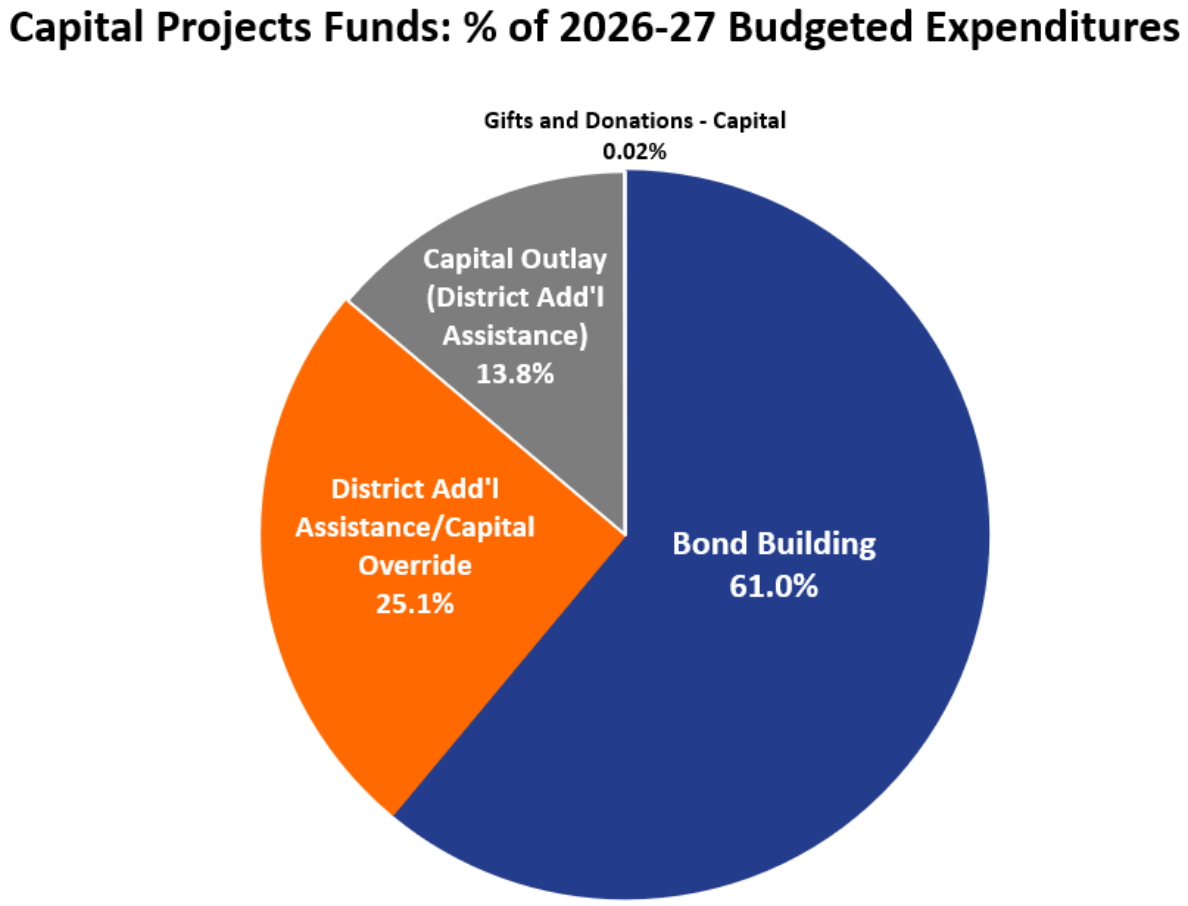






Capital Projects Funds

Capital projects funds account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Most of the District expenditures for capital projects funds originate from bond proceeds, which represent 61% of the total 2026-27 budgeted expenditures within the capital projects funds.



Bonds and District Additional Assistance (DAA)/Capital Overrides are opportunities for school districts to raise additional capital funding beyond the amounts provided by the state. However, these funds are only available if approved by voters within the district's boundaries. The specific usage of bonds and DAA override funds are designated by state statute and can only be spent on the areas identified and listed on the voter pamphlet. These funds have a limited scope on how the money can be spent and cannot be mixed with other funds or be used to cover other expenditure categories.

For Kyrene, the DAA override funding is used to provide instructional materials and technology for students, software and licensing, technology equipment, network equipment or vehicles needed to provide technology support for students. Bond funding is used to maintain the school buildings and grounds, repair school buildings, purchase transportation vehicles or address other administrative capital needs. Without the support of our Kyrene community through these initiatives, there is not enough state funding to provide this level of capital support for our students and school facilities.

Per A.R.S. §15-481 and A.R.S. §15-491, Arizona state statute requires any public school district that has approved an override or has unspent bond proceeds to provide an annual expenditure update at a public

meeting between September 1 and October 31. During this meeting information is shared about how that money is spent and how it integrates within the district budget.

The following individual funds comprise the capital projects fund:

Fund Name	Description
Adjacent Ways	Improvement of public ways adjacent to school property
Bond Building	Proceeds from district bond issued for capital related purchases or construction
Building Renewal Grant	Funding received from the School Facilities Division for qualifying capital items
Capital Outlay (District Additional Assistance)	State funding used to purchase or lease capital items
Condemnation	Proceeds from right-of-way settlements or sales by condemnation
District Add'l Assistance/Capital Override	Voter approved funding used to purchase approved capital items
Energy and Water Savings	Related to energy-related capital investments or rebates/grant funding
Gifts & Donations - Capital	Accounts for any capital items that have been donated to the District
Litigation Recovery	From expected settlements or proceeds as a result of legal action to repair/replace buildings or property

There are no budgeted revenue projections or expected financial activities planned for Condemnation, Energy and Water Savings or Litigation Recovery funds due to their limited scope and immaterial balances. Therefore, no financial schedules will be presented for these groupings of funds.

Capital Projects Funds
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$63,531,375**	**$54,359,974**	**$53,619,231**	**$64,464,472**	**$43,930,851**	**$20,171,620**	**$34,673,620**	**$14,175,620**
Revenue:								
1000-Revenue From Local Sources	$7,003,979	$7,138,132	$8,964,534	$13,617,722	$13,689,771	$14,663,440	$14,318,934	$14,065,089
2000-Revenue From Intermediate Sources	$7,634	($799)	-$32,961	$0	$0	$0	$0	$0
3000-Revenue From State Sources	$7,282,421	$7,494,269	$7,135,743	$0	$0	$0	$0	$0
5000-Other Financing Sources/Transfers In	$0	$19,502,092	$42,696,436	$0	$0	$35,000,000	$0	$35,000,000
Total Revenue	**$14,294,034**	**$34,133,694**	**$58,763,751**	**$13,617,722**	**$13,689,771**	**$49,663,440**	**$14,318,934**	**$49,065,089**
Expenditures:								
6100-Salaries	$219,699	$0	$368,343	$396,228	$411,846	$338,638	$338,638	$338,638
6200-Employee Benefits	$66,569	$0	$107,404	$119,852	$122,754	$101,152	$101,152	$101,152
6300-Purchased Professional Services	$34,727	$135,870	$152,124	$26,168	$72,761	$65,795	$65,795	$65,795
6400-Purchased Property Services	$13,426,903	$20,460,985	$28,182,624	$14,017,795	$21,670,531	$17,062,491	$17,062,491	$17,062,491
6600-Supplies	$3,849,617	$3,410,162	$5,888,043	$5,247,525	$7,940,674	$10,142,185	$9,799,508	$9,547,010
6700-Property	$5,621,325	$10,720,216	$12,706,810	$13,874,738	$7,202,936	$7,418,511	$7,418,511	$7,418,511
6800-Debt Services & Miscellaneous	$0	$102,706	$824,636	$469,037	$27,500	$32,669	$30,840	$29,493
Total Expenditures	**$23,218,840**	**$34,829,939**	**$48,229,985**	**$34,151,343**	**$37,449,002**	**$35,161,440**	**$34,816,934**	**$34,563,089**
Ending Fund Balance	**$54,606,569**	**$53,663,729**	**$64,152,997**	**$43,930,851**	**$20,171,620**	**$34,673,620**	**$14,175,620**	**$28,677,620**
Change In Fund Balances	**-$8,924,806**	**-$696,245**	**$10,533,766**	**-$20,533,621**	**-$23,759,231**	**$14,502,000**	**-$20,498,000**	**$14,502,000**
***Adjusted Ending Fund Balance**	**$54,359,974**	**$53,619,231**	**$64,464,472**	**NA**	**NA**	**NA**	**NA**	**NA**

Capital Projects Funds
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$63,531,375**	**$54,359,974**	**$53,619,231**	**$64,464,472**	**$43,930,851**	**$20,171,620**	**$34,673,620**	**$14,175,620**
Revenue:								
1000-Revenue From Local Sources	$7,003,979	$7,138,132	$8,964,534	$13,617,722	$13,689,771	$14,663,440	$14,318,934	$14,065,089
2000-Revenue From Intermediate Sources	$7,634	($799)	($32,961)	$0	$0	$0	$0	$0
3000-Revenue From State Sources	$7,282,421	$7,494,269	$7,135,743	$0	$0	$0	$0	$0
5000-Other Financing Sources/Transfers In	$0	$19,502,092	$42,696,436	$0	$0	$35,000,000	$0	$35,000,000
Total Revenue	**$14,294,034**	**$34,133,694**	**$58,763,751**	**$13,617,722**	**$13,689,771**	**$49,663,440**	**$14,318,934**	**$49,065,089**
Expenditures:								
1000-Instruction	$6,740,073	$8,013,220	$8,393,307	$8,108,961	$10,609,547	$13,277,355	$12,994,933	$12,786,833
2100-Student Support	$55,533	$46,544	$69,879	$947,824	$25,000	$19,684	$19,684	$19,684
2200-Instruction Support	$787,610	$898,796	$965,322	$1,367,117	$954,691	$1,079,680	$1,028,952	$991,573
2300-General Administration	$10,500	$10,949	$0	$0	$0	$0	$0	$0
2400-School Administration	$35,889	$367,357	$146,753	$25,470	$0	$0	$0	$0
2500-Central Services	$1,370,112	$2,312,030	$4,427,338	$1,853,188	$1,763,496	$1,640,755	$1,629,399	$1,621,031
2600-Plant Operations	$338,771	$569,049	$1,223,685	$639,339	$1,911,463	$1,676,557	$1,676,557	$1,676,557
2700-Transportation	$57,850	$1,870,796	$3,374,831	$6,214,183	$10,000	$7,874	$7,874	$7,874
3000-Operation of Noninstructional Services	$3	$0	$0	$0	$0	$0	$0	$0
3100-Food Service Operations	$0	$55,186	$19,649	$215,000	$200,000	$157,472	$157,472	$157,472
3300-Community Services Operations	$34,088	$23,189	$23,687	$25,000	$25,000	$19,684	$19,684	$19,684
4000-Facilities Acquisition & Construction	$13,788,409	$20,596,712	$28,781,055	$14,292,944	$21,949,805	$17,282,380	$17,282,380	$17,282,380
5000-Debt Service	$0	$66,111	$804,479	$462,317	$0	$0	$0	$0
Total Expenditures	**$23,218,840**	**$34,829,939**	**$48,229,985**	**$34,151,343**	**$37,449,002**	**$35,161,440**	**$34,816,934**	**$34,563,089**
Ending Fund Balance	**$54,606,569**	**$53,663,729**	**$64,152,997**	**$43,930,851**	**$20,171,620**	**$34,673,620**	**$14,175,620**	**$28,677,620**
Change In Fund Balances	**-$8,924,806**	**-$696,245**	**$10,533,766**	**-$20,533,621**	**-$23,759,231**	**$14,502,000**	**-$20,498,000**	**$14,502,000**
***Adjusted Ending Fund Balance**	**$54,359,974**	**$53,619,231**	**$64,464,472**	**NA**	**NA**	**NA**	**NA**	**NA**

Explanation/Comments:
The $36M increase in revenue for 2027-28 is mostly a result of assuming $35M of bonds will be sold in 2027-28 vs. no expected bond sales in 2026-27. Bond sales of $35M are also projected to take place during 2029-30. Capital projects funds often experience timing issues between when proceeds are received vs. when the actual expenditures take place which can cause large swings in fund balances from year-to-year. This phenomenon explains the fund balance fluctuations in the financial statements.

Expenditures are based on the overall budgeted capital plans for facilities, curriculum, technology and other school-based capital expenditure needs. Capital expenditures increased during the 2024-25 fiscal year due to some high dollar construction projects, a high number of technology replacement/upgrade projects taking place at schools and the start of replenishing Kyrene's bus fleet.

An "adjusted" ending fund balance* is provided in situations where the budget balance more accurately reflects the ending fund balance, or when certain fund groupings blend cash and budgeted funds. In these cases the adjusted ending fund balance is used as the beginning fund balance for the next fiscal year.

Adjacent Ways
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$641,474**	**$652,988**	**$671,271**	**$694,056**	**$694,056**	**$694,056**	**$694,056**	**$694,056**
Revenue:								
1000-Revenue From Local Sources	$11,514	$18,283	$22,785	$0	$0	$0	$0	$0
Total Revenue	**$11,514**	**$18,283**	**$22,785**	**$0**	**$0**	**$0**	**$0**	**$0**
Expenditures:								
NA	$0	$0	$0	$0	$0	$0	$0	$0
Total Expenditures	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Ending Fund Balance	**$652,988**	**$671,271**	**$694,056**	**$694,056**	**$694,056**	**$694,056**	**$694,056**	**$694,056**
Change In Fund Balances	**$11,514**	**$18,283**	**$22,785**	**$0**	**$0**	**$0**	**$0**	**$0**

Adjacent Ways
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$641,474**	**$652,988**	**$671,271**	**$694,056**	**$694,056**	**$694,056**	**$694,056**	**$694,056**
Revenue:								
1000-Revenue From Local Sources	$11,514	$18,283	$22,785	$0	$0	$0	$0	$0
Total Revenue	**$11,514**	**$18,283**	**$22,785**	**$0**	**$0**	**$0**	**$0**	**$0**
Expenditures:								
NA	$0	$0	$0	$0	$0	$0	$0	$0
Total Expenditures	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Ending Fund Balance	**$652,988**	**$671,271**	**$694,056**	**$694,056**	**$694,056**	**$694,056**	**$694,056**	**$694,056**
Change In Fund Balances	**$11,514**	**$18,283**	**$22,785**	**$0**	**$0**	**$0**	**$0**	**$0**

Explanation/Comments:
The amounts shown for revenue represent interest on existing fund balances. There are no upcoming plans to levy taxes for additional Adjacent Ways funding in the budgeted or projected years.

Bond Building
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$48,711,300**	**$32,879,493**	**$35,236,783**	**$46,566,682**	**$25,865,788**	**$3,004,557**	**$20,004,557**	**$2,004,557**
Revenue:								
5000-Other Financing Sources/Transfers In	$0	$19,502,092	$42,696,436	$0	$0	$35,000,000	$0	$35,000,000
Total Revenue	**$0**	**$19,502,092**	**$42,696,436**	**$0**	**$0**	**$35,000,000**	**$0**	**$35,000,000**
Expenditures:								
6100-Salaries	$219,699	$0	$281,050	$283,266	$288,942	$227,501	$227,501	$227,501
6200-Employee Benefits	$66,569	$0	$79,863	$84,093	$84,258	$66,341	$66,341	$66,341
6300-Purchased Professional Services	$34,727	$135,870	$152,124	$0	$0	$0	$0	$0
6400-Purchased Property Services	$11,955,620	$11,512,661	$24,458,789	$13,535,141	$21,670,531	$17,062,491	$17,062,491	$17,062,491
6600-Supplies	$59,336	$41,303	$111,799	$0	$0	$0	$0	$0
6700-Property	$3,495,857	$5,454,968	$6,282,910	$6,798,394	$817,500	$643,666	$643,666	$643,666
Total Expenditures	**$15,831,807**	**$17,144,802**	**$31,366,536**	**$20,700,894**	**$22,861,231**	**$18,000,000**	**$18,000,000**	**$18,000,000**
Ending Fund Balance	**$32,879,493**	**$35,236,783**	**$46,566,682**	**$25,865,788**	**$3,004,557**	**$20,004,557**	**$2,004,557**	**$19,004,557**
Change In Fund Balances	**-$15,831,807**	**$2,357,290**	**$11,329,900**	**-$20,700,894**	**-$22,861,231**	**$17,000,000**	**-$18,000,000**	**$17,000,000**

Bond Building
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$48,711,300**	**$32,879,493**	**$35,236,783**	**$46,566,682**	**$25,865,788**	**$3,004,557**	**$20,004,557**	**$2,004,557**
Revenue:								
5000-Other Financing Sources/Transfers In	$0	$19,502,092	$42,696,436	$0	$0	$35,000,000	$0	$35,000,000
Total Revenue	**$0**	**$19,502,092**	**$42,696,436**	**$0**	**$0**	**$35,000,000**	**$0**	**$35,000,000**
Expenditures:								
1000-Instruction	$2,852,494	$3,367,827	$1,832,441	$197,500	$187,500	$147,630	$147,630	$147,630
2100-Student Support	$26,351	$32,925	$32,286	$25,000	$25,000	$19,684	$19,684	$19,684
2500-Central Services	$459,372	$96,260	$578,896	$20,000	$20,000	$15,747	$15,747	$15,747
2600-Plant Operations	$89,817	$103,554	$569,913	$442,210	$443,926	$349,529	$349,529	$349,529
2700-Transportation	$52,554	$1,824,052	$3,254,311	$5,980,894	$10,000	$7,874	$7,874	$7,874
3000-Operation of Noninstructional Services	$3	$0	$0	$0	$0	$0	$0	$0
3100-Food Service Operations	$0	$55,186	$19,649	$200,000	$200,000	$157,472	$157,472	$157,472
3300-Community Services Operations	$34,088	$23,189	$23,687	$25,000	$25,000	$19,684	$19,684	$19,684
4000-Facilities Acquisition & Construction	$12,317,126	$11,641,810	$25,055,353	$13,810,290	$21,949,805	$17,282,380	$17,282,380	$17,282,380
Total Expenditures	**$15,831,807**	**$17,144,802**	**$31,366,536**	**$20,700,894**	**$22,861,231**	**$18,000,000**	**$18,000,000**	**$18,000,000**
Ending Fund Balance	**$32,879,493**	**$35,236,783**	**$46,566,682**	**$25,865,788**	**$3,004,557**	**$20,004,557**	**$2,004,557**	**$19,004,557**
Change In Fund Balances	**-$15,831,807**	**$2,357,290**	**$11,329,900**	**-$20,700,894**	**-$22,861,231**	**$17,000,000**	**-$18,000,000**	**$17,000,000**

Explanation/Comments:
Bond Building revenue is recorded whenever proceeds are received from bond sales. This often creates a timing issue between when proceeds are received vs. when the actual expenditures take place, and causes large swings in fund balances from year-to-year. Capital expenditures increased during the 2024-25 fiscal year due to some high dollar construction projects, technology replacement and upgrade projects taking place at schools, and the start of replenishing Kyrene's bus fleet. Bond revenues are estimated at $35.0M in 2027-28 and also in 2029-30 based on anticipated future bond sales.

Building Renewal
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$6,764**	**$29,470**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Revenue:								
1000-Revenue From Local Sources	$456	$825	$0	$0	$0	$0	$0	$0
3000-Revenue From State Sources	$22,250	$0	$0	$0	$0	$0	$0	$0
Total Revenue	**$22,706**	**$825**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Expenditures:								
6400-Purchased Property Services	$0	$30,295	$0	$0	$0	$0	$0	$0
Total Expenditures	**$0**	**$30,295**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Ending Fund Balance	**$29,470**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Change In Fund Balances	**$22,706**	**-$29,470**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Building Renewal
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$6,764**	**$29,470**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Revenue:								
1000-Revenue From Local Sources	$456	$825	$0	$0	$0	$0	$0	$0
3000-Revenue From State Sources	$22,250	$0	$0	$0	$0	$0	$0	$0
Total Revenue	**$22,706**	**$825**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Expenditures:								
4000-Facilities Acquisition & Construction	$0	$30,295	$0	$0	$0	$0	$0	$0
Total Expenditures	**$0**	**$30,295**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Ending Fund Balance	**$29,470**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Change In Fund Balances	**$22,706**	**-$29,470**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Explanation/Comments:
The future receipt of Building Renewal grants from the Arizona School Facilities Division (SFD) have not been included in the budgeted or projected years. Although there are grant funds distributed annually by the SFD, those funds are often limited, vary year-to-year based on state funding and are not enough to address the growing list of statewide capital needs. The 2022-23 year was the only occurrence when Kyrene received any SFD funding during this time period, and the small amount of revenue from local sources represents interest on existing fund balances. Nothing is included in the budgeted and projected years due to the uncertainty of funding and lack of future state funding commitments to address the needs of all school districts across the state.

Capital Outlay (District Add'l Assistance)
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$7,385,688**	**$9,043,303**	**$4,496,601**	**$2,336,458**	**$3,794,373**	**$3,794,373**	**$3,294,373**	**$2,794,373**
Revenue:								
1000-Revenue From Local Sources	$158,009	$2,141,818	$339,709	$5,109,573	$5,179,622	$6,153,291	$5,808,785	$5,554,940
2000-Revenue From Intermediate Sources	$7,634	-$17	$0	$0	$0	$0	$0	$0
3000-Revenue From State Sources	$7,260,171	$5,468,921	$7,135,743	$0	$0	$0	$0	$0
Total Revenue	**$7,425,814**	**$7,610,721**	**$7,475,452**	**$5,109,573**	**$5,179,622**	**$6,153,291**	**$5,808,785**	**$5,554,940**
Expenditures:								
6400-Purchased Property Services	$1,455,514	$8,308,633	$3,537,644	$107,654	$0	$0	$0	$0
6600-Supplies	$3,732,989	$2,784,953	$3,848,569	$3,331,262	$5,152,122	$6,620,622	$6,277,945	$6,025,447
6700-Property	$333,100	$982,415	$2,342,507	$206,022	$0	$0	$0	$0
6800-Debt Services & Miscellaneous	$0	$36,924	$75,432	$6,720	$27,500	$32,669	$30,840	$29,493
Total Expenditures	**$5,521,603**	**$12,112,925**	**$9,804,153**	**$3,651,658**	**$5,179,622**	**$6,653,291**	**$6,308,785**	**$6,054,940**
Ending Fund Balance	**$9,289,898**	**$4,541,099**	**$2,167,900**	**$3,794,373**	**$3,794,373**	**$3,294,373**	**$2,794,373**	**$2,294,373**
Change In Fund Balances	**$1,904,210**	**-$4,502,204**	**-$2,328,701**	**$1,457,915**	**$0**	**-$500,000**	**-$500,000**	**-$500,000**
***Adjusted Ending Fund Balance**	**$9,043,303**	**$4,496,601**	**$2,336,458**	**NA**	**NA**	**NA**	**NA**	**NA**

Capital Outlay (District Add'l Assistance)
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$7,385,688**	**$9,043,303**	**$4,496,601**	**$2,336,458**	**$3,794,373**	**$3,794,373**	**$3,294,373**	**$2,794,373**
Revenue:								
1000-Revenue From Local Sources	$158,009	$2,141,818	$339,709	$5,109,573	$5,179,622	$6,153,291	$5,808,785	$5,554,940
2000-Revenue From Intermediate Sources	$7,634	($17)	$0	$0	$0	$0	$0	$0
3000-Revenue From State Sources	$7,260,171	$5,468,921	$7,135,743	$0	$0	$0	$0	$0
Total Revenue	**$7,425,814**	**$7,610,721**	**$7,475,452**	**$5,109,573**	**$5,179,622**	**$6,153,291**	**$5,808,785**	**$5,554,940**
Expenditures:								
1000-Instruction	$3,575,378	$2,532,818	$3,610,817	$2,633,592	$4,246,194	$5,544,397	$5,261,975	$5,053,875
2100-Student Support	$2,273	$8,543	$32,328	$122,824	$0	$0	$0	$0
2200-Instruction Support	$468,184	$510,358	$371,047	$391,132	$762,693	$906,065	$855,336	$817,958
2300-General Administration	$0	$134	$0	$0	$0	$0	$0	$0
2400-School Administration	$9,433	$33,966	$37,536	$470	$0	$0	$0	$0
2500-Central Services	$2,320	$709,774	$2,123,045	$367,154	$170,735	$202,830	$191,474	$183,107
2600-Plant Operations	$8,502	$1,644	$34,593	$3,703	$0	$0	$0	$0
2700-Transportation	$0	$39	$0	$10,129	$0	$0	$0	$0
3100-Food Service Operations	$0	$0	$0	$15,000	$0	$0	$0	$0
4000-Facilities Acquisition & Construction	$1,455,514	$8,315,211	$3,539,511	$107,654	$0	$0	$0	$0
5000-Debt Service	$0	$438	$55,276	$0	$0	$0	$0	$0
Total Expenditures	**$5,521,603**	**$12,112,925**	**$9,804,153**	**$3,651,658**	**$5,179,622**	**$6,653,291**	**$6,308,785**	**$6,054,940**
Ending Fund Balance	**$9,289,898**	**$4,541,099**	**$2,167,900**	**$3,794,373**	**$3,794,373**	**$3,294,373**	**$2,794,373**	**$2,294,373**
Change In Fund Balances	**$1,904,210**	**-$4,502,204**	**-$2,328,701**	**$1,457,915**	**$0**	**-$500,000**	**-$500,000**	**-$500,000**
***Adjusted Ending Fund Balance**	**$9,043,303**	**$4,496,601**	**$2,336,458**	**NA**	**NA**	**NA**	**NA**	**NA**

Explanation/Comments:
Beginning with the 2021-22 fiscal year, Arizona began to restore the state capital funding formulas back to 100% levels. The revenue amounts in the adopted budget and projected years reflects the funding impact from anticipated changes in enrollment. Expenditures in 2023-24 and 2024-25 reflect higher capital projects during those fiscal years but are not expected to continue at that same level.

District Add'l Assistance/Capital Override
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$6,694,567**	**$11,677,078**	**$12,969,955**	**$14,485,475**	**$13,194,833**	**$12,294,833**	**$10,294,833**	**$8,294,833**
Revenue:								
1000-Revenue From Local Sources	$6,834,000	$6,834,000	$8,357,083	$8,500,000	$8,500,000	$8,500,000	$8,500,000	$8,500,000
Total Revenue	**$6,834,000**	**$6,834,000**	**$8,357,083**	**$8,500,000**	**$8,500,000**	**$8,500,000**	**$8,500,000**	**$8,500,000**
Expenditures:								
6100-Salaries	$0	$0	$52,866	$112,962	$122,904	$111,137	$111,137	$111,137
6200-Employee Benefits	$0	$0	$16,573	$35,759	$38,496	$34,810	$34,810	$34,810
6300-Purchased Professional Services	$0	$0	$0	$26,168	$72,761	$65,795	$65,795	$65,795
6400-Purchased Property Services	$3,287	$609,396	$186,191	$375,000	$0	$0	$0	$0
6600-Supplies	$57,280	$583,222	$1,756,512	$1,916,263	$2,788,552	$3,521,563	$3,521,563	$3,521,563
6700-Property	$1,790,922	$4,282,833	$4,080,216	$6,862,173	$6,377,287	$6,766,696	$6,766,696	$6,766,696
6800-Debt Services & Miscellaneous	$0	$65,672	$749,204	$462,317	$0	$0	$0	$0
Total Expenditures	**$1,851,489**	**$5,541,124**	**$6,841,562**	**$9,790,642**	**$9,400,000**	**$10,500,000**	**$10,500,000**	**$10,500,000**
Ending Fund Balance	**$11,677,078**	**$12,969,955**	**$14,485,475**	**$13,194,833**	**$12,294,833**	**$10,294,833**	**$8,294,833**	**$6,294,833**
Change In Fund Balances	**$4,982,511**	**$1,292,876**	**$1,515,521**	**-$1,290,642**	**-$900,000**	**-$2,000,000**	**-$2,000,000**	**-$2,000,000**

District Add'l Assistance/Capital Override
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$6,694,567**	**$11,677,078**	**$12,969,955**	**$14,485,475**	**$13,194,833**	**$12,294,833**	**$10,294,833**	**$8,294,833**
Revenue:								
1000-Revenue From Local Sources	$6,834,000	$6,834,000	$8,357,083	$8,500,000	$8,500,000	$8,500,000	$8,500,000	$8,500,000
Total Revenue	**$6,834,000**	**$6,834,000**	**$8,357,083**	**$8,500,000**	**$8,500,000**	**$8,500,000**	**$8,500,000**	**$8,500,000**
Expenditures:								
1000-Instruction	$310,743	$2,111,782	$2,948,873	$5,269,720	$6,167,704	$7,577,179	$7,577,179	$7,577,179
2100-Student Support	$26,910	$5,075	$5,264	$800,000	$0	$0	$0	$0
2200-Instruction Support	$319,426	$388,438	$594,275	$975,985	$191,998	$173,615	$173,615	$173,615
2300-General Administration	$10,500	$10,815	$0	$0	$0	$0	$0	$0
2400-School Administration	$26,456	$333,391	$109,217	$25,000	$0	$0	$0	$0
2500-Central Services	$908,420	$1,505,996	$1,725,397	$1,466,034	$1,572,761	$1,422,178	$1,422,178	$1,422,178
2600-Plant Operations	$240,451	$463,852	$402,621	$193,426	$1,467,537	$1,327,028	$1,327,028	$1,327,028
2700-Transportation	$5,296	$46,706	$120,520	$223,160	$0	$0	$0	$0
4000-Facilities Acquisition & Construction	$3,287	$609,396	$186,191	$375,000	$0	$0	$0	$0
5000-Debt Service	$0	$65,672	$749,204	$462,317	$0	$0	$0	$0
Total Expenditures	**$1,851,489**	**$5,541,124**	**$6,841,562**	**$9,790,642**	**$9,400,000**	**$10,500,000**	**$10,500,000**	**$10,500,000**
Ending Fund Balance	**$11,677,078**	**$12,969,955**	**$14,485,475**	**$13,194,833**	**$12,294,833**	**$10,294,833**	**$8,294,833**	**$6,294,833**
Change In Fund Balances	**$4,982,511**	**$1,292,876**	**$1,515,521**	**-$1,290,642**	**-$900,000**	**-$2,000,000**	**-$2,000,000**	**-$2,000,000**

Explanation/Comments:
The increased revenue in 2024-25 reflects the new District Additional Assistance/Capital Override amount approved by voters in November 2023. That annual revenue amount of $8.5M was approved by voters for a period of seven years.

Gifts and Donations - Capital Expenditures by Object

Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$37,282**	**$23,439**	**$24,336**	**$23,744**	**$23,744**	**$23,744**	**$23,744**	**$23,744**
Revenue:								
1000-Revenue From Local Sources	$0	$1,689	$585	$8,149	$8,149	$8,149	$8,149	$8,149
Total Revenue	**$0**	**$1,689**	**$585**	**$8,149**	**$8,149**	**$8,149**	**$8,149**	**$8,149**
Expenditures:								
6400-Purchased Property Services	$12,483	$0	$0	$0	$0	$0	$0	$0
6600-Supplies	$12	$683	$0	$0	$0	$0	$0	$0
6700-Property	$1,348	$0	$1,176	$8,149	$8,149	$8,149	$8,149	$8,149
6800-Debt Services & Miscellaneous	$0	$109	$0	$0	$0	$0	$0	$0
Total Expenditures	**$13,843**	**$793**	**$1,176**	**$8,149**	**$8,149**	**$8,149**	**$8,149**	**$8,149**
Ending Fund Balance	**$23,439**	**$24,336**	**$23,744**	**$23,744**	**$23,744**	**$23,744**	**$23,744**	**$23,744**
Change In Fund Balances	**-$13,843**	**$896**	**-$591**	**$0**	**$0**	**$0**	**$0**	**$0**

Gifts and Donations - Capital Expenditures by Function

Fiscal Years 2022-23 Through 2029-30

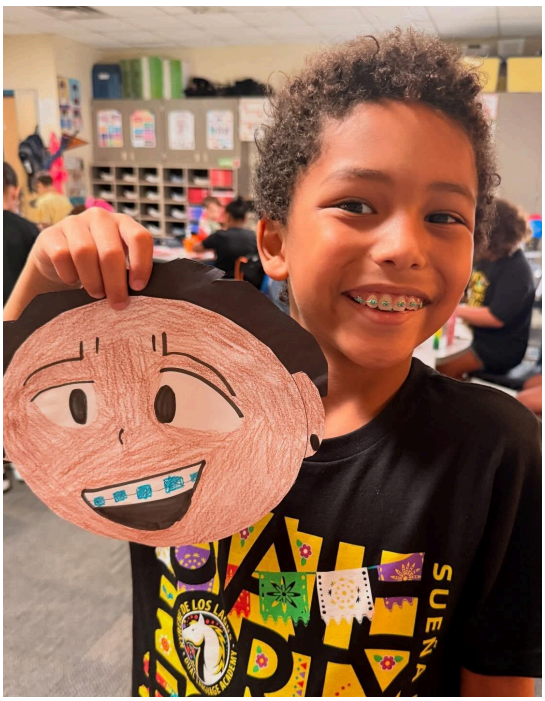
	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$37,282**	**$23,439**	**$24,336**	**$23,744**	**$23,744**	**$23,744**	**$23,744**	**$23,744**
Revenue:								
1000-Revenue From Local Sources	$0	$1,689	$585	$8,149	$8,149	$8,149	$8,149	$8,149
Total Revenue	**$0**	**$1,689**	**$585**	**$8,149**	**$8,149**	**$8,149**	**$8,149**	**$8,149**
Expenditures:								
1000-Instruction	$1,360	$793	$1,176	$8,149	$8,149	$8,149	$8,149	$8,149
4000-Facilities Acquisition & Construction	$12,483	$0	$0	$0	$0	$0	$0	$0
Total Expenditures	**$13,843**	**$793**	**$1,176**	**$8,149**	**$8,149**	**$8,149**	**$8,149**	**$8,149**
Ending Fund Balance	**$23,439**	**$24,336**	**$23,744**	**$23,744**	**$23,744**	**$23,744**	**$23,744**	**$23,744**
Change In Fund Balances	**-$13,843**	**$896**	**-$591**	**$0**	**$0**	**$0**	**$0**	**$0**

Explanation/Comments:

The District expects very little activity in this fund and budgeted/projected expenditures are aligned with revenue.

Debt Service Funds







Debt Service Funds

Debt service funds account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest. These funds cannot be used for any purpose other than to pay principal and interest on bonds. Debt service is the only individual fund within the debt service fund type. Any revenue or expenditure activity in the debt service fund is solely based on Maricopa County collecting property taxes or making principal and interest payments on outstanding bonds.

Revenues are collected and deposited by the County in October and May, and any bond principal and interest payments are made in January and July. A financial summary of debt service activity is listed below. Amounts listed in debt service funds are used to fund the bond-eligible projects identified in Kyrene's Capital Master Plan.

Debt Service Funds
Expenditures by Object
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$968,610**	**$1,580,136**	**$2,092,124**	**$2,174,804**	**$2,174,805**	**$2,174,805**	**$2,174,805**	**$2,174,805**
Revenue:								
1000-Revenue From Local Sources	$25,396,801	$26,532,978	$25,671,871	$24,767,163	$25,330,913	$23,598,000	$24,013,000	$23,975,000
Total Revenue	**$25,396,801**	**$26,532,978**	**$25,671,871**	**$24,767,163**	**$25,330,913**	**$23,598,000**	**$24,013,000**	**$23,975,000**
Expenditures:								
6300-Purchased Professional Services	$3,200	$3,025	$0	$0	$0	$0	$0	$0
6800-Debt Services & Miscellaneous	$24,782,075	$26,017,965	$25,589,191	$24,767,163	$25,330,913	$23,598,000	$24,013,000	$23,975,000
Total Expenditures	**$24,785,275**	**$26,020,990**	**$25,589,191**	**$24,767,163**	**$25,330,913**	**$23,598,000**	**$24,013,000**	**$23,975,000**
Ending Fund Balance	**$1,580,136**	**$2,092,124**	**$2,174,804**	**$2,174,805**	**$2,174,805**	**$2,174,805**	**$2,174,805**	**$2,174,805**
Change In Fund Balances	**$611,526**	**$511,988**	**$82,680**	**$1**	**$0**	**$0**	**$0**	**$0**

Debt Service Funds
Expenditures by Function
Fiscal Years 2022-23 Through 2029-30

	Actual 2022-23	Actual 2023-24	Actual 2024-25	Current Budget 2025-26	Adopted Budget 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Beginning Fund Balance	**$968,610**	**$1,580,136**	**$2,092,124**	**$2,174,804**	**$2,174,805**	**$2,174,805**	**$2,174,805**	**$2,174,805**
Revenue:								
1000-Revenue From Local Sources	$25,396,801	$26,532,978	$25,671,871	$24,767,163	$25,330,913	$23,598,000	$24,013,000	$23,975,000
Total Revenue	**$25,396,801**	**$26,532,978**	**$25,671,871**	**$24,767,163**	**$25,330,913**	**$23,598,000**	**$24,013,000**	**$23,975,000**
Expenditures:								
2500-Central Services	$3,200	$3,025	$0	$0	$0	$0	$0	$0
5000-Debt Service	$24,782,075	$26,017,965	$25,589,191	$24,767,163	$25,330,913	$23,598,000	$24,013,000	$23,975,000
Total Expenditures	**$24,785,275**	**$26,020,990**	**$25,589,191**	**$24,767,163**	**$25,330,913**	**$23,598,000**	**$24,013,000**	**$23,975,000**
Ending Fund Balance	**$1,580,136**	**$2,092,124**	**$2,174,804**	**$2,174,805**	**$2,174,805**	**$2,174,805**	**$2,174,805**	**$2,174,805**
Change In Fund Balances	**$611,526**	**$511,988**	**$82,680**	**$1**	**$0**	**$0**	**$0**	**$0**

Explanation/Comments:

Projected debt service revenue and expenditures are estimated based on anticipated bond sales in future fiscal years.

Debt Limits

Arizona school district general obligation bonds are subject to two limits: the constitutional debt limit on all general obligation bonds and the statutory debt limit on Class B Bonds. The Net Full Cash Assessed Value is used as the basis for determining the debt limits of the district. Class B designates, for the purposes of this statutory limit, those bonds authorized at elections held after December 31, 1998. The security and source of payment of Class B bonds is the same as Class A bonds (those authorized at elections held prior to December 31, 1998). The tables below show the unused or available bonding capacity for Kyrene based on the constitutional debt limit capacity and statutory debt limit capacity. Kyrene's current outstanding debt is significantly below either of these debt limits, so there is adequate debt capacity to provide future funding for the capital projects identified on Kyrene's Capital Master Plan.

Unused Borrowing Capacity—Arizona Constitutional Debt Limit

2026-27 Kyrene Net Full Cash Assessed Value	$4,529,238,980
15% Constitutional Debt Limit	15%
2026-27 Arizona Constitutional Debt Limitation	$679,385,847
Less Total Bonds Outstanding *	$199,049,227
Unused Constitutional Borrowing Capacity	$480,336,620

* Includes outstanding bonds and premium

Unused Borrowing Capacity—Class B Statutory Debt Limit

2026-27 Kyrene Net Full Cash Assessed Value	$4,529,238,980
10% Threshold	10%
2026-27 Statutory Limitation on Bonds	$452,923,898
Less Class B Bonds Outstanding *	$199,049,227
Unused Statutory Borrowing Capacity	$253,874,671

* Includes outstanding bonds and premium

Capital Planning and Projects

In addition to the state funding formula for capital (known as District Additional Assistance), Arizona also has a funding structure in place for school facilities. That structure began in 1994, after Arizona's system of school capital finance was declared unconstitutional because it failed to conform to the state constitution's "general and uniform" clause. That system relied on the secondary property tax, driven by the property wealth of a school district, and general obligation bonding. In 1996, the Arizona Superior Court imposed on the state to develop a constitutional system of school capital financing. On July 9, 1998 legislation was signed and is known as Students FIRST (Fair and Immediate Resources for Students Today). Students FIRST is a capital

finance program funded by appropriations from the state General Fund. The program is administered by the School Facilities Division (SFD) and is charged with administration of three capital funds: building renewal, deficiencies corrections and new school facilities.

The Students FIRST law established a deficiencies correction fund for the purpose of correcting deficiencies in existing school facilities. The SFD was charged with adopting rules establishing minimum school facility guidelines, assessing school buildings against these guidelines, and providing monies to bring the buildings up to the guidelines. In 1999, building adequacy guidelines were adopted and now serve as the minimum standards for existing and new school facilities in Arizona.

Although there are grant funds distributed annually by the SFD for school facilities, those funds are often limited, vary year-to-year based on state funding, and are not enough to address the growing list of statewide capital needs. Therefore, Kyrene can not rely on SFD grants to address its facility needs and relies heavily on bond proceeds to provide the District with additional funding that is greatly needed to support all schools. Without the support from our community in the form of bonds and overrides, Kyrene could not provide the same level of student or facility support by relying purely on state funding or SFD grants.

In Kyrene, the vast majority of funding for facility needs comes from bond funding. Voters in Kyrene approved new bond sales in 2023 for $161M which allows the District to fund projects identified in the Capital Master Plan. Without bond funding, there would be insufficient funding to maintain and improve the District's schools and facilities, purchase transportation vehicles, provide adequate technology and supply necessary equipment. In March 2025, Kyrene sold $42.75M of bonds from this authorized amount, meaning that $118.25M of bonds can be sold in the future.

A District Additional Assistance/Capital Override was also approved by voters in November 2023 and this funding primarily focused on software, instructional technology, curriculum, and other technology-related areas. Without this District Additional Assistance/Capital Override additional funding, there would not be enough state capital funding to provide for these technology needs across the District. The annual override amount is $8.5M, and funding for this override began with the 2024-25 fiscal year.

Kyrene has developed a comprehensive Capital Master Plan to manage capital spending that is funded by bond proceeds. This Capital Master Plan encompasses a ten-year period and provides a detailed listing of all bond eligible projects across the District. Projects are eligible for bond funding based on the criteria approved by voters within the District boundaries as specified in the voter election pamphlet. These bond funds have a limited scope on how the money can be spent, and funds cannot be mixed with other funds or used to cover other expenditure categories.

Capital Master Plan: District Overview

Schools: The Kyrene School District has a large footprint, encompassing 25 school campuses in three separate municipalities that include Phoenix, Tempe, and Chandler. The Kyrene School District has a total of 2,601,785 square feet of instructional space across 68 buildings. School sites cover approximately 337 acres of land consisting of playfields, ballfields, playgrounds, common areas, parking lots and school facilities. These totals include the three elementary school sites that were closed as part of Kyrene's Long-Term Planning process. The average age of Kyrene schools is over 35 years, so a comprehensive Capital Master Plan is necessary to ensure all school facilities are safely maintained and provide the proper spaces for student learning.

District Office Complex: The 18-acre District Office complex consists of 12 buildings with a total of 133,696 square feet of space. The largest building is the 58,196 square-foot District Office Administrative Building. Other buildings on the complex include workspace for departments such as facilities, transportation, warehouse, grounds and technology and also contains several storage buildings. The site also includes a transportation storage yard holding over 80 buses and other support vehicles.

Capital Master Plan: Development Process

Development of the Capital Master Plan involves collaboration among directors, school leaders and project managers to ensure resources are allocated optimally to support student achievement. Once developed, the Capital Master Plan is presented to the Governing Board and community as part of the spring budget presentations. Projects identified in the Capital Master Plan encompass a variety of areas and are reviewed and prioritized multiple times throughout the year before any money is authorized to be spent. An ongoing analysis is performed for school buildings, grounds and facilities to determine how and when projects are scheduled to be completed. This process incorporates criteria used to determine short-term and long-term facility and maintenance needs, and is based on three areas: life cycle analysis, preventative maintenance and independent structural analysis.

Life Cycle Analysis: The District has worked with an outside construction vendor to conduct an audit of major replaceable systems, determine existing building conditions and determine an appropriate useful life. Replaceable systems are major components within the school and facility buildings such as air conditioning, roofs, plumbing, electrical systems, carpeting/flooring, playground equipment, etc. Establishing a useful life for each system allows the District to predict, maintain and schedule replacement expenditures accurately for future years. As with any replaceable system, it is possible that an asset may exceed its useful life with proper maintenance. With safety being the highest priority, the District always attempts to maximize and possibly extend the life of its facilities and replaceable systems in a responsible manner. However, at times systems may fail before the anticipated useful life. For these reasons, each year these replaceable systems on the Capital Master Plan are evaluated and prioritized as necessary. A general contingency is also budgeted as part of the Capital Master Plan in the event that an unplanned replaceable system fails during the course of the school year.

Preventative Maintenance: The District performs periodic maintenance throughout the year on its facilities, grounds and replaceable systems. Inspections are performed during these maintenance periods to determine when certain systems may need to be replaced or repaired.

Independent Structural Analysis: The District utilizes an independent third-party structural engineering firm to inspect schools for structural issues. Each school is inspected every five years on a rotating basis to determine whether any structural related areas require attention.

Annual Budgeting Process: Projects are prioritized during the annual budget process so that funding occurs in a fiscally responsible manner while ensuring the most important projects receive appropriate funding. Projects are prioritized based on the following criteria:

- Safety and security
- Preventing/eliminating the possible loss of instructional time
- Compliance with regulatory requirements
- Alignment with and connection to the District's strategic plan or other goals

Because Kyrene is a landlocked district and does not have future facility expansion needs, most of the capital activities and projects relate to ongoing facility maintenance. The components and types of projects within the Capital Master Plan are consistent with the criteria contained in the voter-approved authorization pamphlet and contains three main categories:

- **Maintain Schools:** Includes construction projects, classroom related capital (such as equipment and furniture) and technology.
- **Transportation:** Includes school buses, other vehicles to transport students and transportation related systems.
- **Administrative:** Relates to construction projects, equipment, furniture and technology at the District Office complex.

Useful Life of Replaceable Systems

The table below lists the estimated useful life of replaceable systems throughout the District. To determine these useful lives, the District incorporated guidance from the state School Facilities Division, manufacturer information and data from internal inspections. This information is the foundation of the Capital Master Plan and allows the District to accurately plan for potential future capital needs.

Useful Life of Replaceable Systems	Estimated Useful Life (Years)
Basketball/tennis court replace	20
Basketball/tennis court resurface	5
Bathroom renovation	15
Carpet replacement	15
Central plant replacement	20
Classroom furniture	30
Classroom renovation	10
Corridor renovation	10
Exhaust fan replacement	15
Exterior weatherization	10
Gym bleacher replacement	20
Gym floor replacement	20
Marquee replacement	15
Package unit replacement	15
Parking lot replace	20
Parking lot reseal	5
Partition replacement (bathrooms)	15
Playcourts replace	20
Playcourts resurface	5
Playfield renovation	20
Playground equipment replacement (pre-K)	15
Playground equipment replacement (primary)	15
Roof recondition	15
Roof replacement	20-30
Shade structure replacement	12
Water Heater replacement	7
Wrought iron recondition	5
Wrought iron replace	15

2026-27 Capital Expenditure Budget

Information for the 2026-27 Capital Master Plan expenditure budget is provided below for each major category. The 'Maintain Schools' category includes construction projects related to buildings and facilities, technology equipment and support at schools, and also other areas such as school furniture, school-based equipment and musical instruments. The 'Transportation' category includes vehicles and equipment necessary to transport students to and from school. Administrative amounts primarily relate to facility projects taking place at the District Office complex.

Total Capital Master Plan Expenditures *($ Millions)*		
Category	**2025-26 Estimate**	**2026-27 Budget**
Maintain Schools	$20.3	$23.3
Transportation	$4.5	$0.3
Administrative	$6.0	$0.01
Total	**$30.8**	**$23.6**

The following table provides more detail for the $23.6M in 2026-27 capital master plan projects that are funded from bond proceeds.

2026-27 Budget - Capital Plan Expenditures *($ Millions)*

Category	Project Area	Amount
Maintain Schools	Heating/Ventilation/Air Conditioning (HVAC)	$6.3
	Roof	$5.0
	Building Maintenance	$3.6
	Technology	$2.3
	Bathrooms	$2.1
	Kitchens	$1.2
	Lighting	$1.1
	Building Weatherization	$1.0
	Playfield/Courts	$0.4
	Equipment	$0.2
	Furniture	$0.1
Maintain Schools Total		**$23.2**

Category	Project Area	Amount
Transportation	District Vehicles	$0.3
Transportation Total		**$0.3**

Category	Project Area	Amount
Administrative	Furniture	$0.01
Administrative Total		**$0.01**

The projects identified in the 'Maintain Schools' category encompasses a wide variety of areas across multiple school locations. Below is a table showing $19.0M of specific projects taking place at individual school locations in 2026-27. A majority of the construction project work for 2026-27 will happen at Centennial Middle School and are primarily related to health and safety improvements. Additionally, there is another $2.3M of technology projects that will be implemented across all school locations which include areas such as network switches and infrastructure, intercom systems, telephone systems and building access points.

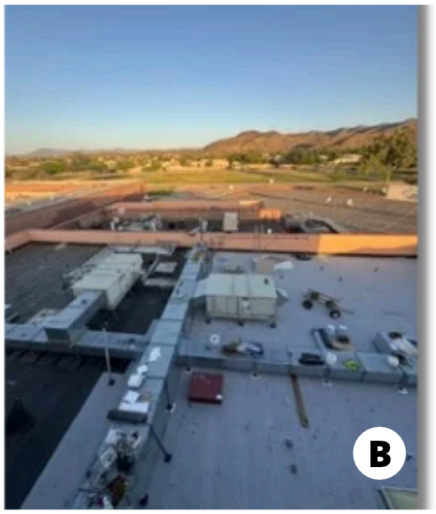
2026-27 Budgeted Capital Projects By School

School Name	Project Area	Amount
Kyrene de las Brisas	Bathrooms	$253,770
Centennial Middle School	Roof	$5,000,000
	Heating/Ventilation/Air Conditioning (HVAC)	$4,825,000
	Building Maintenance	$2,100,000
	Bathrooms	$1,500,000
	Lighting	$1,100,000
	Kitchens	$975,000
	Building Weatherization	$970,000
Kyrene del Cielo	Playfield/Courts	$343,100
Kyrene de la Esperanza	Playfield/Courts	$66,000
Kyrene Middle School	Bathrooms	$59,351
Kyrene de la Mirada	Heating/Ventilation/Air Conditioning (HVAC)	$609,000
Kyrene Monte Vista	Bathrooms	$83,200
Kyrene del Norte	Heating/Ventilation/Air Conditioning (HVAC)	$833,700
Kyrene de la Sierra	Bathrooms	$185,250
	Parking Lot	$20,000
C.I. Waggoner	Bathrooms	$27,160
Total		**$18,950,531**

Capital Projects Across Kyrene

The pictures below represent a sample of the many capital projects that were completed in the prior school year.

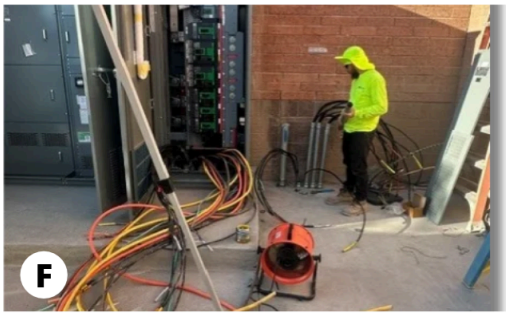












A: *Norte & Mirada Cooling Tower Replacement.* ***B:*** *Centennial Roof & Skylight Replacement.* ***C:*** *Brisas MPR G Restroom Vent Stack Replacement.* ***D:*** *Centennial Classroom Construction.* ***E:*** *Cielo Playfield Renovation.* ***F:*** *Monte Vista Service Entrance Section (SES) Replacement.*

Long-Term Reductions in Energy Usage

As part of its capital planning strategy, the District has a history of implementing solutions to reduce energy consumption in schools and district support buildings. Reducing energy consumption through changes in staff behavior and conservation related projects allows the District to reduce overall utility expenditures and direct these savings for use in educational related activities.

Energy Conservation Initiatives

- Kyrene has installed and utilizes an Energy Management System (EMS) for central control of lighting and HVAC across the entire district. The facilities maintenance team maintains cooling and heating set-points and run-time for district-wide lighting and cooling/heating systems which helps drive major reductions in kWh usage. This helps to ensure that the maximum electrical consumption for these activities occurs during off-peak hours.

- The District upgrades HVAC mechanical systems on an ongoing basis at the end of their useful life at all schools. This lifecycle approach allows the facilities team to get the maximum useful life out of existing HVAC systems in a safe and responsible manner and replace them with new, more efficient systems whenever system upgrades are needed.

- The Facilities department is currently in the process of upgrading its lighting from T-8 fluorescent bulbs to LED bulbs in classrooms and offices. In addition to converting to more energy efficient LED light bulbs, a lighting control system is also being implemented to control light intensity and ensure proper lighting levels in the classroom at significantly reduced costs.

- Another energy reduction approach involves installing occupancy sensors district-wide in over 1,000 classrooms and offices to control lighting in unoccupied rooms. When students or staff are present in a room the sensors turn on lights automatically. The sensors turn lights off when they do not detect anyone present in the room.

- Energy conservation projects for the upcoming 2026-27 school year include the conversion of Centennial Middle School from fluorescent lighting to LED lighting. In addition, Centennial Middle School is scheduled to get a new central plant and Energy Management System (EMS).

Pension and Other Post-Employment Benefits (OPEB)

District employees participate in and are covered by 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 District currently does not offer any OPEB. The District's employees, including their spouses and survivors, may be eligible for certain retiree health care benefits under health care programs provided by the state of Arizona. Employees on long-term disability and their spouses also may qualify for retiree health care benefits through the state. Such individuals may obtain the health care benefits offered by the state by paying 100% of the applicable health care insurance premium, net of any subsidy provided by the state. The benefits are available to all retired participants in the state's health care program. The District does not make payments for OPEB costs for such retirees.

The ASRS 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, and the report is available on the ASRS website at www.azasrs.gov.

Benefits Provided

The District withholds employee ASRS contributions and remits employee and district contributions in accordance with the ASRS employer manual. The ASRS provides retirement, health insurance premium supplements, long-term disability and survivor benefits. State statute establishes benefit terms.

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.

Retirement benefits are calculated based on 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*

Contributions

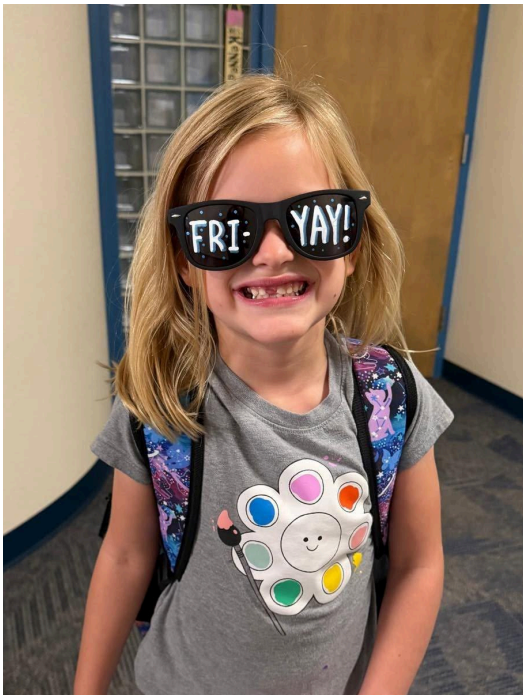
In accordance with Arizona state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability.

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

INFORMATIONAL SECTION







Operational Spending

As part of the budget process, Kyrene strives to maximize funding allocated to the classroom in order to produce the most direct benefits to students. The results from this activity can be measured and evaluated by reviewing an independent report prepared and published by the Arizona Auditor General's office. This report is produced annually in the spring and provides information for the previous fiscal year.

A.R.S. §41-1279.03 requires the Auditor General to monitor school districts to determine the percentage of every dollar spent in the classroom and also conduct performance audits of Arizona's school districts. Arizona charter schools, however, which are also funded with taxpayer and public dollars, and private schools that receive public funding through empowerment scholarship accounts (ESA), are not subject to these requirements. The report produced by the Arizona Auditor General's office monitors state-wide operational spending trends in instruction and other operational categories such as student support, instructional support, administration, plant operations, food service and transportation. It also identifies spending for peer districts within Arizona as well as overall state results. Peer groups are identified based on school districts that have a similar size, type and location. For Kyrene, its peer group includes districts categorized by the Auditor General as very large and large elementary school districts in cities and suburbs.

Classifications

Operational spending includes costs incurred for the District's day-to-day operations and contains the categories listed below. These categories follow Arizona's Uniform Chart of Accounts for school districts, which meets the requirements of the U.S. Department of Education's account classifications. This provides the ability to compare results over time against peers, the entire state of Arizona and also national averages. Operational spending includes both instructional and non-instructional spending. The definition of instructional spending used in the Auditor General's report is based on the definition of "instruction" developed by the U.S. Department of Education's National Center for Education Statistics. Operational spending excludes costs associated with acquiring capital assets (such as purchasing or leasing land, buildings and equipment), as well as interest and programs that are outside the scope of preschool through grade 12, such as adult education and community service programs. Total operational spending includes the instructional and non-instructional expenditures as shown below:

Instructional Spending

Classroom personnel: Salaries and benefits for teachers, teacher's aides, substitute teachers, graders and guest lecturers.

General instructional supplies: Paper, pencils, crayons, etc.

Instructional aids: Textbooks, workbooks, instructional software, etc.

Activities: Field trips, athletics, and co-curricular activities, such as choir or band.

Tuition: Paid to out-of-state and private institutions.

Other Non-instructional Spending

Instruction support: Salaries and benefits for curriculum directors, special education directors, teacher trainers, librarians, media specialists and instruction-related IT staff. This category also includes other costs related to assisting instructional staff in delivering instruction.

Student support: Salaries and benefits for attendance clerks, social workers, counselors, nurses, audiologists and speech pathologists. This category also includes other costs related to these support services for students.

Transportation: Salaries, benefits, and other costs related to maintaining buses and transporting students to and from school and school activities.

Plant operations: Salaries, benefits, and other costs related to equipment repair, building maintenance, custodial services, groundskeeping and security. This category also includes costs for heating, cooling, lighting and property insurance.

Food service: Salaries, benefits, food supplies and other costs related to preparing, transporting and serving meals and snacks.

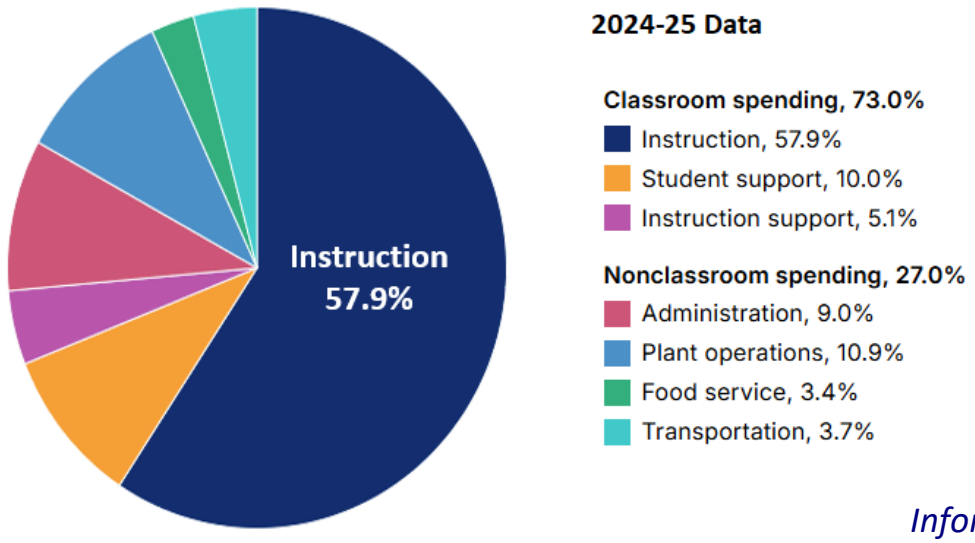
Administration: Salaries and benefits for superintendents, principals, business managers, clerical and other staff who perform accounting, payroll, purchasing, warehousing, printing, human resource activities and administrative technology services. This category also includes other costs related to these services as well as the Governing Board.

Spending by Operational Area

The results from the latest independent Arizona Auditor General report are listed below. This report is produced annually in the spring and provides information for the previous fiscal year, which means that the most current information is for the 2024-25 year. Information for the 2025-26 year will not be available until the spring of 2027.

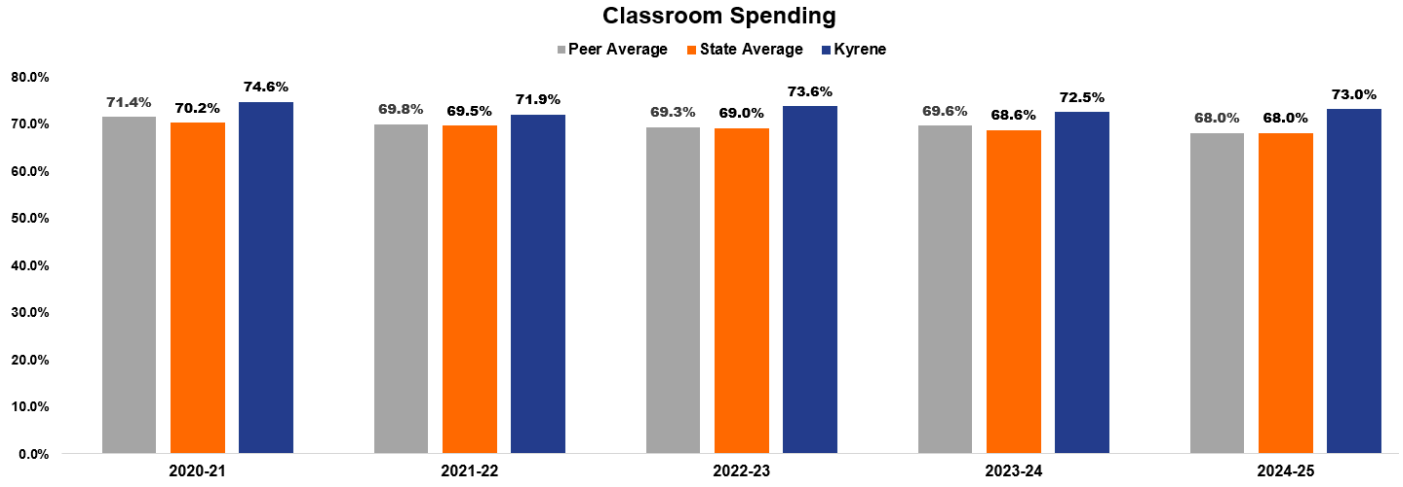
According to the report, Kyrene's instructional spending was 57.9%. This amount is substantially higher than both Kyrene's peer district average of 51.7% and the overall state average of 52.1%. The combined spending for instruction, student support, and instruction support is also identified as "classroom spending" by the Auditor General. These amounts represent the total funding spent for overall classroom activities within a school district. For Kyrene, this amount was 73.0% and represents the 5th highest percentage in the state, and is higher than both its peer district average of 68.0% and the overall state average of 68.0%. This means that almost three out of every four dollars spent by Kyrene went into the classroom to provide the most direct benefits for students.

These results and distinctions for Kyrene are similar to previous years as Kyrene consistently puts more dollars into the classroom than both its peer groups and the overall state average. Information from the most current Auditor General report for Kyrene's total operational spending is provided below.



Historical Classroom Spending Comparisons

The combined spending for instruction, student support, and instruction support is characterized as "classroom spending" by the Auditor General. These amounts represent the total funding spent for overall classroom activities within a school district. The graph below displays five years of history and shows that Kyrene has consistently outperformed the state of Arizona and peer comparison groups as identified by the Auditor General's office.



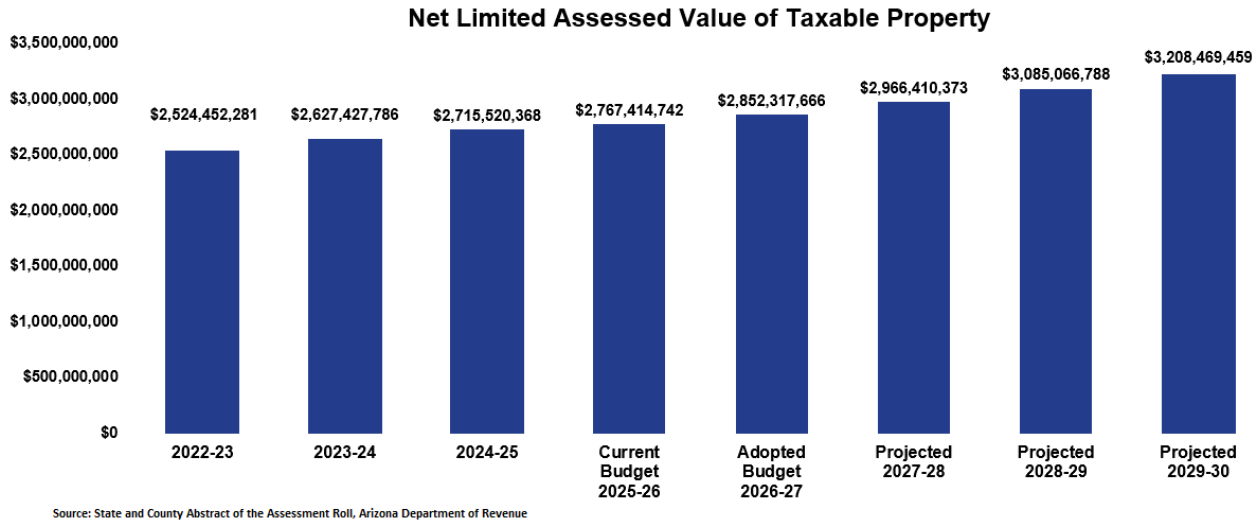
Assessed Value of Taxable Property

A sizable portion of school district funding in Arizona comes from local property taxes on real and personal property, and valuations are conducted by either the County Assessor or the Arizona Department of Revenue. Property valued by the assessor of the county is referred to as "locally assessed" property and generally encompasses residential, agricultural, and traditional commercial and industrial property. Property valued by the Arizona Department of Revenue is referred to as "centrally valued property," and generally includes large mine and utility entities. Locally assessed property is assigned both a full cash and limited property value, and centrally valued property is only assigned a full cash value.

In the context of a specific property parcel, the full cash value is statutorily defined to mean "the value determined as prescribed by statute," or if a statutory method is not prescribed it is synonymous with market value, meaning that the estimated value is derived annually by using standard appraisal methods and techniques. Generally, this includes either using a market value approach, a cost approach or an income approach. The full cash value is also the basis for determining constitutional and statutory debt limits for the Kyrene School District.

The limited property value is determined pursuant to the Arizona Constitution and the Arizona Revised Statutes. For locally assessed property in existence in the prior year, the limited property value is limited to the lesser of full cash value or an amount 5% greater than the limited property value determined for the prior year. The limited property value is used as the basis for determining and levying both primary and secondary taxes.

The graph below illustrates the limited assessed values for Kyrene. Fiscal years 2027-28 through 2029-30 assume a 4% annual growth rate.



Property Tax Rates and Amounts

Primary and Secondary Taxes

The Arizona school finance formula attempts to ensure that each district has equitable budget capacity compared to others across the state. The state distributes equalization assistance (which comes from the Arizona state budget) to school districts over and above the levy amount raised with the uniform Qualifying Tax Rate (QTR) set forth by the Joint Legislative Budget Committee each year. A significant portion of school district financing in Arizona comes from local property taxes on real and personal property. This system results in districts with high taxable property values per pupil paying a higher percentage of the total cost of educational funding with local taxes. In contrast, school districts with lower taxable property values per pupil pay a lower percentage of the total cost.

In August, county school superintendents' offices transmit tax levy requirements for each district to the county finance departments which, in turn, inform their county boards of supervisors of the necessary levy by fund for each district. The levy, placed on property in August, applies to the assessed valuation determined for real property and secured personal property in the district through the previous January. Property taxes are collected and distributed in November and April of each year. Generally in Arizona, the delinquency rate on taxes has been averaging approximately 5%, which can account for cash flow problems in some school districts. Kyrene School District typically experiences less than a 2% delinquency rate. Regardless of the collection of taxes or the timeliness of being received in a district, the district can spend up to the budget capacity authorized by the state's funding formula.

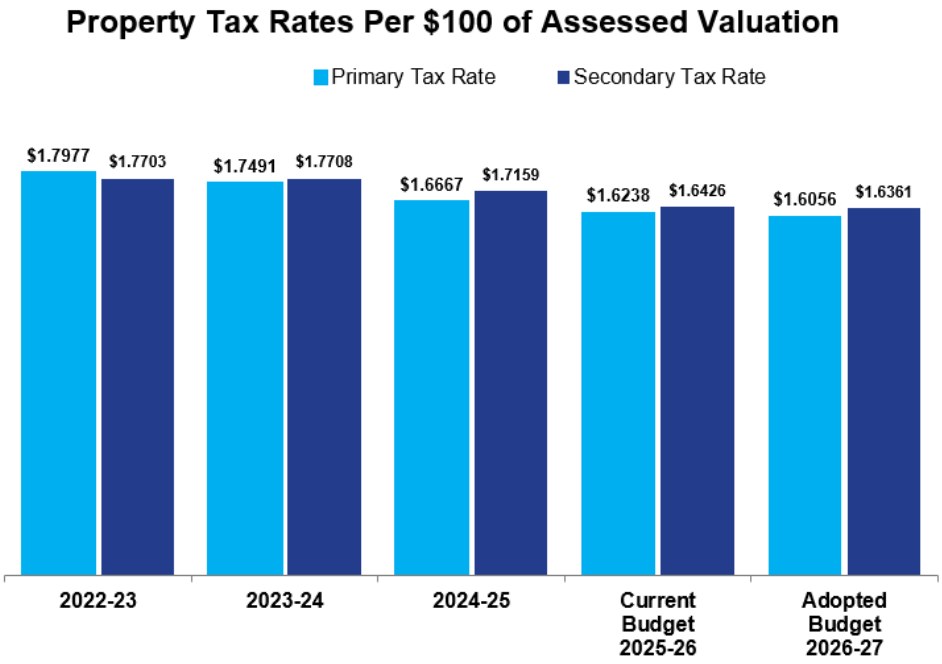
Per state statute, taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the state are classified as "primary taxes." The primary taxes levied by each county, city, town, and community college district are constitutionally limited to a maximum increase of 2% over the maximum allowable prior year's levy limit, plus any taxes on property not subject to taxation in the preceding year. The 2% limitation does not apply to primary taxes levied on behalf of school districts. The

combined taxes on owner occupied residential property only, for purposes other than voter-approved bond indebtedness and overrides and certain special district assessments, are constitutionally limited to 1% of the limited property value of such property. This constitutional limitation on the combined tax levies for owner occupied residential property is implemented by reducing the school district's taxes. To offset the effects of reduced school district property taxes, the state compensates the school district by providing additional state equalization assistance, which comes from the state's general budget.

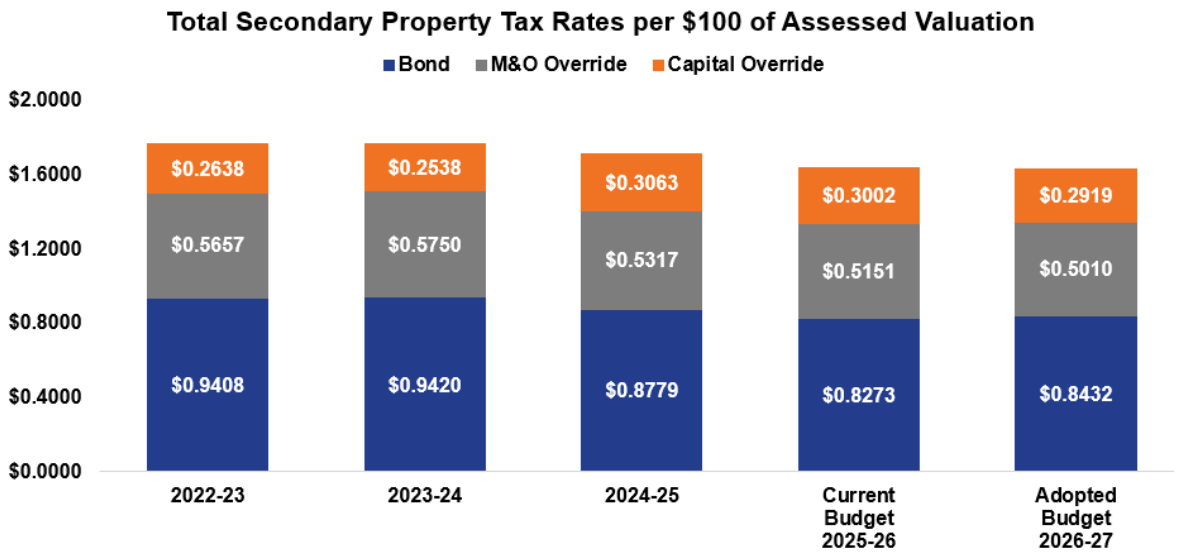
Also per state statute, taxes levied for payments of voter-approved bonds and voter-approved budget overrides are classified as "secondary taxes." These budget overrides can relate to either maintenance and operations or capital areas. However, unlike primary taxes, there are no constitutional or statutory limitations on annual levies for voter-approved bonds and overrides.

The following chart illustrates the historical trends in primary and total secondary tax rates. The secondary tax rate only relates to bonds or overrides that were approved by voters within the Kyrene School District. An additional chart also provides the individual components of the secondary property taxes that relate to bonds, the maintenance and operations override and the District Additional Assistance/Capital Override. The tax rate information is stated in dollars per $100 of net limited assessed property valuation.

Over the last five years, the primary tax rate has decreased by 10.7% and the secondary tax rate has decreased by 7.6%.



Source: Maricopa County School Superintendent- School Finance, Maricopa County -Tax Levy and Rates Information

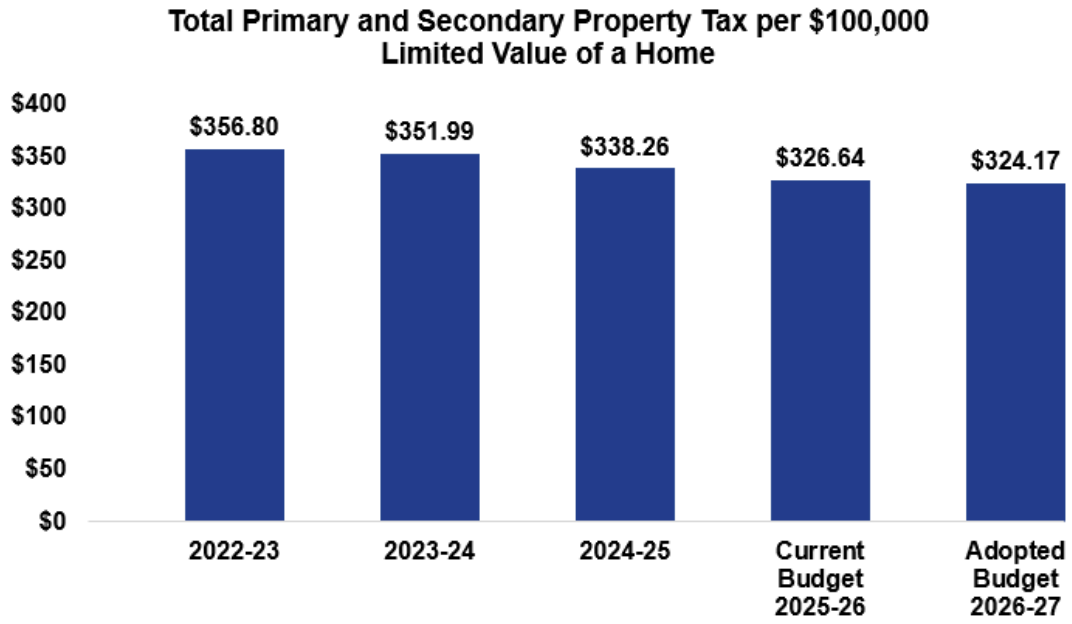


Source: Maricopa County School Superintendent- School Finance, Maricopa County -Tax Levy and Rates Information

Tax Rate Impact

Property tax rates in Arizona are calculated by multiplying the limited assessed value of the home by the overall tax rate. Examples of the property tax rates per $100,000 of limited value of a home are provided below.

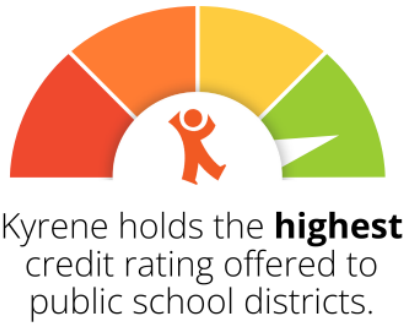
	2022-23	2023-24	2024-25	Current Budget 2025-26	Adopted Budget 2026-27
Limited property value of a home	$100,000	$100,000	$100,000	$100,000	$100,000
Ratio	x 0.10	x 0.10	x 0.10	x 0.10	x 0.10
Limited assessed value	$10,000	$10,000	$10,000	$10,000	$10,000
Primary tax rate	$0.0180	$0.0175	$0.0167	$0.0162	$0.0161
Secondary tax rate	$0.0177	$0.0177	$0.0172	$0.0164	$0.0164
Total tax rate	$0.0357	$0.0352	$0.0338	$0.0327	$0.0324
Primary property tax	$179.77	$174.91	$166.67	$162.38	$160.56
Secondary property tax	$177.03	$177.08	$171.59	$164.26	$163.61
Total property tax	$356.80	$351.99	$338.26	$326.64	$324.17



Bond Issues and Amortization Schedules

A bond is a promise to pay a specified sum of money (called the principal) at a specified date in the future, together with periodic interest at a specified rate. Bonds are debt securities issued to finance capital related purchases and projects and are the funding source for Kyrene's Capital Master Plan. They are used to maintain the school buildings and grounds, repair school buildings, purchase transportation vehicles and address other administrative capital needs. Without the support of our Kyrene community, there is not enough state capital funding to support the ongoing capital needs for our school facilities.

Bond Credit Rating



When school districts issue bonds, part of that process includes receiving a credit rating from a municipal bond rating agency. Bond ratings are a general reflection of the credit quality of the school district and have a direct impact on the interest rates that school districts pay when selling bonds. Traditionally, Kyrene receives a bond rating from two main agencies: Moody's Investors Service and S&P Global. Moody's has assigned Kyrene a rating of Aaa and S&P Global has assigned a rating of AA. Although the rating scales are different for each agency, both of those ratings are the highest credit ratings assigned to school districts in Arizona. Being assigned the highest rating in Arizona is not something new for Kyrene as the District has held the distinction for receiving the highest possible school district credit rating for many years.

A strong local economy and tax base, rising real estate values, a formidable management team and strong fund balances are all reasons listed by Moody's and S&P Global as to why they have assigned this high credit rating to Kyrene. Kyrene intends to maintain those same strong fund balances into the future. This rating reaffirms to our community, employees, and taxpayers that Kyrene is a responsible steward of state, federal and taxpayer dollars.

Bond Issues and Amortization

In November 2023, voters in the Kyrene District approved a new bond authorization for $161M. In March 2025, Kyrene sold $42.75M of bonds from this authorized amount, meaning that $118.25M of bonds can be sold in the future. The table below provides an amortization schedule showing future debt service expenditures based on the total outstanding bond debt as of July 1, 2025.

Aggregate Debt Service
Outstanding Debt Service as of 6-30-26

Payment Date	Principal Payments	Interest Payments	Total Debt Service
7/1/2026	$15,425,000.00	$4,671,081.25	$20,096,081.25
1/1/2027		$4,285,456.25	$4,285,456.25
7/1/2027	$16,760,000.00	$4,285,456.25	$21,045,456.25
1/1/2028		$3,909,256.25	$3,909,256.25
7/1/2028	$16,000,000.00	$3,909,256.25	$19,909,256.25
1/1/2029		$3,536,943.75	$3,536,943.75
7/1/2029	$16,940,000.00	$3,536,943.75	$20,476,943.75
1/1/2030		$3,119,718.75	$3,119,718.75
7/1/2030	$17,015,000.00	$3,119,718.75	$20,134,718.75
1/1/2031		$2,732,343.75	$2,732,343.75
7/1/2031	$13,130,000.00	$2,732,343.75	$15,862,343.75
1/1/2032		$2,430,306.25	$2,430,306.25
7/1/2032	$13,865,000.00	$2,430,306.25	$16,295,306.25
1/1/2033		$2,101,981.25	$2,101,981.25
7/1/2033	$14,665,000.00	$2,101,981.25	$16,766,981.25
1/1/2034		$1,801,350.00	$1,801,350.00
7/1/2034	$10,280,000.00	$1,801,350.00	$12,081,350.00
1/1/2035		$1,555,975.00	$1,555,975.00
7/1/2035	$9,525,000.00	$1,555,975.00	$11,080,975.00
1/1/2036		$1,347,125.00	$1,347,125.00
7/1/2036	$9,405,000.00	$1,347,125.00	$10,752,125.00
1/1/2037		$1,130,625.00	$1,130,625.00
7/1/2037	$8,070,000.00	$1,130,625.00	$9,200,625.00
1/1/2038		$938,875.00	$938,875.00
7/1/2038	$8,820,000.00	$938,875.00	$9,758,875.00
1/1/2039		$728,625.00	$728,625.00
7/1/2039	$7,745,000.00	$728,625.00	$8,473,625.00
1/1/2040		$545,750.00	$545,750.00
7/1/2040	$7,000,000.00	$545,750.00	$7,545,750.00
1/1/2041		$382,000.00	$382,000.00
7/1/2041	$5,240,000.00	$382,000.00	$5,622,000.00
1/1/2042		$254,125.00	$254,125.00
7/1/2042	$3,555,000.00	$254,125.00	$3,809,125.00
1/1/2043		$168,000.00	$168,000.00
7/1/2043	$3,260,000.00	$168,000.00	$3,428,000.00
1/1/2044		$86,500.00	$86,500.00
7/1/2044	$3,460,000.00	$86,500.00	$3,546,500.00
Total	**$200,160,000.00**	**$66,780,993.75**	**$266,940,993.75**

Student Enrollment History and Projections

Projecting and monitoring enrollment data is critical in the development of the District's budget as it helps estimate future year revenue and costs. School funding in Arizona is calculated based on student enrollment in the current school year, and these enrollment projections provide the District with an estimated revenue expectation for the current year budget. Those projections, when analyzed by student characteristics, provide direction on where to target the allocation of resources. Since Kyrene has a long history of analyzing enrollment data, the District is able to identify trends that inform decisions on how to allocate resources district-wide.

The District works with a demographer to help predict future enrollment estimates. This work uses enrollment data based on the 40th day of school and assists with providing school and grade level projections, anticipating staffing resources and budgets for school needs. When analyzing enrollment, variables such as housing and occupancy rates, birth rates and residential development are considered in calculating future year projections. The combination of rolling the student population forward in grades kindergarten through seven, using demographic insights, and factoring in housing occupancy and birth rates allows the District to project the best possible enrollment estimates into the future.

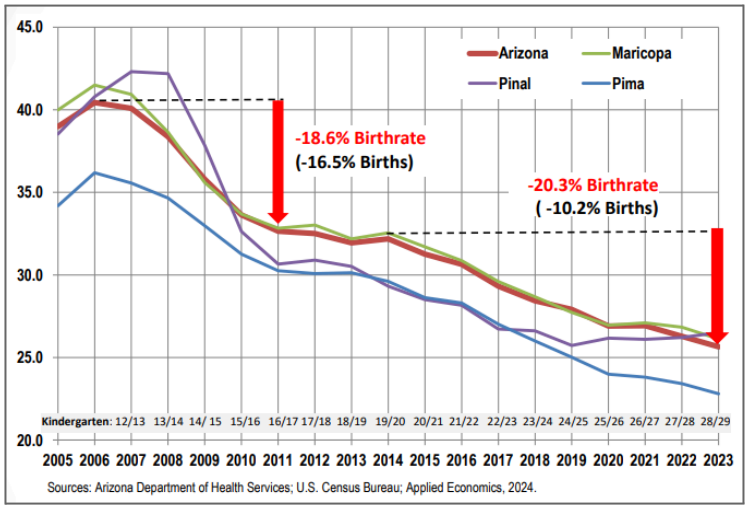
There are several factors that limit Kyrene's opportunity for enrollment growth. The District boundaries are landlocked which restricts the opportunity to increase the overall population residing within Kyrene's boundaries. In addition, the community is aging and remaining in their homes for longer periods of time, which limits the opportunity for families with school-age children to move into the District. Maricopa County has also experienced a decline in overall birth rates, resulting in fewer new incoming kindergarten students each year. The illustrations below show the impact of birth rates and housing demographic changes over time.

Historical Impact of Birth Rates

Birth rates across Arizona and specifically Maricopa County have been declining over time and are anticipated to continue that trend. The graph below shows historical birth rates across the state of Arizona along with the more populous counties that are close to Kyrene. The kindergarten entrance year is also overlaid with the birth rate year, indicating when the District should expect to see lower enrollment in incoming kindergarten classes.

Birth Rate Trends

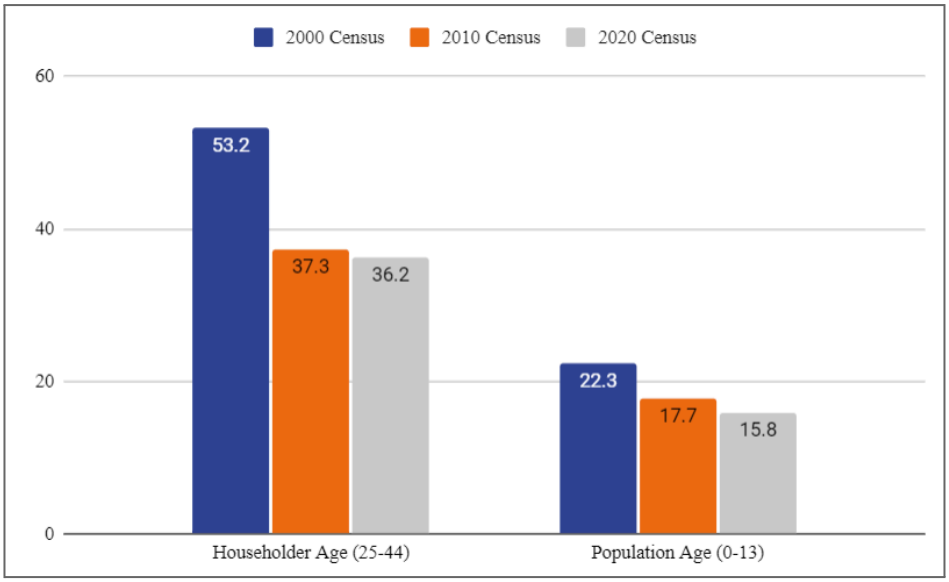
Births per 1,000 people aged 15 to 45



Housing Demographics

Housing demographics also play a role in decreased enrollment across the District. The chart below shows that the overall percentage of homeowners between the ages of 25-44 has dropped from 53.2% to 36.2% over the last 20 years. Likewise, the overall percentage of children in our boundaries between the ages of 0-13 has dropped from 22.3% to 15.8% over that same time period. This data illustrates that households in our boundaries over the last two decades have typically become older and have fewer elementary aged children.

Housing Demographics by Census Year



Supporting Resource: Applied Economics, Demographic and Enrollment Update, Governing Board Presentation, October 22, 2024

District-wide Enrollment

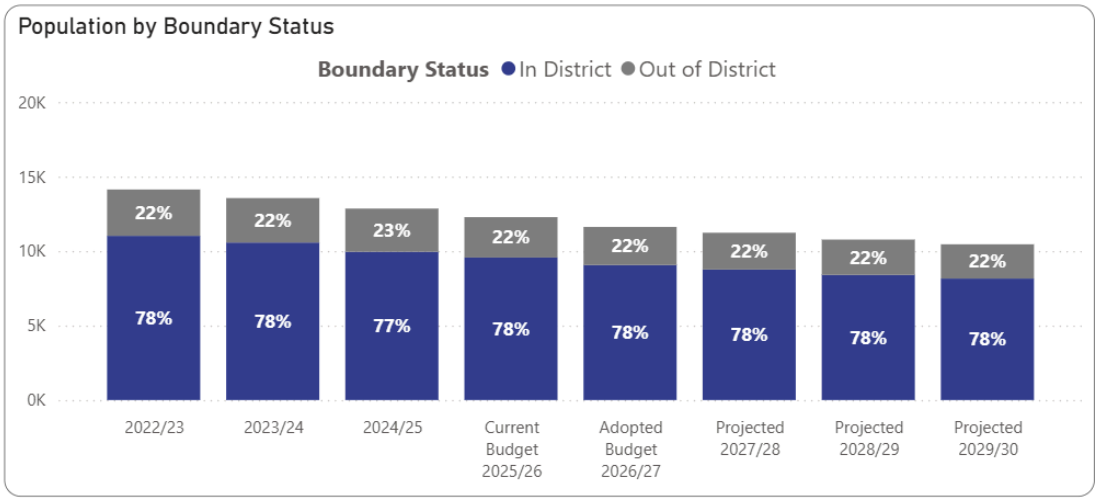
Public school districts are required to accept all children who live within their boundaries. However, state law allows students to apply for admission to any public school, based on available classroom space (A.R.S. §15-816.01). This means students from outside the District boundaries are able to attend Kyrene where space allows.

Kyrene's enrollment consists of students that reside both within and outside District boundaries. Out-of-district (nonresident) students are a significant source of enrollment for Kyrene. Historically, they make up approximately 20% of Kyrene's total enrollment.

A combination of methodologies is used to project future enrollment. The foundation for enrollment is created by rolling the student population forward in grades kindergarten through seven. Estimates for kindergarten are based on birth rates and additional factors such as housing/occupancy rates, household population characteristics and residential development.

The chart titled *Population by Boundary Status by Year,* provides multiple years of enrollment data for grades kindergarten through eight. This data reflects a downward trend in enrollment due to the factors previously mentioned such as being a landlocked district, declining birth rates and limited housing turnover. These factors influence the size of the incoming kindergarten class, which will continue to be lower than the size of the outgoing 8th grade class. Of note, nonresident students have consistently made up about 20% of Kyrene's enrollment, indicating that Kyrene remains a district of choice for families across Arizona.

Population by Boundary Status by Year



School Enrollment

The following table illustrates school-level enrollment over time along with projections for future years. In 2020-21, Kyrene launched a new school for online digital learning (Kyrene Digital Academy), largely in response to the coronavirus pandemic. The Kyrene Digital Academy closed at the end of the 2023-24 school year. At that time, the middle school students who remained in the program were offered online coursework until promoted to high school.

During the 2025-26 school year, the Governing Board approved a plan to close a total of six schools over a two year period. Three schools will close at the end of the 2025-26 school year and include Kyrene de la Colina, Kyrene de la Estrella, and Kyrene de las Manitas. Kyrene Traditional Academy, Pueblo Middle School, and Akimel A-al Middle School will close at the end of the 2026-27 school year. These six schools are included in the enrollment data below for historical comparisons.

Schools by Grades Served	2022/23	2023/24	2024/25	Current Budget 2025/26	Adopted Budget 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30
K-5								
C.I. Waggoner	445	426	407	375	364	338	310	296
Kyrene de la Colina	448	431	394	373	0	0	0	0
Kyrene de la Esperanza	454	404	350	351	665	663	633	599
Kyrene de la Estrella	420	408	383	334	0	0	0	0
Kyrene de la Mariposa	444	440	423	390	353	358	338	323
Kyrene de la Mirada	544	554	524	522	687	626	598	586
Kyrene de la Paloma	491	455	430	397	374	774	723	669
Kyrene de la Sierra	484	478	487	463	582	608	577	541
Kyrene de las Brisas	559	551	528	456	441	407	378	360
Kyrene de las Lomas	439	439	441	416	395	390	377	372
Kyrene de los Cerritos	396	416	382	359	353	364	390	422
Kyrene de los Lagos	498	481	437	408	377	342	341	340
Kyrene de los Ninos	404	373	374	382	387	352	354	356
Kyrene del Cielo	616	621	597	589	559	501	471	458
Kyrene del Milenio	504	469	419	395	553	537	508	493
Kyrene del Norte	478	482	490	474	446	349	326	299
Kyrene Monte Vista	515	500	473	465	446	396	381	382
Total	8,139	7,928	7,539	7,149	6,982	7,005	6,705	6,496
K-8								
Kyrene de las Manitas	403	416	337	283	0	0	0	0
Kyrene Digital Academy	250	155	0	0	0	0	0	0
Kyrene Traditional Academy	588	573	552	525	432	0	0	0
Total	1,241	1,144	889	808	432	0	0	0
6-8								
Akimel A-al Middle School	849	807	799	845	692	0	0	0
Altadena Middle School	963	916	863	780	734	917	888	903
Aprende Middle School	951	847	836	836	856	1,212	1,132	1,060
Centennial Middle School	652	577	586	519	515	902	880	865
Kyrene Middle School	713	733	766	800	870	1,194	1,165	1,128
Pueblo Middle School	621	603	571	539	536	0	0	0
Total	4,749	4,483	4,421	4,319	4,203	4,225	4,065	3,956
Total	**14,129**	**13,555**	**12,849**	**12,276**	**11,617**	**11,230**	**10,770**	**10,452**

[1]Kyrene Traditional Academy began serving grade 6 in 2017-18, grade 7 in 2018-19 and grade 8 in 2019-20. The school is slated to close at the end of the 2026-27 school year. [2]Kyrene de las Manitas began serving grade 6 in 2021-22, grade 7 in 2022-23 and grade 8 in 2023-24. It closed at the end of 2025-26. [3]Full-time online enrollment was moved to Centennial Middle School in 2024-25. [4]Kyrene de la Colina and Kyrene de la Estrella in addition to Kyrene de las Manitas closed at the end of 2025-26. Kyrene Traditional Academy, Pueblo Middle School and Akimel A-al Middle School are closing at the end of 2026-27 school year.

Personnel Data

The table below summarizes personnel by full-time equivalency (FTE) over five years for three employee groups: Certified, Education Support Professionals, and Administrative. School-based positions are allocated using district staffing formulas and other allocations such as class size and case management assignments. Non-school-based positions are finalized during annual budget development in alignment with budget priorities.

Total districtwide staffing has decreased 109.71 FTE over the past five years. This decrease in employee staffing is consistent with Kyrene's commitment to balancing its budget and right-sizing staffing as enrollment changes. Any staffing reductions related to closing the three elementary schools across Kyrene are reflected in the 2026-27 amounts.

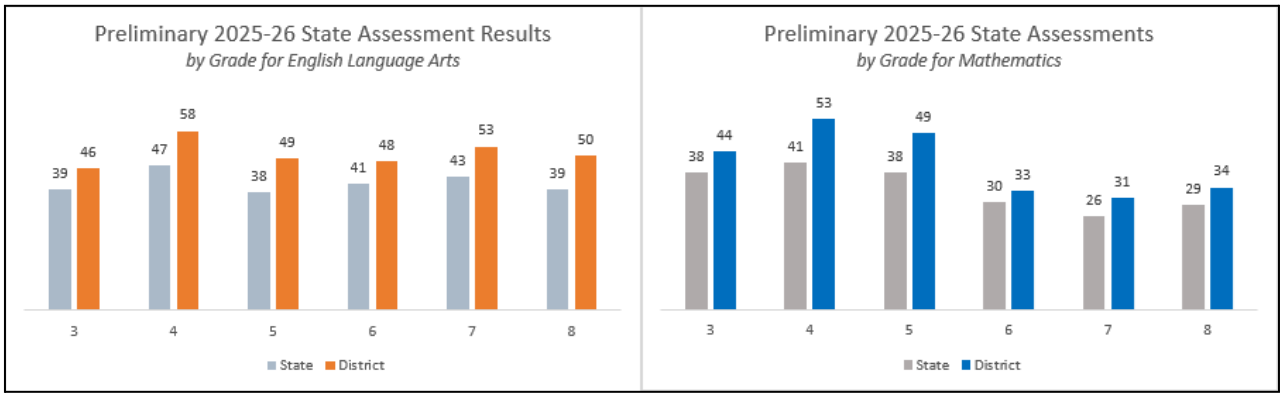
Over the last five years there has been a net increase of almost 20 FTE related to Kyrene’s district-wide Community Education program. These staffing increases are a result of higher student participation in programs that were rebuilt in the years following the COVID-19 pandemic. Because Kyrene’s Community Education programs generate revenue to pay for all employee expenses, this increase in staffing does not create a negative impact on the overall budget.

Category	Position Type	2022-23	2023-24	2024-25	2025-26 Current Budget	2026-27 Adopted Budget
⊟ Certified Employees	Counselor	25.50	23.50	23.00	27.00	24.00
	Physical Therapist/Assistant	1.00	1.00	1.00	2.00	1.50
	Regional Nurse/Lead	6.00	5.60	5.60	4.80	4.80
	Speech Language Pathologist/Assistant	31.55	32.40	33.40	32.95	32.60
	Teacher	874.06	865.40	834.61	791.46	752.15
	Total	**938.11**	**927.90**	**897.61**	**858.21**	**815.05**
⊟ Educational Support Professionals	Administrative- Executive Assistant, Coordinator, Assisitant, Technician, Specialist	164.13	162.63	159.98	156.23	147.35
	Bus Driver Dispatcher/Trainer/Driver/Monitor/FIT	76.25	72.75	76.25	79.25	78.00
	Buyer/Senior	2.00	2.00	2.00	2.00	2.00
	Club Leader	45.95	45.13	50.90	75.35	65.65
	Crossing Guard/Playground/Lunch Duty	29.94	28.88	28.23	28.23	26.38
	Graphic Designer	1.00	1.00	1.00	1.00	0.00
	Health Assistant	26.50	26.50	25.13	25.13	22.13
	Instructional Assistant /Senior/MS ISI	312.21	307.86	328.42	333.02	318.95
	Instructional Support Communication Specialist	3.00	2.00	9.00	8.00	8.88
	Management/Operations Analyst	5.00	9.00	8.00	9.00	10.00
	Materials Processor	4.00	4.00	4.00	3.00	2.00
	Mechanic/Mechanic Lead/Mechanic Technician	4.00	3.00	3.00	3.00	3.00
	Occupational Therapist/Occupational Therapist Assisitant	9.40	9.55	9.55	9.80	10.00
	Printing Assistant/Specialist/Technician	5.00	5.50	7.00	7.00	6.00
	Program Coordinator I,II,III	43.50	45.75	49.50	44.21	45.95
	Program Specialist	0.00	2.00	1.00	1.00	1.00
	Research Analyst	1.00	1.00	1.00	0.00	0.00
	Safety and Security Coordinator	1.00	1.00	1.00	1.00	1.00
	Site Support Technician	25.50	26.50	26.50	26.50	24.50
	Social Worker/Student and Family Support Associate	4.00	3.00	2.00	4.00	2.00
	Warehouse/Garage Supervisor	1.00	1.00	1.00	1.00	1.00
	Total	**764.37**	**760.04**	**794.45**	**817.71**	**775.77**
⊟ Administrative Employees	Assistant Principal/Assistant Director/Program Administrator	25.00	29.00	29.00	30.00	28.00
	Assistant Superintendent/Executive Director/Chief Financial Officer	8.00	8.00	8.00	8.00	9.00
	Director/Principal/Administrator	35.00	39.75	39.75	38.00	35.00
	Program Manager	7.00	5.00	6.00	7.00	7.00
	School Psychologist/Intern	19.00	19.00	19.00	18.00	18.00
	Superintendent	1.00	1.00	1.00	1.00	1.00
	Supervisor	6.05	4.00	4.00	5.00	5.00
	Total	**101.05**	**105.75**	**106.75**	**107.00**	**103.00**
Total		**1,803.53**	**1,793.69**	**1,798.81**	**1,782.92**	**1,693.82**

Student Achievement

Arizona's Academic Standards Assessment (AASA) is the statewide achievement test for Arizona students in Grades 3-8. At the time of this report, only preliminary results aligned to this assessment are available. Illustrated in Chart 1, Kyrene students outperformed grade-level peers across the state. These results are consistent with historical performance trends between Kyrene students and their grade level peers.

Chart 1
Percent of Students Passing AASA



The table below includes three years of state assessment results in the subject areas of English language arts and math for each Kyrene school. Previous year results include both general and alternate assessments, Arizona's Academic Standards Assessment (AASA) and Multi-State Alternate Assessment (MSAA), respectively. These composite results are available after the time of this report, so the Spring 2025-26 percentages are preliminary.

Figure 1
Percent of Students Passing State Assessments by Subject Area

English Language Arts		2023-24 AASA & MSAA	2024-25 AASA & MSAA	2025-26[1] AASA
Grades 3-5	C.I. Waggoner	51%	52%	49%
	Kyrene de la Colina	41%	33%	40%
	Kyrene de la Esperanza	38%	45%	41%
	Kyrene de la Estrella	41%	36%	43%
	Kyrene de la Mariposa	44%	42%	48%
	Kyrene de la Mirada	58%	57%	61%
	Kyrene de la Paloma	50%	47%	54%
	Kyrene de la Sierra	67%	71%	67%
	Kyrene de las Brisas	58%	53%	47%
	Kyrene de las Lomas	34%	34%	40%
	Kyrene de los Cerritos	62%	67%	72%
	Kyrene de los Lagos	64%	64%	66%
	Kyrene de los Ninos	27%	33%	33%
	Kyrene del Cielo	62%	64%	58%
	Kyrene del Milenio	30%	35%	33%
	Kyrene del Norte	54%	55%	63%
	Kyrene Monte Vista	67%	69%	63%
Grades 3-8	Kyrene de las Manitas	38%	38%	30%
	Kyrene Digital Academy	45%	n/a	n/a
	Kyrene Traditional Academy	49%	53%	43%
Grades 6-8	Akimel A-al Middle School	49%	47%	48%
	Altadena Middle School	64%	67%	64%
	Aprende Middle School	51%	52%	62%
	Centennial Middle School	30%	31%	29%
	Kyrene Middle School	41%	43%	42%
	Pueblo Middle School	47%	51%	52%
All Grades	Kyrene Elementary District	49%	50%	51%

Math		2023-24 AASA & MSAA	2024-25 AASA & MSAA	2025-26[1] AASA
Grades 3-5	C.I. Waggoner	47%	53%	41%
	Kyrene de la Colina	39%	33%	33%
	Kyrene de la Esperanza	36%	40%	40%
	Kyrene de la Estrella	37%	35%	43%
	Kyrene de la Mariposa	45%	40%	49%
	Kyrene de la Mirada	53%	61%	61%
	Kyrene de la Paloma	39%	49%	47%
	Kyrene de la Sierra	60%	67%	64%
	Kyrene de las Brisas	50%	49%	37%
	Kyrene de las Lomas	29%	33%	30%
	Kyrene de los Cerritos	64%	76%	75%
	Kyrene de los Lagos	62%	70%	66%
	Kyrene de los Ninos	29%	32%	33%
	Kyrene del Cielo	63%	69%	62%
	Kyrene del Milenio	38%	39%	37%
	Kyrene del Norte	51%	52%	51%
	Kyrene Monte Vista	64%	70%	60%
Grades 3-8	Kyrene de las Manitas	27%	22%	21%
	Kyrene Digital Academy	19%	n/a	n/a
	Kyrene Traditional Academy	45%	43%	38%
Grades 6-8	Akimel A-al Middle School	33%	35%	34%
	Altadena Middle School	50%	48%	47%
	Aprende Middle School	36%	37%	39%
	Centennial Middle School	24%	22%	20%
	Kyrene Middle School	26%	22%	20%
	Pueblo Middle School	30%	27%	34%
All Grades	Kyrene Elementary District	41%	42%	40%

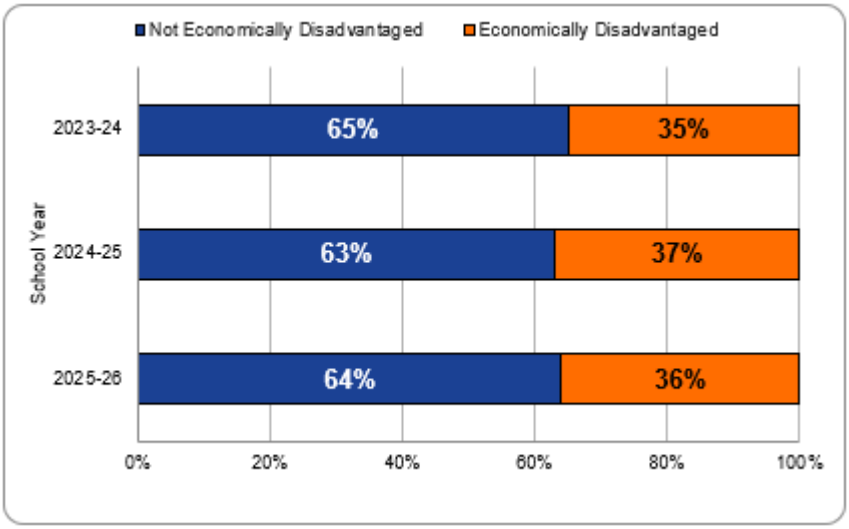
[1] *At the time of this report, Spring 2026 results are preliminary. They only include AASA results. Previous year results include general and alternate assessment results combined.*

[2] *Kyrene Digital Academy closed at the end of the 2023-24 school year.*

Free or Reduced-Price Meals

Chart 2 illustrates the percentage of students who are economically disadvantaged, as measured by the percentage of students who receive free or reduced-price meals as of the 100th Day of the school year.

Chart 2: Percent of Students Receiving Free or Reduced Lunch Meals by Year



Glossary of Commonly Used Terms

Accrual Basis: Governmental accounting method where districts recognize increases and decreases in economic resources as soon as the underlying transaction or event occurs. Revenues are recognized when they are earned, and expenses are recognized as soon as a liability is incurred, regardless of the timing of the related cash inflows and outflows.

Amortization: The process of systematically reducing debt through regular payments that cover both principal and interest.

Annual Comprehensive Financial Report (ACFR): A set of U.S. government financial statements comprising the financial report of a state, municipal or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB).

Arizona's Academic Standards Assessment (AASA): The annual statewide achievement test for students in grades 3-8, measuring English Language Arts (ELA) and Mathematics skills aligned with Arizona's academic standards.

Arizona Department of Education (ADE): This agency, operating under the direction of the Superintendent of Public Instruction, provides direct services to school districts. The agency executes the policies of the State Board of Education and the State Board of Vocational and Technological Education – implementing state academic standards, administering statewide assessments, disseminating information, administering and allocating federal and state funds and providing program improvement assistance to schools and districts.

Arizona Revised Statutes (A.R.S.): The name given to the statutory laws in the state of Arizona.

Arizona State Retirement System (ASRS): The ASRS is a state agency that administers a pension plan, long term disability plan, retiree health insurance plans and other benefits to qualified government workers.

Average Daily Membership (ADM): A method of counting the number of enrolled students based upon the first 100 school days in session. ADM is a key component in the Arizona school finance funding formula.

Balanced Budget: The budget is considered balanced when total expenditures are equal to or less than total revenues. The District also considers the budget to be balanced in instances when fund balances from previous years are spent on one-time or non-routine expenditures.

Bond: A promise to pay a specified sum of money (called the principal) at a specified date in the future, together with periodic interest at a specified rate. Bonds are debt securities issued to finance capital related purchases and projects.

Budget: A financial plan for a defined period (often one year) that includes estimates of revenues and expenditures.

Capital Expenditure: An expenditure intended to benefit future periods. Generally, this includes the acquisition of or improvement to land, buildings, or equipment.

Capital Projects Funds: Capital projects funds account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays.

Debt Service Funds: Debt service funds account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

District Additional Assistance (DAA): The amount of capital funding provided by the state and is calculated by multiplying the state approved funding level by the unweighted actual student count (based on the 100th day from the prior year).

Education Support Professionals (ESP): School district employees who are not included as part of the Certified or Administrative employee categories.

Empowerment Scholarship Account (ESA): Based on approved legislation, an account administered by the Arizona Department of Education and funded by state tax dollars to provide money for students to attend non-public school options, including private schools.

Energy Management System (EMS): A combination of hardware and software tools that monitor, analyze, and optimize the generation, storage, and consumption of energy across a facility, building, or electrical grid.

E-Rate: Federal program that reimburses school districts for network infrastructure, broadband, and telecommunications upgrades such as switches, routers, fiber optics, access points and ethernet cabling.

ESSER: Elementary and Secondary School Emergency Relief federal one-time funding for local areas to address recovery efforts in response to the COVID-19 pandemic.

Fiduciary Funds: A group of funds that account for assets a district holds in a trustee capacity or as an agent for individuals, private organizations, and other governmental entities and which therefore may not be used to support the district's own programs.

Full Cash Value: Statutorily defined to mean "the value determined as prescribed by statute," or if a statutory method is not prescribed it is synonymous with market value, meaning that the estimated value is derived annually by using standard appraisal methods and techniques.

Full Time Equivalent (FTE): A number derived by dividing the amount of actual employed time in a position by the amount of time required in a full-time position.

Function: Method of classifying expenditures that describe the activity for which a service is acquired or an expenditure is made.

Fund: A grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

Fund Balance: The difference between total fund assets and deferred outflows of resources and total fund liabilities and deferred inflows of resources of governmental funds.

General Fund: The General Fund accounts for and reports all financial resources of a district except those required to be accounted for and reported in another fund.

Governing Board: The governing body of a school district in Arizona, whose members are elected by voters within the school district.

Governmental Accounting Standards Board (GASB): An independent, private-sector organization that sets accounting and financial reporting standards for U.S. state and local governments.

Governmental Fund: A group of funds that account for most of a district's financial resources based on the purposes for which these resources may or must be used. Governmental funds are classified into four fund types: general, special revenue, capital projects and debt service.

HVAC: Stands for heating, ventilation and air conditioning and refers to the systems that regulate the temperature and air systems within a building.

IDEA Part B: Federal funding to provide services to children with disabilities under the Individuals with Disabilities Education Act (IDEA).

Language Essentials for Teachers of Reading and Spelling (LETRS): A comprehensive professional learning program designed to provide early childhood and elementary educators, as well as administrators, with deep knowledge to be literacy and language experts in the science of reading, and meets Arizona's requirement to hold a K-5 literacy endorsement.

Limited Property Value: Property value determined pursuant to the Arizona Constitution and the Arizona Revised Statutes, which limits the value of the property used for tax purposes each year to 5% growth, up to the full cash value of the property.

Maintenance and Operations (M&O): The largest fund within the General Fund type that is used to fund most of the operational day-to-day activities to run a school district. Typically, this includes costs to support regular education, special education and transportation.

Modified Accrual Basis: Government accounting method where revenue is recognized when it becomes measurable and available to finance expenditures of the current period. Expenditures are typically recognized in the period in which the liability is incurred.

Multi-State Alternate Assessment (MSAA): A comprehensive assessment system designed for students with significant cognitive disabilities in grades 3-8 and 11. It measures English Language Arts (ELA) and Mathematics skills, and Science for grades 5, 8, and 11, aligning with Arizona's content standards.

Object: Method of classifying expenditures at the most detailed level and describes the service or material obtained as the result of a specific expenditure.

Other Post-Employment Benefits (OPEB): Non-pension benefits provided by employers to retired workers.

Primary Taxes: Per state statute, taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the state of Arizona.

Program: Method of classifying expenditures for activities designed to achieve a specific goal or set of objectives.

Prop 123: The lawsuit settlement over Arizona state inflationary funding that was passed by voters in May 2016 to increase school funding for a ten-year period.

Prop 301: The legislative initiative that created the Classroom Site Fund as defined in A.R.S. §15-977. Funding for the Classroom Site Fund is based on a 0.6% sales tax with the proceeds to be used for public education and increasing teacher salaries.

Proprietary Funds: A group of funds that account for the district's ongoing activities that are financed and operated in a manner similar to private business enterprises.

Qualifying Tax Rate (QTR): The annual statewide property tax rate calculated to determine the local tax levy before a district is eligible for equalization assistance.

Revenue Control Limit (RCL): A budgeted spending limit that is based on state determined funding and calculated by adding the base support level plus the transportation revenue control limit.

School Facilities Division (SFD): The agency in Arizona designated to oversee the capital needs of K-12 school districts and administer related funding.

Secondary Taxes: Per state statute, taxes levied for payments of voter-approved bonds and voter-approved budget overrides.

Special Revenue Funds: The grouping of funds that account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

STEM: The areas of educational coursework that include science, technology, engineering and mathematics.

Students FIRST: Students FIRST (Fair and Immediate Resources for Students Today) is a capital finance program funded by appropriations from the state General Fund. The program is administered by the School Facilities Division and is charged with administration of three capital funds: building renewal, deficiencies corrections and new school facilities.

Title Funding: Federal supplemental funding to support the base educational model. Funds can be used for instructional staffing to support programs, materials, supplies or training.

Title 15: A compilation of selected education laws passed by the Arizona Legislature.

Uniform System of Financial Records (USFR): A publication that is a joint responsibility of the Arizona Auditor General and Arizona Department of Education. This document interprets Arizona Title 15 and contains the guidelines and directions by which Arizona schools must financially comply.

Unit: Method of classifying expenditures by a location or separate level.

Zero-Based Budgeting: A method used in building and developing annual budgets where the expenditures for each operational area begins at zero, and any proposed expenditure must be reviewed, justified and approved each year.

Kyrene School District
8700 South Kyrene Road
Tempe, AZ 85284
www.kyrene.org