
KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017



KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28

TEMPE, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Issued by:
Business and Finance Department

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	1
ASBO Certificate of Excellence	5
GFOA Certificate of Achievement	6
Organizational Chart	7
List of Principal Officials	8
 <u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR’S REPORT	11
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)	15
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	28
Statement of Activities	29
Fund Financial Statements:	
Balance Sheet – Governmental Funds	32
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	35
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	36
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	38
Statement of Net Position – Proprietary Funds	39
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	40

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
BASIC FINANCIAL STATEMENTS	
Statement of Cash Flows – Proprietary Funds	41
Statement of Assets and Liabilities – Fiduciary Fund	42
Notes to Financial Statements	43
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	69
Schedule of Proportionate Share of the Net Pension Liability	70
Schedule of Contributions	70
Notes to Required Supplementary Information	71
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds – By Fund Type	77
Special Revenue Funds:	
Combining Balance Sheet	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	86
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	92

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	110
Capital Projects Funds:	
Combining Balance Sheet	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	114
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	116
Internal Service Funds:	
Combining Statement of Net Position	124
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	126
Combining Statement of Cash Flows	128
Agency Fund:	
Statement of Changes in Assets and Liabilities	133
<u>STATISTICAL SECTION</u>	
Financial Trends:	
Net Position by Component	137
Expenses, Program Revenues, and Net (Expense)/Revenue	138
General Revenues and Total Changes in Net Position	140
Fund Balances – Governmental Funds	142
Governmental Funds Revenues	144

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28

TABLE OF CONTENTS

<u>STATISTICAL SECTION</u>	<u>Page</u>
Governmental Funds Expenditures and Debt Service Ratio	146
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	148
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	149
Net Full Cash Assessed Value of Taxable Property by Class	150
Property Tax Assessment Ratios	151
Direct and Overlapping Property Tax Rates	152
Principal Property Taxpayers	153
Property Tax Levies and Collections	154
Debt Capacity:	
Outstanding Debt by Type	155
Direct and Overlapping Governmental Activities Debt	156
Direct and Overlapping General Bonded Debt Ratios	156
Legal Debt Margin Information	157
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	158
Principal Employers	159
Operating Information:	
Full-Time Equivalent District Employees by Type	160
Operating Statistics	162
Capital Assets Information	163

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INTRODUCTORY SECTION

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Middle Schools

Akimel A-al
Altadena
Aprende
Centennial
Kyrene
Pueblo

January 25, 2018

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

Elementary Schools

Brisas
Cerritos
Cielo
Colina
Esperanza
Estrella
Lagos
Lomas
Manitas
Mariposa
Milenio
Mirada
Monte Vista
Niños
Norte
Paloma
Sierra
KTA - Sureño
C.I. Waggoner

Administration

Jan Vesely, Ed.D.
Superintendent

Mark Knight, Ph.D.
Assistant Superintendent

Laura Toenjes, M.A. Ed
Assistant Superintendent

Susie Ostmeyer, Ph.D.
*Chief Information and
Accountability Officer*

Chris Herrmann
Chief Financial Officer

Governing Board

Bernadette Coggins
Michelle Fahy
John King
Kristin Middleton
Michael Myrick

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Kyrene Elementary School District No. 28 (District) for the fiscal year ended June 30, 2017.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the

District's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE DISTRICT

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from preschool through grade eight, with an estimated current enrollment of 17,400 students.

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

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy. The economy of the District is reflective of that of Tempe, Chandler and Phoenix. The statistical section of this report has information respective of those cities. Residents within the District boundaries have access to numerous employers outside the aforementioned cities but within Maricopa County.

Long-term Financial Planning. The District has a conservative strategy that helps minimize the impact during an economic downturn. This has allowed Kyrene to keep all 25 schools open and continue offering all of our great programs to our families throughout economic downturns. The District accomplishes this by prudent cost controls, realistic enrollment forecasting, and appropriate use of reserve funds. The reserve funds primarily consists of cash based funds that generate revenue in excess of their costs such as Community School or Civic Center. The District utilizes the reserves to minimize the impact of financial cuts made by the State during a down economy and will invest the funds to yield greater returns during a growing economy.

The District has also put strategies into place to stabilize its enrollment. As projected by the District's contracted demographer, the District's community has become built out and the In-District population is aging out of the elementary grades. This has caused the District to face declining enrollment in recent years and projected slight enrollment declines in the upcoming years. However, the District has implemented more Schools of Choice that have attracted enrollment from outside the District's boundary. The result has shown success by stabilizing enrollment numbers over the past couple of years. The District now has an established Traditional Academy, Leadership Academy, Prep Academy and Dual Language Academy. The District has also launched a second Dual Language Academy and Leadership Academy due to the overwhelming demand. The District now has an established K-6 Traditional Academy, two Leader in Me Schools, two Dual Language Academies, a Performing Arts Academy and an International Baccalaureate Candidacy Academy.

The District has demonstrated their commitment to providing a quality education for their students by offering a free Full Day Kindergarten program despite the State's choice to no longer provide funding for Full Day Kindergarten. The success of this program is evident since the District had every student meet the new Move On When Reading standards resulting in no students being held back.

AWARDS AND ACKNOWLEDGMENTS

Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting and the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for comprehensive annual financial reports for the year ended June 30, 2016. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2017 certificates.

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

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

Respectfully submitted,



Dr. Jan Vesely
Superintendent



Chris Herrmann
Chief Financial Officer



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Kyrene Elementary School District No. 28

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, reading 'Anthony N. Dragona'.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE
Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Kyrene Elementary School District
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive, flowing style.

Executive Director/CEO



Governing Board and District Administration
2017-2018 Academic Year



KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

John King, President

Kristin Middleton, Vice President

Bernadette Coggins, Member

Michelle Fahy, Member

Michael Myrick, Member

ADMINISTRATIVE STAFF

Dr. Jan Vesely, Superintendent

Dr. Mark Knight, Assistant Superintendent

Chris Herrmann, Chief Financial Officer

Laura Toenjes, Assistant Superintendent

Dr. Susie Ostmeyer, Chief Information and Accountability Officer

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Kyrene Elementary School District No. 28

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kyrene Elementary School District No. 28 (District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Kyrene Elementary School District No. 28, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Introductory Section, Combining and Individual Fund Financial Statements and Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Financial Statements and Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2018, on our consideration of Kyrene Elementary School District No. 28's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kyrene Elementary School District No. 28's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
January 25, 2018

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

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**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

As management of the Kyrene Elementary School District No. 28 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2017. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities decreased \$6.8 million which represents a 15 percent decrease from the prior fiscal year.
- General revenues accounted for \$136.3 million in revenue, or 85 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$24.1 million or 15 percent of total current fiscal year revenues.
- The District had approximately \$167.2 million in expenses related to governmental activities, an increase of 10 percent from the prior fiscal year.
- Among major funds, the General Fund had \$99.6 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$103.5 million in expenditures. The General Fund's fund balance decreased from \$22.6 million at the prior fiscal year end to \$20.3 million at the end of the current fiscal year.
- The Debt Service Fund had \$22.3 million in revenues and \$20.4 million in expenditures. The Debt Service Fund's fund balance increased \$10.9 million due to an increase in property taxes as a result of an increase in the secondary property tax rate and as a result of the issuance of crossover refunding bonds.
- The Bond Building Fund's fund balance increased \$14.2 million due to the issuance of school improvement bonds.
- Net position for the Internal Service Funds decreased \$4.2 million from the prior fiscal year. Operating expenses of \$19.0 million exceeded operating revenues of \$14.8 million at the end of the current fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

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

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Due to their custodial nature, fiduciary funds do not have a measurement focus.

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

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

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$38.4 million at the current fiscal year end.

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

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2017 and June 30, 2016.

	As of June 30, 2017	As of June 30, 2016
Current and other assets	\$ 137,172,270	\$ 118,521,375
Capital assets, net	258,102,939	256,075,969
Total assets	<u>395,275,209</u>	<u>374,597,344</u>
Deferred outflows	<u>28,975,730</u>	<u>18,332,513</u>
Current liabilities	18,379,095	14,940,251
Long-term liabilities	346,625,212	321,589,373
Total liabilities	<u>365,004,307</u>	<u>336,529,624</u>
Deferred inflows	<u>20,835,792</u>	<u>11,187,625</u>
Net position:		
Net investment in capital assets	106,426,708	108,943,728
Restricted	36,150,556	28,705,673
Unrestricted	(104,166,424)	(92,436,793)
Total net position	<u>\$ 38,410,840</u>	<u>\$ 45,212,608</u>

At the end of the current fiscal year the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission, reported a deficit of \$104.2 million. The deficit arose due to the District's proportionate share of the state pension plan's unfunded liability. The same situation held true for the prior fiscal year.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

- The addition of \$17.8 million in capital assets through school improvements and the purchase of vehicles, furniture and equipment.
- The addition of \$15.8 million in accumulated depreciation due to the current year depreciation expense.
- The decrease of \$2.3 million in pension liabilities.
- The principal retirement of \$11.8 million of bonds.
- The issuance of \$32.0 million in school improvement bonds.
- The issuance of \$24.8 million in refunding crossover bonds.

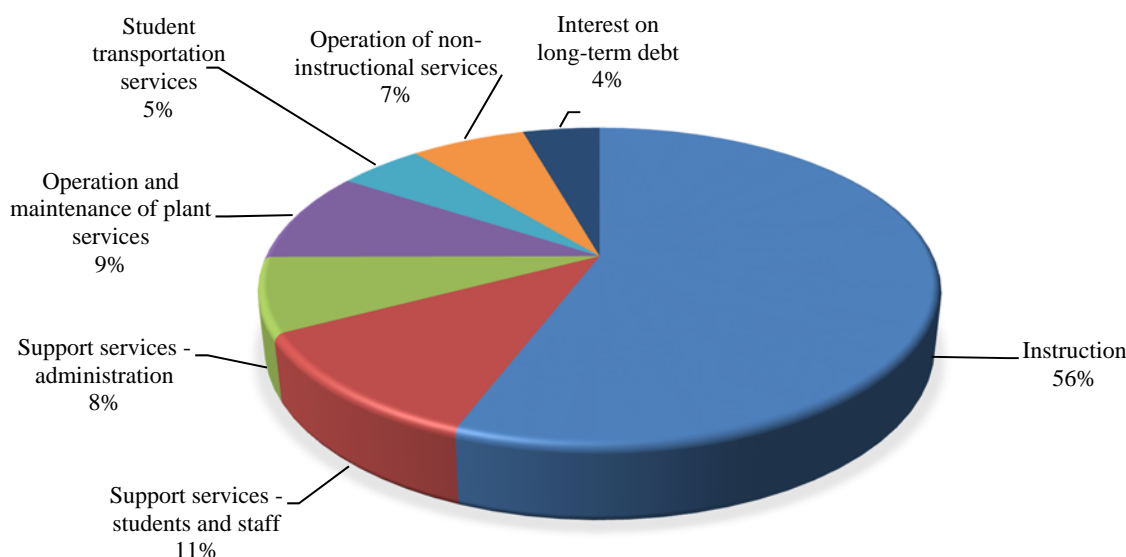
Changes in net position. The District's total revenues for the current fiscal year were \$160.4 million. The total cost of all programs and services was \$167.2 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2017 and June 30, 2016.

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>
Revenues:		
Program revenues:		
Charges for services	\$ 13,770,241	\$ 13,484,465
Operating grants and contributions	10,367,665	10,087,362
General revenues:		
Property taxes	75,783,687	64,507,306
Investment income	616,662	540,339
Unrestricted county aid	4,341,246	4,376,677
Unrestricted state aid	54,946,955	55,845,262
Unrestricted federal aid	609,247	470,860
Total revenues	<u>160,435,703</u>	<u>149,312,271</u>
Expenses:		
Instruction	93,265,995	82,271,525
Support services – students and staff	19,164,537	17,787,181
Support services – administration	12,767,901	11,814,132
Operation and maintenance of plant services	15,471,919	14,566,646
Student transportation services	8,099,841	7,147,466
Operation of non-instructional services	10,985,302	10,252,874
Interest on long-term debt	7,481,976	7,945,137
Total expenses	<u>167,237,471</u>	<u>151,784,961</u>
Changes in net position	<u>(6,801,768)</u>	<u>(2,472,690)</u>
Net position, beginning	<u>45,212,608</u>	<u>47,685,298</u>
Net position, ending	<u>\$ 38,410,840</u>	<u>\$ 45,212,608</u>

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Expenses - Fiscal Year 2017



The following is a significant current year transaction that has had an impact on the change in net position.

- The \$11.3 million increase in property taxes due to an increase in the primary and secondary property tax rates.
- The \$11.0 million increase in instruction expenses due to an increase in teacher salaries and benefits, textbooks, classroom furniture, and classroom technology.
- The \$1.4 million increase in support services – students and staff expenses due to an increase in staff salaries and benefits.

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

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2017		Year Ended June 30, 2016	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 93,265,995	\$ (86,274,189)	\$ 82,271,525	\$ (75,656,269)
Support services – students and staff	19,164,537	(15,526,172)	17,787,181	(14,207,816)
Support services – administration	12,767,901	(11,326,284)	11,814,132	(10,180,273)
Operation and maintenance of plant services	15,471,919	(14,957,085)	14,566,646	(14,109,258)
Student transportation services	8,099,841	(7,563,682)	7,147,466	(6,587,995)
Operation of non-instructional services	10,985,302	(702,556)	10,252,874	(304,497)
Interest on long-term debt	7,481,976	(6,749,597)	7,945,137	(7,167,026)
Total	<u>\$167,237,471</u>	<u>\$(143,099,565)</u>	<u>\$ 151,784,961</u>	<u>\$(128,213,134)</u>

- The cost of all governmental activities this year was \$167.2 million.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$24.1 million.
- Net cost of governmental activities of \$143.1 million was financed by general revenues, which are made up of primarily property taxes of \$75.8 million and unrestricted state aid of \$54.9 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$100.1 million, an increase of \$22.5 million primarily due to the issuance of school improvement and crossover refunding bonds.

The General Fund comprises 20 percent of the total fund balance. Approximately \$17.4 million or 86 percent of the General Fund's fund balance is unassigned.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$2.3 million to \$20.3 million of fiscal year end was primarily due to an increase in instruction expenditures as a result of an increase in teacher salaries and benefits.

The Debt Service Fund had \$22.3 million in current fiscal year revenues and \$20.4 million in expenditures. The Debt Service Fund's fund balance increased from \$1.8 million as of prior fiscal year end to \$12.7 million as of the current fiscal year end primarily due to increased property tax revenue resulting from an increase in the secondary property tax rate and the issuance of crossover refunding bonds.

The fund balance in the Bond Building Fund increased \$14.2 million to \$46.0 million as of year end primarily due to the issuance of bonds.

Proprietary funds. Unrestricted net position of the Internal Service Funds at the end of the fiscal year amounted to \$8.5 million, which is consistent with the District's reserve policy. Operating expenses of \$19.0 million exceeded operating revenues of \$14.8 million.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$762,133 increase or one percent.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant variances are summarized as follows:

- The favorable variance of \$9.9 million in instruction was a result of budgeting to maximize the budget carryforward to provide capacity in future years for contingencies.
- The favorable variance of \$814,641 in operation and maintenance of plant services primarily due to unfilled positions and a decrease in purchased services, repairs and other outside services.
- The favorable variance of \$893,810 in student transportation services as a result of decreased fuel costs from the purchase of more fuel efficient buses.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$453.8 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$16.4 million from the prior fiscal year primarily due to school improvements and the purchase of vehicles, furniture and equipment. Total depreciation expense for the current fiscal year was \$15.8 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2017 and June 30, 2016.

	As of <u>June 30, 2017</u>	As of <u>June 30, 2016</u>
Capital assets – non-depreciable	\$ 34,446,272	\$ 31,050,448
Capital assets – depreciable, net	223,656,667	225,025,521
Total	<u>\$ 258,102,939</u>	<u>\$ 256,075,969</u>

The estimated cost to complete current construction projects is \$1.6 million.

Additional information on the District's capital assets can be found in Note 6.

Debt Administration. At year end, the District had \$209.8 million in long-term debt outstanding, \$6.5 million due within one year. Long-term debt increased by \$27.8 million.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the total net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$341.4 million and the current Class B debt limit for the District is \$227.6 million which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 7 through 9.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Many factors were considered by the District's administration during the process of developing the fiscal year 2017-18 budget. Among them:

- Fiscal year 2016-17 budget balance carryforward (estimated \$11.1 million).
- District student population (estimated 15,766).

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

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Budgeted expenditures in the General Fund decreased less than one percent to \$106.7 million in fiscal year 2017-18.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 106,688,232
Property taxes receivable	3,889,352
Accounts receivable	321,363
Due from governmental entities	16,594,215
Prepaid items	1,102,313
Inventory	249,460
Total current assets	<u>128,844,935</u>
Noncurrent assets:	
Restricted cash and investments	8,327,335
Capital assets not being depreciated	34,446,272
Capital assets, net of accumulated depreciation	<u>223,656,667</u>
Total noncurrent assets	<u>266,430,274</u>
Total assets	<u>395,275,209</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding	3,629,553
Pension plan items	<u>25,346,177</u>
Total deferred outflows of resources	<u>28,975,730</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	5,338,012
Construction contracts payable	5,349,786
Claims payable	1,637,000
Accrued payroll and employee benefits	1,368,924
Compensated absences payable	2,000,000
Accrued interest payable	4,683,892
Unearned revenues	1,481
Obligations under capital leases	42,780
Bonds payable	<u>6,420,000</u>
Total current liabilities	<u>26,841,875</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>338,162,432</u>
Total noncurrent liabilities	<u>338,162,432</u>
Total liabilities	<u>365,004,307</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	<u>20,835,792</u>
<u>NET POSITION</u>	
Net investment in capital assets	106,426,708
Restricted for:	
Voter approved initiatives	9,535,524
Federal and state projects	172,262
Food service	1,670,304
School plant	1,547,193
Community school	2,237,020
Civic center	709,085
Extracurricular activities fees tax credit	863,789
Other local initiatives	853,302
Debt service	12,842,513
Capital outlay	5,719,564
Unrestricted	<u>(104,166,424)</u>
Total net position	<u>\$ 38,410,840</u>

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	\$ 93,265,995	\$ 2,563,576	\$ 4,428,230	\$ (86,274,189)
Support services - students and staff	19,164,537	2,074,325	1,564,040	(15,526,172)
Support services - administration	12,767,901	1,383,310	58,307	(11,326,284)
Operation and maintenance of plant services	15,471,919	514,834		(14,957,085)
Student transportation services	8,099,841		536,159	(7,563,682)
Operation of non-instructional services	10,985,302	7,234,196	3,048,550	(702,556)
Interest on long-term debt	7,481,976		732,379	(6,749,597)
Total governmental activities	<u>\$ 167,237,471</u>	<u>\$ 13,770,241</u>	<u>\$ 10,367,665</u>	<u>(143,099,565)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	46,546,960
Property taxes, levied for debt service	21,647,698
Property taxes, levied for capital outlay	7,589,029
Investment income	616,662
Unrestricted county aid	4,341,246
Unrestricted state aid	54,946,955
Unrestricted federal aid	609,247
Total general revenues	<u>136,297,797</u>

Changes in net position (6,801,768)

Net position, beginning of year 45,212,608

Net position, end of year \$ 38,410,840

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

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FUND FINANCIAL STATEMENTS

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
<u>ASSETS</u>			
Cash and investments	\$ 6,933,311	\$ 15,386,756	\$ 51,316,050
Property taxes receivable	3,490,400	232,314	
Due from governmental entities	15,724,439		
Due from other funds	446,087		
Prepaid items	1,102,313		
Inventory	238,357		
Restricted cash and investments		8,327,335	
Total assets	<u><u>\$ 27,934,907</u></u>	<u><u>\$ 23,946,405</u></u>	<u><u>\$ 51,316,050</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 3,382,026	\$	\$
Construction contracts payable			5,277,452
Due to other funds			
Accrued payroll and employee benefits	849,813		
Unearned revenues			
Bonds payable		6,420,000	
Bond interest payable		4,683,892	
Total liabilities	<u><u>4,231,839</u></u>	<u><u>11,103,892</u></u>	<u><u>5,277,452</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	3,377,981	178,433	
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	<u><u>3,377,981</u></u>	<u><u>178,433</u></u>	
Fund balances:			
Nonspendable	1,340,670		
Restricted	1,547,193	12,664,080	46,038,598
Unassigned	17,437,224		
Total fund balances	<u><u>20,325,087</u></u>	<u><u>12,664,080</u></u>	<u><u>46,038,598</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 27,934,907</u></u>	<u><u>\$ 23,946,405</u></u>	<u><u>\$ 51,316,050</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 22,908,470	\$ 96,544,587
166,638	3,889,352
732,875	16,457,314
	446,087
	1,102,313
11,103	249,460
	8,327,335
<u>\$ 23,819,086</u>	<u>\$ 127,016,448</u>

\$ 1,425,184	\$ 4,807,210
72,334	5,349,786
446,087	446,087
449,827	1,299,640
1,481	1,481
	6,420,000
	4,683,892
<u>2,394,913</u>	<u>23,008,096</u>

149,032	3,705,446
172,262	172,262
<u>321,294</u>	<u>3,877,708</u>

11,103	1,351,773
21,091,776	81,341,647
	17,437,224
<u>21,102,879</u>	<u>100,130,644</u>

<u>\$ 23,819,086</u>	<u>\$ 127,016,448</u>
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KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total governmental fund balances	\$	100,130,644
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Amounts reported for *governmental activities* in the Statement of Net Position are different because:

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

Governmental capital assets	\$ 453,791,373	
Less accumulated depreciation	<u>(195,688,434)</u>	258,102,939

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

Property taxes	3,705,446	
Intergovernmental	<u>172,262</u>	3,877,708

Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.

3,629,553

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

Deferred outflows of resources related to pensions	25,346,177	
Deferred inflows of resources related to pensions	<u>(20,835,792)</u>	4,510,385

The Internal Service Funds are used by management to charge the cost of services to the individual funds. The assets and liabilities of the Internal Service Funds are included in the Statement of Net Position.

8,364,823

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

Obligations under capital leases	(42,780)	
Compensated absences payable	(6,689,781)	
Net pension liability	(130,157,833)	
Bonds payable	<u>(203,314,818)</u>	<u>(340,205,212)</u>

Net position of governmental activities	\$	<u>38,410,840</u>
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The notes to the basic financial statements are an integral part of this statement.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 4,440,040	\$ 26,052	\$ 327,010
Property taxes	46,669,058	21,574,039	
State aid and grants	47,874,896		
Federal aid, grants and reimbursements	609,247	732,379	
Total revenues	<u>99,593,241</u>	<u>22,332,470</u>	<u>327,010</u>
Expenditures:			
Current -			
Instruction	61,616,258		
Support services - students and staff	13,419,011		
Support services - administration	9,366,167		
Operation and maintenance of plant services	13,998,410		
Student transportation services	4,820,910		
Operation of non-instructional services	24,912		
Capital outlay	211,236		19,766,338
Debt service -			
Principal retirement		11,810,000	
Interest and fiscal charges		8,289,676	
Bond issuance costs		300,322	350,383
Total expenditures	<u>103,456,904</u>	<u>20,399,998</u>	<u>20,116,721</u>
Excess (deficiency) of revenues over expenditures	<u>(3,863,663)</u>	<u>1,932,472</u>	<u>(19,789,711)</u>
Other financing sources (uses):			
Transfer in	368,712	327,010	
Transfer out			(327,010)
Issuance of school improvement bonds			32,025,000
Issuance of refunding bonds		24,810,000	
Premium on sale of bonds		4,355,280	2,270,590
Payment to refunded bond escrow agent		(20,537,623)	
Insurance recoveries	152,798		
Total other financing sources (uses):	<u>521,510</u>	<u>8,954,667</u>	<u>33,968,580</u>
Changes in fund balances	<u>(3,342,153)</u>	<u>10,887,139</u>	<u>14,178,869</u>
Fund balances, beginning of year, as restated	22,619,408	1,776,941	31,859,729
Increase (decrease) in reserve for prepaid items	1,102,313		
Increase (decrease) in reserve for inventory	(54,481)		
Fund balances, end of year	<u>\$ 20,325,087</u>	<u>\$ 12,664,080</u>	<u>\$ 46,038,598</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 14,931,299	\$ 19,724,401
7,566,967	75,810,064
7,722,299	55,597,195
7,823,152	9,164,778
<u>38,043,717</u>	<u>160,296,438</u>
12,451,673	74,067,931
4,662,648	18,081,659
1,938,358	11,304,525
670,721	14,669,131
866,221	5,687,131
10,686,588	10,711,500
6,640,764	26,618,338
	11,810,000
	8,289,676
	650,705
<u>37,916,973</u>	<u>181,890,596</u>
<u>126,744</u>	<u>(21,594,158)</u>
	695,722
(368,712)	(695,722)
	32,025,000
	24,810,000
	6,625,870
	(20,537,623)
	152,798
<u>(368,712)</u>	<u>43,076,045</u>
<u>(241,968)</u>	<u>21,481,887</u>
21,344,847	77,600,925
	1,102,313
	(54,481)
<u>\$ 21,102,879</u>	<u>\$ 100,130,644</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Changes in fund balances - total governmental funds **\$ 21,481,887**

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

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

Expenditures for capitalized assets	\$ 17,797,974	
Less current year depreciation	<u>(15,771,004)</u>	2,026,970

Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.

Issuance of school improvement bonds	(34,295,590)	
Refunding bond transaction	<u>(10,145,280)</u>	(44,440,870)

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

Property taxes	(26,377)	
Intergovernmental	<u>(36,904)</u>	(63,281)

Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		11,810,000
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Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred pension items, is reported as pension expense in the Statement of Activities.

Current year pension contributions	8,610,495	
Pension expense	<u>(5,974,539)</u>	2,635,956

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

Prepaid items	1,102,313	
Inventory	(54,481)	
Deferred charges on issuance of debt	679,468	
Amortization of issuance premium	1,649,175	
Compensated absences	<u>479,330</u>	3,855,805

The Internal Service Funds are used by management to charge the cost of services to the individual funds. The changes in net position of the Internal Service Funds is reported with governmental activities in the Statement of Activities.		<u>(4,108,235)</u>
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Changes in net position in governmental activities **\$ (6,801,768)**

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 10,143,645
Accounts receivable	321,363
Due from governmental entities	136,901
Due from other funds	60,410
Total current assets	<u>10,662,319</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>220,548</u>
Total noncurrent assets	<u>220,548</u>
Total assets	<u><u>10,882,867</u></u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	530,802
Claims payable	1,637,000
Due to other funds	60,410
Accrued payroll and employee benefits	69,284
Obligations under capital leases	<u>42,780</u>
Total current liabilities	<u>2,340,276</u>
Total liabilities	<u><u>2,340,276</u></u>
<u>NET POSITION</u>	
Net investment in capital assets	177,768
Unrestricted	<u>8,364,823</u>
Total net position	<u><u>\$ 8,542,591</u></u>

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities: Internal Service Funds
Operating revenues:	
Contributions	\$ 13,100,603
Charges for services	1,740,358
Total operating revenues	<u>14,840,961</u>
Operating expenses:	
Depreciation	63,972
Claims	14,182,875
Premiums	1,903,540
Administrative fees	1,226,465
Cost of services	1,656,343
Total operating expenses	<u>19,033,195</u>
Operating income (loss)	<u>(4,192,234)</u>
Nonoperating revenues (expenses):	
Investment income	49,748
Interest and fiscal charges	(3,320)
Total nonoperating revenues (expenses)	<u>46,428</u>
Changes in net position	<u>(4,145,806)</u>
Total net position, beginning of year	12,688,397
Total net position, end of year	<u><u>\$ 8,542,591</u></u>

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017

	Governmental Activities: Internal Service Funds
<u>Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from contributions	\$ 12,799,566
Cash received for services	1,744,860
Cash payments to suppliers for goods and services	(4,354,396)
Cash payments for claims	(13,957,875)
	<hr/>
Net cash used for operating activities	(3,767,845)
	<hr/>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(26,401)
Principal paid on long-term debt	(41,152)
Interest paid on long-term debt	(3,320)
	<hr/>
Net cash used for capital and related financing activities	(70,873)
	<hr/>
Cash flows from investing activities:	
Investment income	49,748
	<hr/>
Net cash provided by investing activities	49,748
	<hr/>
Net decrease in cash and cash equivalents	(3,788,970)
	<hr/>
Cash and cash equivalents, beginning of year	13,932,615
	<hr/>
Cash and cash equivalents, end of year	\$ 10,143,645
	<hr/>
<u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</u>	
Operating loss	\$ (4,192,234)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation expense	63,972
Changes in assets and liabilities:	
(Increase) in accounts receivable	(301,037)
(Increase) in due from governmental entities	(36,639)
(Increase) in due from other funds	(11,547)
Increase in accounts payable	435,824
Increase in claims payable	225,000
Increase in due to other funds	11,547
Increase in accrued payroll and employee benefits	37,269
	<hr/>
Total adjustments	424,389
	<hr/>
Net cash used for operating activities	\$ (3,767,845)
	<hr/>

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2017

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 227,675
Total assets	<u>\$ 227,675</u>
<u>LIABILITIES</u>	
Due to student groups	\$ 227,675
Total liabilities	<u>\$ 227,675</u>

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds and the fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District reports the following major governmental funds:

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

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

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

Additionally, the District reports the following fund types:

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

Fiduciary Fund – The Fiduciary Fund is an Agency Fund which accounts for resources held by the District on behalf of others. The Student Activities Fund accounts for monies raised by students to finance student clubs and organizations held by the District as an agent.

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Agency Fund is custodial in nature and does not have a measurement focus and is reported on the accrual basis of accounting. The Agency Fund is reported by fund type.

D. Cash and Investments

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

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

Statute authorizes the District to separately invest monies of the Bond Building and Debt Service Funds in the State Treasurer's investment pools; obligations issued and guaranteed by the United States or any of its agencies or instrumentalities; specified state and local government bonds and notes; and interest bearing savings accounts or certificates of deposit.

Statute authorizes the District to deposit monies of the Auxiliary Operations and Student Activities Funds in bank accounts. Monies in these funds may also be invested. In addition, statute authorizes the District to maintain various bank accounts such as clearing accounts to temporarily deposit receipts before they are transmitted to the County Treasurer; revolving accounts to pay minor disbursements; and withholdings accounts for taxes and employee insurance programs. Some of these bank accounts may be interest bearing.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Statute requires collateral for deposits of Bond Building and Debt Service Funds monies in interest bearing savings accounts and certificates of deposit at 101 percent of all deposits not covered by federal depository insurance.

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

E. Investment Income

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

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

H. Inventory

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

The United States Department of Agriculture (USDA) commodity portion of the food services inventory consists of food donated by the USDA. It is valued at estimated market prices paid by the USDA.

I. Prepaid Items

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

J. Capital Assets

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

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

K. Deferred Outflows/Inflows of Resources

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

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

L. Compensated Absences

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

M. Pensions

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

N. Long-term Obligations

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

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

O. Interfund Activity

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

P. Net Position Flow Assumption

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

Q. Estimates

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

	General Fund	Debt Service Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	\$ 1,102,313	\$	\$	\$ 11,103
Prepaid items	238,357			
Restricted:				
Debt service		12,664,080		
Capital projects				5,233,855
Bond building projects			46,038,598	
Voter approved initiatives				9,535,524
Food service				1,670,304
Civic center				709,085
Community school				2,237,020
Extracurricular activities				863,789
Other purposes	1,547,193			842,199
Unassigned	17,437,224			
Total fund balances	<u>\$ 20,325,087</u>	<u>\$ 12,664,080</u>	<u>\$ 46,038,598</u>	<u>\$ 21,102,879</u>

The District reclassified the activity of the Insurance Proceeds Fund, a non-major governmental fund, to the General Fund based on the provisions of GASB Statement No.54 - *Fund Balance Reporting and Governmental Fund Type Definitions*. The resulting beginning fund balances have been restated from the prior year to reflect the change.

	General Fund	Non-Major Governmental Funds
Fund balance, June 30, 2016, as previously reported	\$ 22,413,345	\$ 21,550,910
Fund reclassification	206,063	(206,063)
Fund balance, July 1, 2016, as restated	<u>\$ 22,619,408</u>	<u>\$ 21,344,847</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

At year end, the District had expenditures in the Debt Service Fund that exceeded the budget, however, this did not constitute a violation of any legal provisions.

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$1,476,623 and the bank balance was \$2,016,391.

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

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

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	457 days	\$105,439,284

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

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

Custodial Credit Risk – Investments. The District's investment in the County Treasurer's investment pool represents a proportionate interest in the pool's portfolio; however, the District's portion is not identified with specific investments and is not subject to custodial credit risk. The District is invested in a treasury money market account through the trust department of U.S. Bank. The money market account has a value of \$8,327,335 at June 30, 2017.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5 – RECEIVABLES

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

	<u>General Fund</u>	<u>Non-Major Governmental and Other Funds</u>
Due from other governmental entities:		
Due from federal government	\$	\$ 675,674
Due from state government	15,724,439	57,201
Net due from governmental entities	<u>\$ 15,724,439</u>	<u>\$ 732,875</u>

NOTE 6 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 25,307,042	\$	\$	\$ 25,307,042
Construction in process	5,743,406	8,632,635	5,236,811	9,139,230
Total capital assets, not being depreciated	<u>31,050,448</u>	<u>8,632,635</u>	<u>5,236,811</u>	<u>34,446,272</u>
Capital assets, being depreciated:				
Land improvements	39,228,500	3,405,557		42,634,057
Buildings and improvements	337,918,900	10,634,914		348,553,814
Vehicles, furniture and equipment	29,210,558	361,679	1,415,007	28,157,230
Total capital assets being depreciated	<u>406,357,958</u>	<u>14,402,150</u>	<u>1,415,007</u>	<u>419,345,101</u>
Less accumulated depreciation for:				
Land improvements	(27,612,214)	(1,124,597)		(28,736,811)
Buildings and improvements	(147,242,377)	(10,020,635)		(157,263,012)
Vehicles, furniture and equipment	(6,477,846)	(4,625,772)	(1,415,007)	(9,688,611)
Total accumulated depreciation	<u>(181,332,437)</u>	<u>(15,771,004)</u>	<u>(1,415,007)</u>	<u>(195,688,434)</u>
Total capital assets, being depreciated, net	<u>225,025,521</u>	<u>(1,368,854)</u>		<u>223,656,667</u>
Governmental activities capital assets, net	<u>\$ 256,075,969</u>	<u>\$ 7,263,781</u>	<u>\$ 5,236,811</u>	<u>\$ 258,102,939</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 12,087,186
Support services – students and staff	49,294
Support services – administration	684,063
Operation and maintenance of plant services	1,315,205
Student transportation services	1,509,120
Operation of non-instructional services	126,136
Total depreciation expense – governmental activities	<u>\$ 15,771,004</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the replacement of cooling towers, remodeling of various schools for security upgrades in each of the lobbies and roof replacements. At year end, the District had spent \$9.1 million on the projects and had estimated remaining contractual commitments of \$1.6 million. These projects are being funded with bond proceeds.

NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES

The District has acquired copiers under the provisions of a long-term lease agreement classified as a capital lease. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the District Services Fund, a proprietary fund, are used to pay the capital lease obligation. Amortization of assets recorded under capital leases is included with depreciation expense.

The assets acquired through capital leases that meet the District’s capitalization threshold are as follows:

	<u>Governmental Activities</u>
Asset:	
Vehicles, furniture and equipment	\$ 206,068
Less: Accumulated depreciation	123,689
Total	<u>\$ 82,379</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES

The future minimum lease obligations and the net present value of these minimum lease payments at year end were as follows:

Year Ending June 30:	Governmental Activities
2018	\$ 44,472
Total minimum lease payments	44,472
Less: amount representing interest	1,692
Present value of minimum lease payments	42,780
Due within one year	\$ 42,780

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$2.0 million remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. In addition, a portion of the District's school improvement bonds are Qualified Build America Bonds (BABS). The District receives a direct subsidy payment from the United States of America for a portion of the interest due on the bonds.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2017	Due Within One Year
Governmental Activities:					
2005 School Improvement Bonds, Series D (Class B)	\$ 25,000,000	5.00-6.00%	7/1/17-23	\$ 21,170,000	\$ 1,985,000
2005 School Improvement Bonds, Series E (Class B)	22,350,000	4.2-6.00%	7/1/17-28	18,875,000	1,245,000
2010 School Improvement Bonds, Series B (Class B)	40,000,000	3.00-5.50%	7/1/18-30	40,000,000	
2010 School Improvement Bonds, Series C (Class B)	40,000,000	3.00-5.00%	7/1/17-34	38,650,000	
Refunding Bonds, Series 2015	24,120,000	2.00-5.00%	7/1/18-27	24,120,000	
2010 School Improvement Bonds, Series D (Class B)	32,025,000	2.00-4.00%	7/1/17-36	32,025,000	3,000,000
Refunding Bonds, Series 2016A (Class B)	17,450,000	2.00-5.00%	7/1/17-27	17,450,000	190,000
Refunding Bonds, Series 2016B (Class B)	7,360,000	2.50-5.00%	7/1/24-28	7,360,000	
Total				\$ 199,650,000	\$ 6,420,000

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2018	\$ 6,420,000	\$ 8,656,827
2019	10,870,000	8,121,374
2020	9,575,000	7,885,197
2021	10,340,000	7,621,200
2022	10,995,000	7,145,457
2023-27	58,845,000	27,722,958
2028-32	59,865,000	13,133,529
2033-37	32,740,000	2,510,650
Total	<u>\$ 199,650,000</u>	<u>\$ 82,797,192</u>

During the year ended June 30, 2017, the District issued \$17,450,000 in refunding bonds with an effective interest rate of 4.53 percent, to advance refund \$19,020,000 of outstanding general obligation bonds, with an average interest rate of 4.6 percent. The net proceeds of \$20,537,622, which includes \$3,282,063 of bond premium, (after payment of \$194,440 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent, to provide for all future debt service payments of the refunded general obligation bonds. As a result, the refunded general obligation bonds are considered to be defeased, and the liability for those bonds has been removed from the government-wide financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$1,234,845. This amount is reported as deferred charges and amortized over the new debt's life. This advance refunding was undertaken to reduce total debt service payments over the next 10 years by \$2,610,305 and resulted in an economic gain of \$2,248,383.

During the year ended June 30, 2017, the District issued \$7,360,000 in crossover refunding bonds, with an effective interest rate of 3.84 percent, to advance refund \$7,755,000 of outstanding general obligation bonds, with an average interest rate of 6.18 percent. The net proceeds of \$8,327,334, which includes \$1,073,216 of bond premium, (after payment of \$105,882 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent, to provide for all future debt service payments of the refunded general obligation bonds. As a result, the refunded general obligation bonds are considered to be defeased at the crossover date of July 1, 2019, and the liability for those bonds will be removed from the government-wide financial statements. This advance refunding was undertaken to reduce total debt service payments over the next 11 years by \$721,778 and resulted in an economic gain of \$582,715.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year end, \$22,505,000 of defeased bonds are still outstanding.

NOTE 9 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 176,750,000	\$ 56,835,000	\$ 33,935,000	\$ 199,650,000	\$ 6,420,000
Premium	5,108,123	6,625,870	1,649,175	10,084,818	
Total bonds payable	<u>181,858,123</u>	<u>63,460,870</u>	<u>35,584,175</u>	<u>209,734,818</u>	<u>6,420,000</u>
Obligations under capital leases	83,932		41,152	42,780	42,780
Net pension liability	132,478,207		2,320,374	130,157,833	
Compensated absences payable	<u>7,169,111</u>	<u>8,290,857</u>	<u>8,770,187</u>	<u>6,689,781</u>	<u>2,000,000</u>
Governmental activity long-term liabilities	<u><u>\$ 321,589,373</u></u>	<u><u>\$ 71,751,727</u></u>	<u><u>\$ 46,715,888</u></u>	<u><u>\$ 346,625,212</u></u>	<u><u>\$ 8,462,780</u></u>

Typically, General Fund monies have been used to liquidate the pension liability.

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

At year end, several non-major governmental funds had negative cash balances in the Treasurer's pooled cash accounts of \$446,087. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year. In addition, the Intergovernmental Agreements Fund had a negative cash balance of \$60,410 at year end that was reduced by interfund borrowing with the District Services Fund. Both funds were non-major internal services funds.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers:

	Transfers in		
	General	Debt	
Transfers out	Fund	Service	Total
Bond Building Fund	\$	\$ 327,010	\$ 327,010
Non-Major Governmental Funds	368,712		368,712
Total	\$ 368,712	\$ 327,010	\$ 695,722

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

NOTE 11 – CONTINGENT LIABILITIES

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

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 – RISK MANAGEMENT

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

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

The District established the Employee Benefit Trust Fund, an Internal Service Fund, to account for and finance the uninsured risks of loss related to employee health. Under this program, the Fund provides coverage for up to a maximum of \$225,000 for each claim. The Fund purchases commercial insurance for claims in excess of this coverage. Settled claims have not exceeded this coverage in any of the past three fiscal years.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. In addition, the District has a total recommended reserve of \$6.3 million. The fund balance for the Employee Benefit Trust Fund was \$8.5 million at year end.

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

	Year ended June 30, 2017	Year ended June 30, 2016
Claims payable, beginning of year	\$ 1,412,000	\$ 1,132,000
Current year claims and changes in estimates	14,182,875	12,124,721
Claim payments	(13,957,875)	(11,844,721)
Claims payable, end of year	<u>\$ 1,637,000</u>	<u>\$ 1,412,000</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

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

*With actuarially reduced benefits

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2017 were \$8,610,495.

In addition, the District was required by statute to contribute at the actuarially determined rate of 9.47 percent (9.17 for retirement, 0.21 percent for health insurance premium benefit, and 0.09 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS.

The District's contributions for the current and two preceding years for OPEB, all of which were equal to the required contributions, were as follows:

		Health Benefit Supplement Fund	Long-Term Disability Fund
Year ending June 30:			
2017	\$	447,298	\$ 111,825
2016		377,966	90,712
2015		461,885	93,943

Pension Liability. At June 30, 2017, the District reported a liability of \$130.2 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2015, to the measurement date of June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the District's proportion was .81 percent, which was a decrease of more than four percent from its proportion measured as of June 30, 2015.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability of retirement benefits. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. For the year ended June 30, 2017, the District recognized pension expense of \$5,974,539 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 790,961	\$ 8,953,908
Changes of assumptions or other inputs		6,886,389
Net difference between projected and actual earnings on pension plan investments	14,104,777	
Changes in proportion and differences between contributions and proportionate share of contributions	1,839,944	4,995,495
Contributions subsequent to the measurement date	8,610,495	
Total	<u>\$ 25,346,177</u>	<u>\$20,835,792</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2018	\$ (6,849,090)
2019	(6,498,921)
2020	5,292,962
2021	3,954,938

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

Actuarial valuation date	June 30, 2015
Actuarial roll forward date	June 30, 2016
Actuarial cost method	Entry age normal
Investment rate of return	8.0%
Projected salary increases	3.0-6.75%
Inflation	3.0%
Permanent base increases	Included
Mortality rates	1994 GAM Scale BB

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.75 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	58%	6.73%
Fixed income	25	3.70
Real estate	10	4.25
Multi-asset	5	3.41
Commodities	2	3.84
Total	<u>100%</u>	

Discount Rate. The discount rate used to measure the ASRS total pension liability was 8.0 percent, which is less than the long-term expected rate of return of 8.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Proportionate share of the net pension liability	\$165,961,120	\$130,157,833	\$101,451,422

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

NOTE 14 – SUBSEQUENT EVENT

On November 7, 2017, voters authorized the District to issue \$117.0 million of school improvement bonds. The purpose of the bonds is primarily for construction, renovations and improvements of school facilities, buildings and grounds.

On November 7, 2017, voters authorized the District to issue an M&O and a capital override, each for seven years.

On December 21, 2017, the District issued \$25.1 million in refunding bonds and issued \$6.9 million and \$12.4 million in crossover refunding bonds.

REQUIRED SUPPLEMENTARY INFORMATION

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KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 4,381,402	\$ 4,381,402
Property taxes			46,669,058	46,669,058
State aid and grants			47,874,896	47,874,896
Total revenues			<u>98,925,356</u>	<u>98,925,356</u>
Expenditures:				
Current -				
Instruction	67,238,007	66,981,264	57,125,482	9,855,782
Support services - students and staff	13,176,439	13,170,868	12,620,489	550,379
Support services - administration	7,726,626	8,349,209	8,129,343	219,866
Operation and maintenance of plant services	12,970,523	13,364,487	12,549,846	814,641
Student transportation services	5,558,208	5,563,108	4,669,298	893,810
Operation of non-instructional services	44,500	47,500	8,743	38,757
Total expenditures	<u>106,714,303</u>	<u>107,476,436</u>	<u>95,103,201</u>	<u>12,373,235</u>
Changes in fund balances	<u>(106,714,303)</u>	<u>(107,476,436)</u>	<u>3,822,155</u>	<u>111,298,591</u>
Fund balances, beginning of year			9,857,186	9,857,186
Increase (decrease) in reserve for prepaid items			1,102,313	1,102,313
Increase (decrease) in reserve for inventory			(54,481)	(54,481)
Fund balances (deficits), end of year	<u>\$ (106,714,303)</u>	<u>\$ (107,476,436)</u>	<u>\$ 14,727,173</u>	<u>\$ 122,203,609</u>

See accompanying notes to this schedule.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.81%	0.85%	0.82%
District's proportionate share of the net pension liability (asset)	\$ 130,157,833	\$ 132,478,207	\$ 121,650,116
District's covered payroll	\$ 75,593,152	\$ 78,285,620	\$ 79,933,336
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	172.18%	169.22%	152.19%
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%

SCHEDULE OF CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST THREE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 8,610,495	\$ 8,201,857	\$ 8,525,304
Contributions in relation to the actuarially determined contribution	<u>8,610,495</u>	<u>8,201,857</u>	<u>8,525,304</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 79,874,722	\$ 75,593,152	\$ 78,285,620
Contributions as a percentage of covered payroll	10.78%	10.85%	10.89%

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

See accompanying notes to this schedule.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The District budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for the following items.

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.
- Prepaid items are budgeted in the year prepaid.

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

	<u>Total Expenditures</u>	<u>Fund Balances End of Year</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$103,456,904	\$ 20,325,087
Activity budgeted as special revenue funds	(5,529,028)	(5,261,237)
Activity budgeted as capital projects funds	(23,451)	(336,677)
Prior-year prepaid items	<u>(2,801,224)</u>	<u> </u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 95,103,201</u>	<u>\$ 14,727,173</u>

NOTE 2 – PENSION PLAN SCHEDULES

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

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

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

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GOVERNMENTAL FUNDS

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2017

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 17,275,935	\$ 5,632,535	\$ 22,908,470
Property taxes receivable		166,638	166,638
Due from governmental entities	700,755	32,120	732,875
Inventory	11,103		11,103
Total assets	<u><u>\$ 17,987,793</u></u>	<u><u>\$ 5,831,293</u></u>	<u><u>\$ 23,819,086</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 1,049,112	\$ 376,072	\$ 1,425,184
Construction contracts payable		72,334	72,334
Due to other funds	446,087		446,087
Accrued payroll and employee benefits	449,827		449,827
Unearned revenues	1,481		1,481
Total liabilities	<u><u>1,946,507</u></u>	<u><u>448,406</u></u>	<u><u>2,394,913</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		149,032	149,032
Unavailable revenues - intergovernmental	172,262		172,262
Total deferred inflows of resources	<u><u>172,262</u></u>	<u><u>149,032</u></u>	<u><u>321,294</u></u>
Fund balances:			
Nonspendable	11,103		11,103
Restricted	15,857,921	5,233,855	21,091,776
Total fund balances	<u><u>15,869,024</u></u>	<u><u>5,233,855</u></u>	<u><u>21,102,879</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 17,987,793</u></u>	<u><u>\$ 5,831,293</u></u>	<u><u>\$ 23,819,086</u></u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2017

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 14,897,527	\$ 33,772	\$ 14,931,299
Property taxes		7,566,967	7,566,967
State aid and grants	7,625,042	97,257	7,722,299
Federal aid, grants and reimbursements	7,823,152		7,823,152
Total revenues	<u>30,345,721</u>	<u>7,697,996</u>	<u>38,043,717</u>
Expenditures:			
Current -			
Instruction	12,451,673		12,451,673
Support services - students and staff	4,662,648		4,662,648
Support services - administration	1,938,358		1,938,358
Operation and maintenance of plant services	670,721		670,721
Student transportation services	866,221		866,221
Operation of non-instructional services	10,686,588		10,686,588
Capital outlay	161,092	6,479,672	6,640,764
Total expenditures	<u>31,437,301</u>	<u>6,479,672</u>	<u>37,916,973</u>
Excess (deficiency) of revenues over expenditures	<u>(1,091,580)</u>	<u>1,218,324</u>	<u>126,744</u>
Other financing sources (uses):			
Transfer out	(368,712)		(368,712)
Total other financing sources (uses):	<u>(368,712)</u>		<u>(368,712)</u>
Changes in fund balances	<u>(1,460,292)</u>	<u>1,218,324</u>	<u>(241,968)</u>
Fund balances, beginning of year, as restated	17,329,316	4,015,531	21,344,847
Fund balances, end of year	<u>\$ 15,869,024</u>	<u>\$ 5,233,855</u>	<u>\$ 21,102,879</u>

SPECIAL REVENUE FUNDS

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

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

County, City, and Town Grants - to account for monies received from county, city and town grants.

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

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

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

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

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

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

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

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

Academic Contests - to account for financial assistance received for participation in academic contests.

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

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

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

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

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

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

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

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

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

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

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

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 7,416,635	\$ 2,118,889	\$ 27,542
Due from governmental entities			
Inventory			
Total assets	<u><u>\$ 7,416,635</u></u>	<u><u>\$ 2,118,889</u></u>	<u><u>\$ 27,542</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities	<u></u>	<u></u>	<u></u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances:			
Nonspendable			
Restricted	<u>7,416,635</u>	<u>2,118,889</u>	<u>27,542</u>
Total fund balances	<u><u>7,416,635</u></u>	<u><u>2,118,889</u></u>	<u><u>27,542</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 7,416,635</u></u>	<u><u>\$ 2,118,889</u></u>	<u><u>\$ 27,542</u></u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Limited English and Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>E-Rate</u>
\$ 246,641	\$ 18,898	\$ 31,279 8,766	\$ 7,027	\$ 204,324	\$ 172,262
<u>\$ 246,641</u>	<u>\$ 18,898</u>	<u>\$ 40,045</u>	<u>\$ 7,027</u>	<u>\$ 204,324</u>	<u>\$ 172,262</u>
\$ 174,169 72,472	\$ 18,898	\$ 40,045	\$ 7,027	\$ 204,324	\$
<u>246,641</u>	<u>18,898</u>	<u>40,045</u>	<u>7,027</u>	<u>204,324</u>	
					<u>172,262</u>
<u>\$ 246,641</u>	<u>\$ 18,898</u>	<u>\$ 40,045</u>	<u>\$ 7,027</u>	<u>\$ 204,324</u>	<u>\$ 172,262</u>

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	<u>Other Federal Projects</u>	<u>Academic Contests</u>	<u>Other State Projects</u>
<u>ASSETS</u>			
Cash and investments	\$	\$ 1,481	\$ 2,263
Due from governmental entities	1,624		25,081
Inventory			
Total assets	<u>\$ 1,624</u>	<u>\$ 1,481</u>	<u>\$ 27,344</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 27,344
Due to other funds	1,624		
Accrued payroll and employee benefits			
Unearned revenues		1,481	
Total liabilities	<u>1,624</u>	<u>1,481</u>	<u>27,344</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances:			
Nonspendable			
Restricted			
Total fund balances			
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,624</u>	<u>\$ 1,481</u>	<u>\$ 27,344</u>

<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Auxiliary Operations</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Gifts and Donations</u>
\$ 2,046,659	\$ 740,645	\$ 2,699,809	\$ 748,976	\$ 893,030	\$ 469,445
16,132					
11,103					
<u>\$ 2,073,894</u>	<u>\$ 740,645</u>	<u>\$ 2,699,809</u>	<u>\$ 748,976</u>	<u>\$ 893,030</u>	<u>\$ 469,445</u>
\$ 403,590	\$	\$ 123,306	\$ 445,319	\$ 29,241	\$ 20,312
	31,560	339,483			6,312
<u>403,590</u>	<u>31,560</u>	<u>462,789</u>	<u>445,319</u>	<u>29,241</u>	<u>26,624</u>
11,103					
<u>1,659,201</u>	<u>709,085</u>	<u>2,237,020</u>	<u>303,657</u>	<u>863,789</u>	<u>442,821</u>
<u>1,670,304</u>	<u>709,085</u>	<u>2,237,020</u>	<u>303,657</u>	<u>863,789</u>	<u>442,821</u>
<u>\$ 2,073,894</u>	<u>\$ 740,645</u>	<u>\$ 2,699,809</u>	<u>\$ 748,976</u>	<u>\$ 893,030</u>	<u>\$ 469,445</u>

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Grants and Gifts to Teachers</u>
<u>ASSETS</u>			
Cash and investments	\$ 2,451	\$ 72,803	\$ 4,028
Due from governmental entities			
Inventory			
Total assets	<u><u>\$ 2,451</u></u>	<u><u>\$ 72,803</u></u>	<u><u>\$ 4,028</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities	<u></u>	<u></u>	<u></u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances:			
Nonspendable			
Restricted	<u>2,451</u>	<u>72,803</u>	<u>4,028</u>
Total fund balances	<u><u>2,451</u></u>	<u><u>72,803</u></u>	<u><u>4,028</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 2,451</u></u>	<u><u>\$ 72,803</u></u>	<u><u>\$ 4,028</u></u>

Totals	
\$	17,275,935
	700,755
	11,103
\$	17,987,793

\$	1,049,112
	446,087
	449,827
	1,481
	1,946,507

	172,262
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	11,103
	15,857,921
	15,869,024

\$	17,987,793
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KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 44,553	\$ 11,489	\$ 8,000
State aid and grants	6,305,872	668,930	
Federal aid, grants and reimbursements			
Total revenues	<u>6,350,425</u>	<u>680,419</u>	<u>8,000</u>
Expenditures:			
Current -			
Instruction	5,519,883	466,078	1,495
Support services - students and staff	245,151	249,892	2,148
Support services - administration			3,524
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			2,324
Total expenditures	<u>5,765,034</u>	<u>715,970</u>	<u>9,491</u>
Excess (deficiency) of revenues over expenditures	<u>585,391</u>	<u>(35,551)</u>	<u>(1,491)</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>585,391</u>	<u>(35,551)</u>	<u>(1,491)</u>
Fund balances, beginning of year	6,831,244	2,154,440	29,033
Fund balances, end of year	<u>\$ 7,416,635</u>	<u>\$ 2,118,889</u>	<u>\$ 27,542</u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Limited English and Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>E-Rate</u>
\$	\$	\$	\$	\$	\$
1,132,463	212,013	84,221	156,549	2,590,482	582,914
<u>1,132,463</u>	<u>212,013</u>	<u>84,221</u>	<u>156,549</u>	<u>2,590,482</u>	<u>582,914</u>
693,970		74,290	95,233	1,690,153	556,801
373,404	157,357	8,448	53,272	303,003	
3,357	45,451		1,088	3,058	
					26,113
12,554			161	506,623	
<u>1,083,285</u>	<u>202,808</u>	<u>82,738</u>	<u>149,754</u>	<u>2,502,837</u>	<u>582,914</u>
<u>49,178</u>	<u>9,205</u>	<u>1,483</u>	<u>6,795</u>	<u>87,645</u>	
(49,178)	(9,205)	(1,483)	(6,795)	(87,645)	
<u>(49,178)</u>	<u>(9,205)</u>	<u>(1,483)</u>	<u>(6,795)</u>	<u>(87,645)</u>	
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Other Federal Projects	Other State Projects	Food Service
Revenues:			
Other local	\$	\$	\$ 2,459,338
State aid and grants		650,240	
Federal aid, grants and reimbursements	15,960		3,048,550
Total revenues	<u>15,960</u>	<u>650,240</u>	<u>5,507,888</u>
Expenditures:			
Current -			
Instruction	11,189	32,902	
Support services - students and staff		617,338	
Support services - administration			92,827
Operation and maintenance of plant services			63,394
Student transportation services			
Operation of non-instructional services			4,698,646
Capital outlay	4,442		95,709
Total expenditures	<u>15,631</u>	<u>650,240</u>	<u>4,950,576</u>
Excess (deficiency) of revenues over expenditures	<u>329</u>		<u>557,312</u>
Other financing sources (uses):			
Transfer out	(329)		(214,077)
Total other financing sources (uses):	<u>(329)</u>		<u>(214,077)</u>
Changes in fund balances			<u>343,235</u>
Fund balances, beginning of year			1,327,069
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$ 1,670,304</u>

Civic Center	Community School	Auxiliary Operations	Extracurricular Activities Fees Tax Credit	Gifts and Donations	Fingerprint
\$ 519,181	\$ 8,894,421	\$ 1,741,411	\$ 912,175	\$ 289,257	\$ 6,983
<u>519,181</u>	<u>8,894,421</u>	<u>1,741,411</u>	<u>912,175</u>	<u>289,257</u>	<u>6,983</u>
3,247	782,793	1,604,106	775,624	143,659	
	2,588,703	6,443		48,730	
	1,726,334	25,971		31,262	5,486
531,208	37,104	2,840		10,062	
122,168	27,016	29,761	162,126	5,812	
11,558	5,970,932	3,612		1,840	
6,718	4,976	667	4,022	42,234	
<u>674,899</u>	<u>11,137,858</u>	<u>1,673,400</u>	<u>941,772</u>	<u>283,599</u>	<u>5,486</u>
<u>(155,718)</u>	<u>(2,243,437)</u>	<u>68,011</u>	<u>(29,597)</u>	<u>5,658</u>	<u>1,497</u>
<u>(155,718)</u>	<u>(2,243,437)</u>	<u>68,011</u>	<u>(29,597)</u>	<u>5,658</u>	<u>1,497</u>
864,803	4,480,457	235,646	893,386	437,163	954
<u>\$ 709,085</u>	<u>\$ 2,237,020</u>	<u>\$ 303,657</u>	<u>\$ 863,789</u>	<u>\$ 442,821</u>	<u>\$ 2,451</u>

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Textbooks	Grants and Gifts to Teachers	Totals
Revenues:			
Other local	\$ 10,695	\$ 24	\$ 14,897,527
State aid and grants			7,625,042
Federal aid, grants and reimbursements			7,823,152
Total revenues	<u>10,695</u>	<u>24</u>	<u>30,345,721</u>
Expenditures:			
Current -			
Instruction		250	12,451,673
Support services - students and staff	8,759		4,662,648
Support services - administration			1,938,358
Operation and maintenance of plant services			670,721
Student transportation services			866,221
Operation of non-instructional services			10,686,588
Capital outlay			161,092
Total expenditures	<u>8,759</u>	<u>250</u>	<u>31,437,301</u>
Excess (deficiency) of revenues over expenditures	<u>1,936</u>	<u>(226)</u>	<u>(1,091,580)</u>
Other financing sources (uses):			
Transfer out			(368,712)
Total other financing sources (uses):			<u>(368,712)</u>
Changes in fund balances	<u>1,936</u>	<u>(226)</u>	<u>(1,460,292)</u>
Fund balances, beginning of year	70,867	4,254	17,329,316
Fund balances, end of year	<u>\$ 72,803</u>	<u>\$ 4,028</u>	<u>\$ 15,869,024</u>

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KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 44,553	\$ 44,553
State aid and grants		6,305,872	6,305,872
Federal aid, grants and reimbursements			
Total revenues		<u>6,350,425</u>	<u>6,350,425</u>
Expenditures:			
Current -			
Instruction	12,934,321	5,519,883	7,414,438
Support services - students and staff	205,402	245,151	(39,749)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>13,139,723</u>	<u>5,765,034</u>	<u>7,374,689</u>
Excess (deficiency) of revenues over expenditures	<u>(13,139,723)</u>	<u>585,391</u>	<u>13,725,114</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(13,139,723)</u>	<u>585,391</u>	<u>13,725,114</u>
Fund balances, beginning of year		6,831,244	6,831,244
Fund balances (deficits), end of year	<u>\$ (13,139,723)</u>	<u>\$ 7,416,635</u>	<u>\$ 20,556,358</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 11,489 668,930	\$ 11,489 668,930	\$	\$ 8,000	\$ 8,000
	680,419	680,419		8,000	8,000
735,000	466,078 249,892	268,922 (249,892)		1,495 2,148 3,524	(1,495) (2,148) 20,305
			23,829		
735,000	715,970	19,030	23,829	2,324 9,491	(2,324) 14,338
(735,000)	(35,551)	699,449	(23,829)	(1,491)	22,338
(735,000)	(35,551)	699,449	(23,829)	(1,491)	22,338
	2,154,440	2,154,440		29,033	29,033
\$ (735,000)	\$ 2,118,889	\$ 2,853,889	\$ (23,829)	\$ 27,542	\$ 51,371

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Title I Grants		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		1,132,463	1,132,463
Total revenues		<u>1,132,463</u>	<u>1,132,463</u>
Expenditures:			
Current -			
Instruction	1,624,708	693,970	930,738
Support services - students and staff		373,404	(373,404)
Support services - administration		3,357	(3,357)
Operation and maintenance of plant services			
Student transportation services		12,554	(12,554)
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,624,708</u>	<u>1,083,285</u>	<u>541,423</u>
Excess (deficiency) of revenues over expenditures	<u>(1,624,708)</u>	<u>49,178</u>	<u>1,673,886</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(49,178)	(49,178)
Total other financing sources (uses):		<u>(49,178)</u>	<u>(49,178)</u>
Changes in fund balances	<u>(1,624,708)</u>		<u>1,624,708</u>
Fund balances, beginning of year			
Fund balances (deficits), end of year	<u>\$ (1,624,708)</u>	<u>\$</u>	<u>\$ 1,624,708</u>

Professional Development and Technology Grants			Limited English and Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	212,013	212,013		84,221	84,221
	212,013	212,013		84,221	84,221
322,017	157,357	164,660	122,779	74,290	48,489
	45,451	(45,451)		8,448	(8,448)
322,017	202,808	119,209	122,779	82,738	40,041
(322,017)	9,205	331,222	(122,779)	1,483	124,262
	(9,205)	(9,205)		(1,483)	(1,483)
	(9,205)	(9,205)		(1,483)	(1,483)
(322,017)		322,017	(122,779)		122,779
\$ (322,017)	\$	\$ 322,017	\$ (122,779)	\$	\$ 122,779

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Indian Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		156,549	156,549
Total revenues		<u>156,549</u>	<u>156,549</u>
Expenditures:			
Current -			
Instruction	158,807	95,233	63,574
Support services - students and staff		53,272	(53,272)
Support services - administration		1,088	(1,088)
Operation and maintenance of plant services			
Student transportation services		161	(161)
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>158,807</u>	<u>149,754</u>	<u>9,053</u>
Excess (deficiency) of revenues over expenditures	<u>(158,807)</u>	<u>6,795</u>	<u>165,602</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(6,795)	(6,795)
Total other financing sources (uses):		<u>(6,795)</u>	<u>(6,795)</u>
Changes in fund balances	<u>(158,807)</u>		<u>158,807</u>
Fund balances, beginning of year			
Fund balances (deficits), end of year	<u>\$ (158,807)</u>	<u>\$</u>	<u>\$ 158,807</u>

Special Education Grants			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 14,580	\$ 14,580
	2,590,482	2,590,482		609,247	609,247
	2,590,482	2,590,482		623,827	623,827
3,163,325	1,690,153	1,473,172		37,222	(37,222)
	303,003	(303,003)		499,108	(499,108)
	3,058	(3,058)	1,905,300	892,165	1,013,135
	506,623	(506,623)		102,772	(102,772)
3,163,325	2,502,837	660,488	1,905,300	1,531,267	374,033
(3,163,325)	87,645	3,250,970	(1,905,300)	(907,440)	997,860
	(87,645)	(87,645)			
	(87,645)	(87,645)			
(3,163,325)		3,163,325	(1,905,300)	(907,440)	997,860
				4,121,189	4,121,189
\$ (3,163,325)	\$	\$ 3,163,325	\$ (1,905,300)	\$ 3,213,749	\$ 5,119,049

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	E-Rate		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		582,914	582,914
Total revenues		<u>582,914</u>	<u>582,914</u>
Expenditures:			
Current -			
Instruction	582,914	556,801	26,113
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services		26,113	(26,113)
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>582,914</u>	<u>582,914</u>	
Excess (deficiency) of revenues over expenditures	<u>(582,914)</u>		<u>582,914</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(582,914)</u>		<u>582,914</u>
Fund balances, beginning of year			
Fund balances (deficits), end of year	<u>\$ (582,914)</u>	<u>\$</u>	<u>\$ 582,914</u>

Other Federal Projects			Other State Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	15,960	15,960		650,240	650,240
	15,960	15,960		650,240	650,240
16,580	11,189	5,391	674,835	32,902	(32,902)
				617,338	57,497
	4,442	(4,442)			
16,580	15,631	949	674,835	650,240	24,595
(16,580)	329	16,909	(674,835)		674,835
	(329)	(329)			
	(329)	(329)			
(16,580)		16,580	(674,835)		674,835
\$ (16,580)	\$	\$ 16,580	\$ (674,835)	\$	\$ 674,835

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	School Plant		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 25,742	\$ 25,742
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>25,742</u>	<u>25,742</u>
Expenditures:			
Current -			
Instruction	4,948,015	3,178,097	1,769,918
Support services - students and staff		40,348	(40,348)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		208,119	(208,119)
Total expenditures	<u>4,948,015</u>	<u>3,426,564</u>	<u>1,521,451</u>
Excess (deficiency) of revenues over expenditures	<u>(4,948,015)</u>	<u>(3,400,822)</u>	<u>1,547,193</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(4,948,015)</u>	<u>(3,400,822)</u>	<u>1,547,193</u>
Fund balances, beginning of year		4,948,015	4,948,015
Fund balances (deficits), end of year	<u>\$ (4,948,015)</u>	<u>\$ 1,547,193</u>	<u>\$ 6,495,208</u>

Food Service			Civic Center		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,459,338	\$ 2,459,338	\$	\$ 519,181	\$ 519,181
	3,048,550	3,048,550			
	5,507,888	5,507,888		519,181	519,181
				3,247	(3,247)
	92,827	(92,827)			
	63,394	(63,394)	1,100,000	531,208	568,792
				122,168	(122,168)
5,600,000	4,698,646	901,354		11,558	(11,558)
	95,709	(95,709)		6,718	(6,718)
5,600,000	4,950,576	649,424	1,100,000	674,899	425,101
(5,600,000)	557,312	6,157,312	(1,100,000)	(155,718)	944,282
	(214,077)	(214,077)			
	(214,077)	(214,077)			
(5,600,000)	343,235	5,943,235	(1,100,000)	(155,718)	944,282
	1,327,069	1,327,069		864,803	864,803
\$ (5,600,000)	\$ 1,670,304	\$ 7,270,304	\$ (1,100,000)	\$ 709,085	\$ 1,809,085

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Community School		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 8,894,421	\$ 8,894,421
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>8,894,421</u>	<u>8,894,421</u>
Expenditures:			
Current -			
Instruction	927,558	782,793	144,765
Support services - students and staff	3,067,444	2,588,703	478,741
Support services - administration	2,045,593	1,726,334	319,259
Operation and maintenance of plant services		37,104	(37,104)
Student transportation services		27,016	(27,016)
Operation of non-instructional services	7,075,163	5,970,932	1,104,231
Capital outlay		4,976	(4,976)
Total expenditures	<u>13,115,758</u>	<u>11,137,858</u>	<u>1,977,900</u>
Excess (deficiency) of revenues over expenditures	<u>(13,115,758)</u>	<u>(2,243,437)</u>	<u>10,872,321</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(13,115,758)</u>	<u>(2,243,437)</u>	<u>10,872,321</u>
Fund balances, beginning of year		4,480,457	4,480,457
Fund balances (deficits), end of year	<u>\$ (13,115,758)</u>	<u>\$ 2,237,020</u>	<u>\$ 15,352,778</u>

Auxiliary Operations			Extracurricular Activities Fees Tax Credit		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,741,411	\$ 1,741,411	\$	\$ 912,175	\$ 912,175
	1,741,411	1,741,411		912,175	912,175
1,727,000	1,604,106	122,894	1,000,000	775,624	224,376
	6,443	(6,443)			
	25,971	(25,971)			
	2,840	(2,840)			
	29,761	(29,761)		162,126	(162,126)
	3,612	(3,612)			
	667	(667)		4,022	(4,022)
1,727,000	1,673,400	53,600	1,000,000	941,772	58,228
(1,727,000)	68,011	1,795,011	(1,000,000)	(29,597)	970,403
(1,727,000)	68,011	1,795,011	(1,000,000)	(29,597)	970,403
	235,646	235,646		893,386	893,386
\$ (1,727,000)	\$ 303,657	\$ 2,030,657	\$ (1,000,000)	\$ 863,789	\$ 1,863,789

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Gifts and Donations		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 289,257	\$ 289,257
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>289,257</u>	<u>289,257</u>
Expenditures:			
Current -			
Instruction	420,000	143,659	276,341
Support services - students and staff		48,730	(48,730)
Support services - administration		31,262	(31,262)
Operation and maintenance of plant services		10,062	(10,062)
Student transportation services		5,812	(5,812)
Operation of non-instructional services		1,840	(1,840)
Capital outlay		42,234	(42,234)
Total expenditures	<u>420,000</u>	<u>283,599</u>	<u>136,401</u>
Excess (deficiency) of revenues over expenditures	<u>(420,000)</u>	<u>5,658</u>	<u>425,658</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(420,000)</u>	<u>5,658</u>	<u>425,658</u>
Fund balances, beginning of year		437,163	437,163
Fund balances (deficits), end of year	<u>\$ (420,000)</u>	<u>\$ 442,821</u>	<u>\$ 862,821</u>

Fingerprint			Textbooks		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 6,983	\$ 6,983	\$	\$ 10,695	\$ 10,695
	6,983	6,983		10,695	10,695
8,500	5,486	3,014	71,000	8,759	62,241
8,500	5,486	3,014	71,000	8,759	62,241
(8,500)	1,497	9,997	(71,000)	1,936	72,936
(8,500)	1,497	9,997	(71,000)	1,936	72,936
	954	954		70,867	70,867
\$ (8,500)	\$ 2,451	\$ 10,951	\$ (71,000)	\$ 72,803	\$ 143,803

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Indirect Costs		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 2,590	\$ 2,590
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>2,590</u>	<u>2,590</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff		62,834	(62,834)
Support services - administration	750,000	253,766	496,234
Operation and maintenance of plant services		247,498	(247,498)
Student transportation services		526	(526)
Operation of non-instructional services		503	(503)
Capital outlay			
Total expenditures	<u>750,000</u>	<u>565,127</u>	<u>184,873</u>
Excess (deficiency) of revenues over expenditures	<u>(750,000)</u>	<u>(562,537)</u>	<u>187,463</u>
Other financing sources (uses):			
Transfer in		368,712	368,712
Transfer out			
Total other financing sources (uses):		<u>368,712</u>	<u>368,712</u>
Changes in fund balances	<u>(750,000)</u>	<u>(193,825)</u>	<u>556,175</u>
Fund balances, beginning of year		661,774	661,774
Fund balances (deficits), end of year	<u>\$ (750,000)</u>	<u>\$ 467,949</u>	<u>\$ 1,217,949</u>

Grants and Gifts to Teachers			Advertisement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 24	\$ 24	\$	\$ 14,459	\$ 14,459
	24	24		14,459	14,459
5,000	250	4,750		557	(557)
			50,000	4,763	45,237
5,000	250	4,750	50,000	750	(750)
(5,000)	(226)	4,774	(50,000)	6,070	43,930
				8,389	58,389
(5,000)	(226)	4,774	(50,000)	8,389	58,389
	4,254	4,254		23,957	23,957
\$ (5,000)	\$ 4,028	\$ 9,028	\$ (50,000)	\$ 32,346	\$ 82,346

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 14,954,898	\$ 14,954,898
State aid and grants		7,625,042	7,625,042
Federal aid, grants and reimbursements		8,432,399	8,432,399
Total revenues		<u>31,012,339</u>	<u>31,012,339</u>
Expenditures:			
Current -			
Instruction	28,366,007	15,667,549	12,698,458
Support services - students and staff	4,340,698	5,264,938	(924,240)
Support services - administration	4,783,222	3,089,052	1,694,170
Operation and maintenance of plant services	1,100,000	1,020,991	79,009
Student transportation services		866,747	(866,747)
Operation of non-instructional services	12,675,163	10,687,091	1,988,072
Capital outlay		369,961	(369,961)
Total expenditures	<u>51,265,090</u>	<u>36,966,329</u>	<u>14,298,761</u>
Excess (deficiency) of revenues over expenditures	<u>(51,265,090)</u>	<u>(5,953,990)</u>	<u>45,311,100</u>
Other financing sources (uses):			
Transfer in		368,712	368,712
Transfer out		(368,712)	(368,712)
Total other financing sources (uses):			
Changes in fund balances	<u>(51,265,090)</u>	<u>(5,953,990)</u>	<u>45,311,100</u>
Fund balances, beginning of year		27,084,251	27,084,251
Fund balances (deficits), end of year	<u>\$ (51,265,090)</u>	<u>\$ 21,130,261</u>	<u>\$ 72,395,351</u>

DEBT SERVICE FUND

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2017

	Debt Service		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 26,052	\$ 26,052
Property taxes		21,574,039	21,574,039
Federal aid, grants and reimbursements		732,379	732,379
Total revenues		<u>22,332,470</u>	<u>22,332,470</u>
Expenditures:			
Debt service -			
Principal retirement	11,810,000	11,810,000	
Interest and fiscal charges	6,560,000	8,289,676	(1,729,676)
Bond issuance costs		300,322	(300,322)
Total expenditures	<u>18,370,000</u>	<u>20,399,998</u>	<u>(2,029,998)</u>
Excess (deficiency) of revenues over expenditures	<u>(18,370,000)</u>	<u>1,932,472</u>	<u>20,302,472</u>
Other financing sources (uses):			
Transfer in		327,010	327,010
Issuance of refunding bonds		24,810,000	24,810,000
Premium on sale of bonds		4,355,280	4,355,280
Payment to refunded bond escrow agent		(20,537,623)	(20,537,623)
Total other financing sources (uses):		<u>8,954,667</u>	<u>8,954,667</u>
Changes in fund balances	<u>(18,370,000)</u>	<u>10,887,139</u>	<u>29,257,139</u>
Fund balances, beginning of year		1,776,941	1,776,941
Fund balances (deficits), end of year	<u>\$ (18,370,000)</u>	<u>\$ 12,664,080</u>	<u>\$ 31,034,080</u>

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2017

	<u>Litigation Recovery</u>	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>
<u>ASSETS</u>			
Cash and investments	\$ 97,836	\$ 4,687,629	\$ 814,142
Property taxes receivable		114,703	51,935
Due from governmental entities		32,120	
Total assets	<u>\$ 97,836</u>	<u>\$ 4,834,452</u>	<u>\$ 866,077</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 376,072	\$
Construction contracts payable			72,334
Total liabilities		<u>376,072</u>	<u>72,334</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		<u>97,097</u>	<u>51,935</u>
Fund balances:			
Restricted	<u>97,836</u>	<u>4,361,283</u>	<u>741,808</u>
Total fund balances	<u>97,836</u>	<u>4,361,283</u>	<u>741,808</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 97,836</u>	<u>\$ 4,834,452</u>	<u>\$ 866,077</u>

<u>Gifts and Donations - Capital</u>	<u>Condemnation</u>	<u>Energy and Water Savings</u>	<u>Totals</u>
\$ 20,862	\$ 2,411	\$ 9,655	\$ 5,632,535
			166,638
			32,120
<u>\$ 20,862</u>	<u>\$ 2,411</u>	<u>\$ 9,655</u>	<u>\$ 5,831,293</u>
\$	\$	\$	\$ 376,072
			72,334
			<u>448,406</u>
			<u>149,032</u>
<u>20,862</u>	<u>2,411</u>	<u>9,655</u>	<u>5,233,855</u>
<u>20,862</u>	<u>2,411</u>	<u>9,655</u>	<u>5,233,855</u>
<u>\$ 20,862</u>	<u>\$ 2,411</u>	<u>\$ 9,655</u>	<u>\$ 5,831,293</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Litigation Recovery	Unrestricted Capital Outlay	Adjacent Ways
Revenues:			
Other local	\$ 3,696	\$ 17,769	\$ 4,227
Property taxes		7,201,370	365,597
State aid and grants		97,257	
Total revenues	<u>3,696</u>	<u>7,316,396</u>	<u>369,824</u>
Expenditures:			
Capital outlay		6,323,696	134,191
Total expenditures		<u>6,323,696</u>	<u>134,191</u>
Changes in fund balances	<u>3,696</u>	<u>992,700</u>	<u>235,633</u>
Fund balances, beginning of year	94,140	3,368,583	506,175
Fund balances, end of year	<u>\$ 97,836</u>	<u>\$ 4,361,283</u>	<u>\$ 741,808</u>

<u>Gifts and Donations - Capital</u>	<u>Condemnation</u>	<u>Energy and Water Savings</u>	<u>Totals</u>
\$ 8,012	\$ 13	\$ 55	\$ 33,772
			7,566,967
			97,257
<u>8,012</u>	<u>13</u>	<u>55</u>	<u>7,697,996</u>
 21,785			 6,479,672
<u>21,785</u>			<u>6,479,672</u>
 (13,773)	 13	 55	 1,218,324
34,635	2,398	9,600	4,015,531
<u>\$ 20,862</u>	<u>\$ 2,411</u>	<u>\$ 9,655</u>	<u>\$ 5,233,855</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Insurance Proceeds		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,267	\$ 1,267
Property taxes			
State aid and grants			
Total revenues		<u>1,267</u>	<u>1,267</u>
Expenditures:			
Current -			
Instruction		1,454	(1,454)
Operation and maintenance of plant services		3,964	(3,964)
Operation of non-instructional services	350,000	15,666	334,334
Capital outlay		2,367	(2,367)
Debt service -			
Bond issuance costs			
Total expenditures	<u>350,000</u>	<u>23,451</u>	<u>326,549</u>
Excess (deficiency) of revenues over expenditures	<u>(350,000)</u>	<u>(22,184)</u>	<u>327,816</u>
Other financing sources (uses):			
Transfer out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Insurance recoveries		152,798	152,798
Total other financing sources (uses):		<u>152,798</u>	<u>152,798</u>
Changes in fund balances	<u>(350,000)</u>	<u>130,614</u>	<u>480,614</u>
Fund balances, beginning of year		206,063	206,063
Fund balances (deficits), end of year	<u>\$ (350,000)</u>	<u>\$ 336,677</u>	<u>\$ 686,677</u>

Litigation Recovery			Unrestricted Capital Outlay		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 3,696	\$ 3,696	\$	\$ 17,769	\$ 17,769
				7,201,370	7,201,370
				97,257	97,257
	3,696	3,696		7,316,396	7,316,396
100,000		100,000			
			10,723,260	6,323,696	4,399,564
100,000		100,000	10,723,260	6,323,696	4,399,564
(100,000)	3,696	103,696	(10,723,260)	992,700	11,715,960
(100,000)	3,696	103,696	(10,723,260)	992,700	11,715,960
	94,140	94,140		3,368,583	3,368,583
\$ (100,000)	\$ 97,836	\$ 197,836	\$ (10,723,260)	\$ 4,361,283	\$ 15,084,543

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Adjacent Ways		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 4,227	\$ 4,227
Property taxes		365,597	365,597
State aid and grants			
Total revenues		<u>369,824</u>	<u>369,824</u>
Expenditures:			
Current -			
Instruction			
Operation and maintenance of plant services			
Operation of non-instructional services			
Capital outlay	800,000	134,191	665,809
Debt service -			
Bond issuance costs			
Total expenditures	<u>800,000</u>	<u>134,191</u>	<u>665,809</u>
Excess (deficiency) of revenues over expenditures	<u>(800,000)</u>	<u>235,633</u>	<u>1,035,633</u>
Other financing sources (uses):			
Transfer out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Insurance recoveries			
Total other financing sources (uses):			
Changes in fund balances	<u>(800,000)</u>	<u>235,633</u>	<u>1,035,633</u>
Fund balances, beginning of year		506,175	506,175
Fund balances (deficits), end of year	<u>\$ (800,000)</u>	<u>\$ 741,808</u>	<u>\$ 1,541,808</u>

Bond Building			Gifts and Donations - Capital		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 327,010	\$ 327,010	\$	\$ 8,012	\$ 8,012
	327,010	327,010		8,012	8,012
65,804,935	19,766,338	46,038,597	129,688	21,785	107,903
	350,383	(350,383)			
65,804,935	20,116,721	45,688,214	129,688	21,785	107,903
(65,804,935)	(19,789,711)	46,015,224	(129,688)	(13,773)	115,915
	(327,010)	(327,010)			
	32,025,000	32,025,000			
	2,270,590	2,270,590			
	33,968,580	33,968,580			
(65,804,935)	14,178,869	79,983,804	(129,688)	(13,773)	115,915
	31,859,729	31,859,729		34,635	34,635
\$ (65,804,935)	\$ 46,038,598	\$ 111,843,533	\$ (129,688)	\$ 20,862	\$ 150,550

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Condemnation		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 13	\$ 13
Property taxes			
State aid and grants			
Total revenues		13	13
Expenditures:			
Current -			
Instruction			
Operation and maintenance of plant services			
Operation of non-instructional services			
Capital outlay	2,365		2,365
Debt service -			
Bond issuance costs			
Total expenditures	2,365		2,365
Excess (deficiency) of revenues over expenditures	(2,365)	13	2,378
Other financing sources (uses):			
Transfer out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Insurance recoveries			
Total other financing sources (uses):			
Changes in fund balances	(2,365)	13	2,378
Fund balances, beginning of year		2,398	2,398
Fund balances (deficits), end of year	\$ (2,365)	\$ 2,411	\$ 4,776

Energy and Water Savings			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 55	\$ 55	\$	\$ 362,049	\$ 362,049
				7,566,967	7,566,967
				97,257	97,257
	55	55		8,026,273	8,026,273
			100,000	1,454	98,546
				3,964	(3,964)
			350,000	15,666	334,334
			77,460,248	26,248,377	51,211,871
				350,383	(350,383)
			77,910,248	26,619,844	51,290,404
	55	55	(77,910,248)	(18,593,571)	59,316,677
				(327,010)	(327,010)
				32,025,000	32,025,000
				2,270,590	2,270,590
				152,798	152,798
				34,121,378	34,121,378
	55	55	(77,910,248)	15,527,807	93,438,055
	9,600	9,600		36,081,323	36,081,323
\$	\$ 9,655	\$ 9,655	\$ (77,910,248)	\$ 51,609,130	\$ 129,519,378

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INTERNAL SERVICE FUNDS

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

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

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF NET POSITION -
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2017

	<u>District Services</u>	<u>Intergovernment al Agreements</u>	<u>Employee Benefit Trust</u>
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 433,455	\$	\$ 9,074,955
Accounts receivable			321,363
Due from governmental entities	54,351	82,550	
Due from other funds	60,410		
Total current assets	<u>548,216</u>	<u>82,550</u>	<u>9,396,318</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	220,548		
Total noncurrent assets	<u>220,548</u>		
Total assets	<u>768,764</u>	<u>82,550</u>	<u>9,396,318</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	33,392	1,095	13,977
Claims payable			1,637,000
Due to other funds		60,410	
Accrued payroll and employee benefits	17,399	21,045	30,840
Obligations under capital leases	42,780		
Total current liabilities	<u>93,571</u>	<u>82,550</u>	<u>1,681,817</u>
Total liabilities	<u>93,571</u>	<u>82,550</u>	<u>1,681,817</u>
<u>NET POSITION</u>			
Net investment in capital assets	177,768		
Unrestricted	497,425		7,714,501
Total net position	<u>\$ 675,193</u>	<u>\$</u>	<u>\$ 7,714,501</u>

<u>Workers Compensation</u>	<u>Totals</u>
\$ 635,235	\$ 10,143,645
	321,363
	136,901
	60,410
<u>635,235</u>	<u>10,662,319</u>
	220,548
	<u>220,548</u>
<u>635,235</u>	<u>10,882,867</u>
482,338	530,802
	1,637,000
	60,410
	69,284
	42,780
<u>482,338</u>	<u>2,340,276</u>
<u>482,338</u>	<u>2,340,276</u>
152,897	177,768
	8,364,823
<u>\$ 152,897</u>	<u>\$ 8,542,591</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>District Services</u>	<u>Intergovernment al Agreements</u>	<u>Employee Benefit Trust</u>
Operating revenues:			
Contributions	\$	\$	\$ 12,750,917
Charges for services	1,490,202	250,156	
Total operating revenues	<u>1,490,202</u>	<u>250,156</u>	<u>12,750,917</u>
Operating expenses:			
Depreciation	63,972		
Claims			14,182,875
Premiums			967,836
Administrative fees			1,226,465
Cost of services	1,406,187	250,156	
Total operating expenses	<u>1,470,159</u>	<u>250,156</u>	<u>16,377,176</u>
Operating income (loss)	<u>20,043</u>		<u>(3,626,259)</u>
Nonoperating revenues (expenses):			
Investment income	3,400		43,549
Interest and fiscal charges	(3,320)		
Total nonoperating revenues (expenses)	<u>80</u>		<u>43,549</u>
Changes in net position	<u>20,123</u>		<u>(3,582,710)</u>
Total net position, beginning of year	655,070		11,297,211
Total net position, end of year	<u>\$ 675,193</u>	<u>\$</u>	<u>\$ 7,714,501</u>

<u>Workers Compensation</u>	<u>Totals</u>
\$ 349,686	\$ 13,100,603
	1,740,358
<u>349,686</u>	<u>14,840,961</u>
	63,972
	14,182,875
935,704	1,903,540
	1,226,465
	1,656,343
<u>935,704</u>	<u>19,033,195</u>
<u>(586,018)</u>	<u>(4,192,234)</u>
2,799	49,748
	(3,320)
<u>2,799</u>	<u>46,428</u>
<u>(583,219)</u>	<u>(4,145,806)</u>
736,116	12,688,397
<u>\$ 152,897</u>	<u>\$ 8,542,591</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF CASH FLOWS - ALL INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017

	<u>District Services</u>	<u>Intergovernmental Agreements</u>
<u>Decrease in Cash and Cash Equivalents</u>		
Cash flows from operating activities:		
Cash received from contributions	\$	\$
Cash received for services	1,468,360	276,500
Cash payments to suppliers for goods and services	(1,415,966)	(276,500)
Cash payments for claims		
Net cash provided by/used for operating activities	<u>52,394</u>	
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(26,401)	
Principal paid on long-term debt	(41,152)	
Interest paid on long-term debt	(3,320)	
Net cash used for capital and related financing activities	<u>(70,873)</u>	
Cash flows from investing activities:		
Investment income	3,400	
Net cash provided by investing activities	<u>3,400</u>	
Net decrease in cash and cash equivalents	<u>(15,079)</u>	
Cash and cash equivalents, beginning of year	<u>448,534</u>	
Cash and cash equivalents, end of year	<u>\$ 433,455</u>	<u>\$</u>
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>		
Operating income/loss	\$ 20,043	\$
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:		
Depreciation expense	63,972	
Changes in assets and liabilities:		
(Increase) in accounts receivable		
(Increase) in due from governmental entities	(10,295)	(26,344)
(Increase) in due from other funds	(11,547)	
Increase/(decrease) in accounts payable	(8,473)	1,095
Increase in claims payable		
Increase in due to other funds		11,547
Increase/(decrease) in accrued payroll and employee benefits	(1,306)	13,702
Total adjustments	<u>32,351</u>	
Net cash provided by/used for operating activities	<u>\$ 52,394</u>	<u>\$</u>

<u>Employee Benefit Trust</u>	<u>Workers Compensation</u>	<u>Totals</u>
\$ 12,449,880	\$ 349,686	\$ 12,799,566
(2,208,564)	(453,366)	1,744,860
<u>(13,957,875)</u>		<u>(4,354,396)</u>
		<u>(13,957,875)</u>
<u>(3,716,559)</u>	<u>(103,680)</u>	<u>(3,767,845)</u>
		(26,401)
		(41,152)
		<u>(3,320)</u>
		<u>(70,873)</u>
<u>43,549</u>	<u>2,799</u>	<u>49,748</u>
<u>43,549</u>	<u>2,799</u>	<u>49,748</u>
<u>(3,673,010)</u>	<u>(100,881)</u>	<u>(3,788,970)</u>
<u>12,747,965</u>	<u>736,116</u>	<u>13,932,615</u>
\$ <u><u>9,074,955</u></u>	\$ <u><u>635,235</u></u>	\$ <u><u>10,143,645</u></u>
\$ (3,626,259)	\$ (586,018)	\$ (4,192,234)
		63,972
(301,037)		(301,037)
		(36,639)
		(11,547)
(39,136)	482,338	435,824
225,000		225,000
		11,547
<u>24,873</u>		<u>37,269</u>
<u>(90,300)</u>	<u>482,338</u>	<u>424,389</u>
\$ <u><u>(3,716,559)</u></u>	\$ <u><u>(103,680)</u></u>	\$ <u><u>(3,767,845)</u></u>

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AGENCY FUNDS

Student Activities - to account for monies raised by students to finance student clubs and organizations but held by the District as an agent.

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**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2017**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ <u>204,423</u>	\$ <u>313,236</u>	\$ <u>289,984</u>	\$ <u>227,675</u>
Total assets	\$ <u><u>204,423</u></u>	\$ <u><u>313,236</u></u>	\$ <u><u>289,984</u></u>	\$ <u><u>227,675</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>204,423</u>	\$ <u>313,236</u>	\$ <u>289,984</u>	\$ <u>227,675</u>
Total liabilities	\$ <u><u>204,423</u></u>	\$ <u><u>313,236</u></u>	\$ <u><u>289,984</u></u>	\$ <u><u>227,675</u></u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u> (As Restated)	<u>2013</u>
Net Position:					
Net investment in capital assets	\$ 106,426,708	\$ 108,943,728	\$ 111,473,166	\$ 114,206,682	\$ 117,106,859
Restricted	36,150,556	28,705,673	28,863,347	22,849,053	18,256,725
Unrestricted	(104,166,424)	(92,436,793)	(92,651,215)	42,530,346	40,219,781
Total net position	<u>\$ 38,410,840</u>	<u>\$ 45,212,608</u>	<u>\$ 47,685,298</u>	<u>\$ 179,586,081</u>	<u>\$ 175,583,365</u>
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net Position:					
Net investment in capital assets	\$ 116,598,703	\$ 120,170,099	\$ 117,577,633	\$ 124,571,387	\$ 115,964,872
Restricted	14,904,625	25,434,583	16,360,557	10,994,715	12,721,444
Unrestricted	39,991,512	24,109,768	37,063,410	29,221,504	34,750,729
Total net position	<u>\$ 171,494,840</u>	<u>\$ 169,714,450</u>	<u>\$ 171,001,600</u>	<u>\$ 164,787,606</u>	<u>\$ 163,437,045</u>

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

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

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses					
Instruction	\$ 93,265,995	\$ 82,271,525	\$ 84,344,746	\$ 82,030,946	\$ 79,578,214
Support services - students and staff	19,164,537	17,787,181	19,530,043	15,255,810	13,744,870
Support services - administration	12,767,901	11,814,132	12,744,530	10,824,855	10,744,152
Operation and maintenance of plant services	15,471,919	14,566,646	13,355,060	13,604,651	15,415,775
Student transportation services	8,099,841	7,147,466	8,650,420	8,034,589	7,724,844
Operation of non-instructional services	10,985,302	10,252,874	10,445,127	10,189,894	9,398,642
Interest on long-term debt	7,481,976	7,945,137	5,266,898	6,144,252	6,121,401
Total expenses	<u>167,237,471</u>	<u>151,784,961</u>	<u>154,336,824</u>	<u>146,084,997</u>	<u>142,727,898</u>
Program Revenues					
Charges for services:					
Instruction	2,563,576	2,669,654	2,220,714	2,657,161	1,577,531
Operation of non-instructional services	7,234,196	6,862,562	7,908,447	8,463,195	7,469,785
Other activities	3,972,469	3,952,249	2,718,150	1,604,568	2,213,596
Operating grants and contributions	10,367,665	10,087,362	10,897,019	10,118,955	10,448,125
Capital grants and contributions					
Total program revenues	<u>24,137,906</u>	<u>23,571,827</u>	<u>23,744,330</u>	<u>22,843,879</u>	<u>21,709,037</u>
Net (Expense)/Revenue	<u>\$ (143,099,565)</u>	<u>\$ (128,213,134)</u>	<u>\$ (130,592,494)</u>	<u>\$ (123,241,118)</u>	<u>\$ (121,018,861)</u>

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses					
Instruction	\$ 84,161,237	\$ 81,321,836	\$ 82,012,893	\$ 91,090,275	\$ 89,803,441
Support services - students and staff	13,802,110	13,952,233	14,357,146	13,987,599	13,857,293
Support services - administration	11,021,728	10,354,397	11,227,344	12,103,661	11,630,797
Operation and maintenance of plant services	14,228,399	14,754,567	14,875,380	11,844,110	15,532,685
Student transportation services	8,026,873	7,154,741	6,728,599	6,729,587	8,211,921
Operation of non-instructional services	10,093,017	9,904,757	9,817,504	10,186,264	10,955,819
Interest on long-term debt	5,565,030	15,249,382	14,128,072	12,915,591	11,372,066
Total expenses	<u>146,898,394</u>	<u>152,691,913</u>	<u>153,146,938</u>	<u>158,857,087</u>	<u>161,364,022</u>
Program Revenues					
Charges for services:					
Instruction	903,242	5,524,962	5,518,636	6,019,615	5,667,559
Operation of non-instructional services	6,890,809	4,158,950	4,320,659	4,597,876	4,705,987
Other activities	2,950,481	603,412	708,837	917,234	805,606
Operating grants and contributions	13,614,415	11,560,945	10,869,456	10,939,698	10,029,200
Capital grants and contributions	889,360	47,465	74,597	62,349	84,254
Total program revenues	<u>25,248,307</u>	<u>21,895,734</u>	<u>21,492,185</u>	<u>22,536,772</u>	<u>21,292,606</u>
Net (Expense)/Revenue	<u>\$ (121,650,087)</u>	<u>\$ (130,796,179)</u>	<u>\$ (131,654,753)</u>	<u>\$ (136,320,315)</u>	<u>\$ (140,071,416)</u>

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net (Expense)/Revenue	\$ (143,099,565)	\$ (128,213,134)	\$ (130,592,494)	\$ (123,241,118)	\$ (121,018,861)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	46,546,960	41,579,462	44,177,896	41,745,333	47,826,175
Property taxes, levied for debt service	21,647,698	15,416,696	13,971,878	15,937,345	13,477,061
Property taxes, levied for capital outlay	7,589,029	7,511,148	7,381,938	8,528,086	7,118,860
Investment income	616,662	540,339	365,799	341,662	198,855
Unrestricted county aid	4,341,246	4,376,677	4,305,332	4,575,232	4,546,551
Unrestricted state aid	54,946,955	55,845,262	52,565,740	55,854,282	52,503,042
Unrestricted federal aid	609,247	470,860	426,271	261,894	242,139
Special Item - Gain on sale of assets			3,385,892		
Total general revenues	<u>136,297,797</u>	<u>125,740,444</u>	<u>126,580,746</u>	<u>127,243,834</u>	<u>125,912,683</u>
Changes in Net Position	<u>\$ (6,801,768)</u>	<u>\$ (2,472,690)</u>	<u>\$ (4,011,748)</u>	<u>\$ 4,002,716</u>	<u>\$ 4,893,822</u>

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net (Expense)/Revenue	\$ (121,650,087)	\$ (130,796,179)	\$ (131,654,753)	\$ (136,320,315)	\$ (140,071,416)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	45,678,790	45,099,372	40,830,154	42,537,458	42,849,524
Property taxes, levied for debt service	15,065,623	23,817,460	23,490,302	20,482,691	21,678,552
Property taxes, levied for capital outlay	8,036,971	5,016,171	10,210,997	7,870,415	11,413,014
Investment income	267,940	798,862	938,392	2,375,045	2,976,014
Unrestricted county aid	4,584,974	4,608,743	4,556,511		
Unrestricted state aid	49,796,179	49,596,402	50,842,564	64,405,267	71,319,402
Total general revenues	<u>123,430,477</u>	<u>129,509,029</u>	<u>137,868,747</u>	<u>137,670,876</u>	<u>150,236,506</u>
Changes in Net Position	<u>\$ 1,780,390</u>	<u>\$ (1,287,150)</u>	<u>\$ 6,213,994</u>	<u>\$ 1,350,561</u>	<u>\$ 10,165,090</u>

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

Note: The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2007-08 through 2008-09.

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:					
Nonspendable	\$ 1,340,670	\$ 292,838	\$ 1,258,311	\$ 261,235	\$ 591,938
Restricted	1,547,193	4,948,015	4,953,146		
Unassigned	17,437,224	17,172,492	12,546,351	18,977,332	19,940,697
Total General Fund	<u>\$ 20,325,087</u>	<u>\$ 22,413,345</u>	<u>\$ 18,757,808</u>	<u>\$ 19,238,567</u>	<u>\$ 20,532,635</u>
All Other Governmental Funds:					
Nonspendable	\$ 11,103	\$ 11,103	\$ 14,843	\$ 39,265	\$ 117,024
Restricted	79,794,454	55,176,477	81,500,545	63,638,865	22,275,315
Unassigned				(113,397)	
Total all other governmental funds	<u>\$ 79,805,557</u>	<u>\$ 55,187,580</u>	<u>\$ 81,515,388</u>	<u>\$ 63,564,733</u>	<u>\$ 22,392,339</u>

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:					
Nonspendable	\$ 706,604	\$ 527,331	\$	\$	\$
Unassigned	19,074,244	15,277,767			
Reserved			3,931,322	2,071,948	886,813
Unreserved			3,140,587	2,811,084	8,023,547
Total General Fund	<u>\$ 19,780,848</u>	<u>\$ 15,805,098</u>	<u>\$ 7,071,909</u>	<u>\$ 4,883,032</u>	<u>\$ 8,910,360</u>
All Other Governmental Funds:					
Nonspendable	\$ 63,338	\$ 63,458	\$	\$	\$
Restricted	17,655,265	14,060,812			
Unassigned	(2,398)	(120,596)			
Reserved			83,374	89,592	111,541
Unreserved, reported in:					
Special revenue funds			17,010,657	17,145,181	18,074,143
Capital projects funds			24,712,553	46,268,450	49,300,826
Debt service fund			1,804,249	1,860,279	3,152,073
Total all other governmental funds	<u>\$ 17,716,205</u>	<u>\$ 14,003,674</u>	<u>\$ 43,610,833</u>	<u>\$ 65,363,502</u>	<u>\$ 70,638,583</u>

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54 were adopted in fiscal year 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Federal sources:					
Federal grants	\$ 6,116,228	\$ 5,573,267	\$ 6,268,603	\$ 6,010,715	\$ 6,066,833
Education Jobs					
National School Lunch Program	3,048,550	3,085,815	2,960,070	2,712,642	2,833,523
Total federal sources	<u>9,164,778</u>	<u>8,659,082</u>	<u>9,228,673</u>	<u>8,723,357</u>	<u>8,900,356</u>
State sources:					
State equalization assistance	47,972,153	48,929,863	45,893,602	49,161,855	47,125,634
State grants	650,240	618,425	638,634	414,272	295,618
Other revenues	6,974,802	6,915,206	6,672,138	6,692,610	5,377,408
Total state sources	<u>55,597,195</u>	<u>56,463,494</u>	<u>53,204,374</u>	<u>56,268,737</u>	<u>52,798,660</u>
Local sources:					
Property taxes	75,810,064	66,275,827	65,723,617	66,048,091	66,326,114
County aid	4,341,246	4,376,677	4,305,332	4,575,232	4,546,551
Food service sales	2,300,419	2,511,753	2,695,415	2,875,837	2,906,863
Investment income	566,914	468,542	297,482	276,616	136,354
Other revenues	12,515,822	12,320,635	11,538,487	11,130,330	9,603,344
Total local sources	<u>95,534,465</u>	<u>85,953,434</u>	<u>84,560,333</u>	<u>84,906,106</u>	<u>83,519,226</u>
Total revenues	<u><u>\$ 160,296,438</u></u>	<u><u>\$ 151,076,010</u></u>	<u><u>\$ 146,993,380</u></u>	<u><u>\$ 149,898,200</u></u>	<u><u>\$ 145,218,242</u></u>

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Federal sources:					
Federal grants	\$ 6,982,224	\$ 7,161,069	\$ 6,589,487	\$ 5,334,983	\$ 5,930,886
State Fiscal Stabilization (ARRA)		572,019	6,999,827		
National School Lunch Program	2,878,740	2,615,322	2,386,286	1,847,377	1,664,110
Total federal sources	<u>12,991,719</u>	<u>10,348,410</u>	<u>15,975,600</u>	<u>7,182,360</u>	<u>7,594,996</u>
State sources:					
State equalization assistance	44,869,225	45,447,749	49,501,254	55,415,107	61,565,115
State grants	258,263	298,141	516,584	2,287,722	802,058
School Facilities Board					630,350
Other revenues	4,926,954	4,378,689	4,684,219	5,670,281	8,870,871
Total state sources	<u>50,054,442</u>	<u>50,124,579</u>	<u>54,702,057</u>	<u>63,373,110</u>	<u>71,868,394</u>
Local sources:					
Property taxes	70,345,369	74,442,668	72,102,382	68,618,997	76,365,297
County aid	4,584,974	4,608,743	4,556,511		
Food service sales	3,334,657	3,496,813	3,681,319	4,063,460	4,143,347
Investment income	195,860	595,710	762,843	2,153,784	2,665,840
Other revenues	8,663,668	8,014,299	8,554,990	9,036,722	8,530,954
Total local sources	<u>87,124,528</u>	<u>91,158,233</u>	<u>89,658,045</u>	<u>83,872,963</u>	<u>91,705,438</u>
Total revenues	<u>\$ 150,170,689</u>	<u>\$ 151,631,222</u>	<u>\$ 160,335,702</u>	<u>\$ 154,428,433</u>	<u>\$ 171,168,828</u>

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

Note: The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2007-08 through 2008-09.

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenditures:					
Current -					
Instruction	\$ 74,067,931	\$ 66,525,650	\$ 68,292,959	\$ 67,893,287	\$ 66,920,319
Support services - students and staff	18,081,659	16,774,537	18,070,878	14,275,754	13,013,233
Support services - administration	11,304,525	10,799,543	11,235,605	9,792,931	9,517,292
Operation and maintenance of plant services	14,669,131	12,506,555	13,627,847	12,917,394	14,806,679
Student transportation services	5,687,131	5,305,440	6,687,002	6,175,274	6,222,956
Operation of non-instructional services	10,711,500	10,079,519	10,147,856	9,871,316	9,232,963
Capital outlay	26,618,338	32,835,034	32,539,600	12,712,312	8,773,490
Debt service -					
Interest and fiscal charges	8,289,676	8,427,790	5,405,348	6,282,702	6,461,001
Principal retirement	11,810,000	9,525,000	9,045,000	9,655,000	7,865,000
Bond issuance costs	650,705		669,929	492,682	39,950
Payment to refunded bond escrow agent			10,649,569		
Total expenditures	<u>\$ 181,890,596</u>	<u>\$ 172,779,068</u>	<u>\$ 186,371,593</u>	<u>\$ 150,068,652</u>	<u>\$ 142,852,883</u>
Expenditures for capitalized assets	\$ 17,797,974	\$ 27,796,574	\$ 23,747,764	\$ 4,726,037	\$ 2,439,177
Debt service as a percentage of noncapital expenditures	12%	12%	15%	11%	10%

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenditures:					
Current -					
Instruction	\$ 68,872,150	\$ 70,907,190	\$ 71,193,039	\$ 77,507,708	\$ 76,717,422
Support services - students and staff	12,622,359	13,388,092	13,777,270	13,219,708	13,244,757
Support services - administration	9,499,541	9,261,953	10,037,818	10,019,450	9,661,140
Operation and maintenance of plant services	13,495,107	12,918,845	14,021,360	12,704,373	14,762,759
Student transportation services	6,402,069	5,852,918	5,574,038	5,360,906	5,127,271
Operation of non-instructional services	9,862,327	9,685,496	9,680,571	9,860,338	10,414,234
Capital outlay	23,577,081	25,658,108	33,209,090	37,734,774	25,018,078
Debt service -					
Claims and judgments				482,452	
Interest and fiscal charges	13,120,020	15,283,685	14,138,044	12,925,563	13,005,534
Principal retirement	11,245,000	10,010,254	10,121,420	10,078,756	8,845,565
Bond issuance costs	142,015	245,000		334,953	240,500
Total expenditures	<u><u>\$ 168,837,669</u></u>	<u><u>\$ 173,211,541</u></u>	<u><u>\$ 181,752,650</u></u>	<u><u>\$ 190,228,981</u></u>	<u><u>\$ 177,037,260</u></u>
Expenditures for capitalized assets	\$ 14,548,438	\$ 18,984,651	\$ 29,084,493	\$ 27,995,669	\$ 14,926,173
Debt service as a percentage of noncapital expenditures	16%	16%	16%	14%	13%

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Excess (deficiency) of revenues over expenditures	\$ (21,594,158)	\$ (21,703,058)	\$ (39,378,213)	\$ (170,452)	\$ 2,365,359
Other financing sources (uses):					
General obligation bonds issued	32,025,000		40,000,000	40,000,000	2,975,000
Refunding bonds issued	24,810,000		24,120,000		
Premium on sale of bonds	6,625,870		3,986,478	457,240	148,542
Transfers in	695,722	505,623	2,174,792	874,089	952,804
Transfers out	(695,722)	(505,623)	(2,174,792)	(874,089)	(952,804)
Payment to refunded bond escrow agent	(20,537,623)		(16,371,855)		
Proceeds from sale of capital assets			4,140,832		
Insurance recoveries	152,798				
Total other financing sources (uses)	<u>43,076,045</u>		<u>55,875,455</u>	<u>40,457,240</u>	<u>3,123,542</u>
Changes in fund balances	<u>\$ 21,481,887</u>	<u>\$ (21,703,058)</u>	<u>\$ 16,497,242</u>	<u>\$ 40,286,788</u>	<u>\$ 5,488,901</u>
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Excess (deficiency) of revenues over expenditures	\$ (18,666,980)	\$ (21,580,319)	\$ (21,416,948)	\$ (35,800,548)	\$ (5,868,432)
Other financing sources (uses):					
General obligation bonds issued		22,350,000		25,000,000	30,000,000
Refunding bonds issued	43,030,000				
Premium on sale of bonds	5,718,309	269,331		334,953	471,297
Transfers in	879,479	625,466	373,695	1,161,843	1,084,200
Transfers out	(879,479)	(625,466)	(373,695)	(1,161,843)	(1,057,023)
Total other financing sources (uses)	<u>7,687,033</u>	<u>22,619,331</u>	<u></u>	<u>25,334,953</u>	<u>30,498,474</u>
Changes in fund balances	<u>\$ (10,979,947)</u>	<u>\$ 1,039,012</u>	<u>\$ (21,416,948)</u>	<u>\$ (10,465,595)</u>	<u>\$ 24,630,042</u>

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

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	\$ 822,373,241	\$ 1,030,386,534	\$ 1,017,161,203	\$ 1,111,161,951	\$ 876,767,884
Agricultural and Vacant	43,129,063	46,805,690	46,357,340	69,069,686	41,132,262
Residential (Owner Occupied)	1,006,438,721	1,154,407,771	1,255,199,155	1,522,868,054	1,016,086,297
Residential (Rental)	173,044,070	190,832,566	178,174,287	190,434,509	127,567,677
Railroad, Private Cars and Airlines	930,897	941,414	983,443	1,282,746	1,215,647
Historical Property	11,925	19,165	15,309	13,500	12,000
Certain Government Property Improvements	10,715				
Total	<u>\$ 2,045,938,632</u>	<u>\$ 2,423,393,140</u>	<u>\$ 2,497,890,737</u>	<u>\$ 2,894,830,446</u>	<u>\$ 2,062,781,767</u>
Gross Full Cash Value	\$ 18,575,028,097	\$ 21,684,199,876	\$ 24,607,576,458	\$ 24,422,238,451	\$ 22,161,674,713
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	11%	10%	12%	9%
Total Direct Rate	3.71	3.20	2.91	2.89	3.49

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

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 796,375,149	\$ 695,163,872	\$ 632,919,305	\$ 641,174,971	\$ 734,998,962
Agricultural and Vacant	33,166,138	33,215,133	29,286,377	30,403,095	33,998,556
Residential (Owner Occupied)	1,102,592,443	1,040,453,025	875,378,553	780,666,997	873,966,653
Residential (Rental)	343,106,025	308,509,302	240,907,417	184,528,176	148,043,518
Railroad, Private Cars and Airlines	807,870	865,575	923,280	1,087,199	1,071,064
Historical Property	12,310	12,310	12,310	196,342	10,190
Certain Government Property Improvements	37,234	33,297			
Total	<u>\$ 2,276,097,169</u>	<u>\$ 2,078,252,514</u>	<u>\$ 1,779,511,364</u>	<u>\$ 1,638,141,471</u>	<u>\$ 1,792,145,659</u>
Gross Full Cash Value	\$ 21,576,815,867	\$ 19,737,374,822	\$ 15,890,974,368	\$ 15,055,100,341	\$ 15,954,370,358
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Estimated Net Full Cash Value	18,485,347,364	16,739,381,972	14,087,094,529	12,605,725,763	13,614,086,584
Total Direct Rate	4.38	4.01	4.03	4.28	6.06
<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	\$ 824,593,681	\$ 1,129,640,298	\$ 1,198,234,974	\$ 1,111,161,951	\$ 966,577,654
Agricultural and Vacant	46,286,831	57,846,261	66,183,282	69,069,686	60,213,551
Residential (Owner Occupied)	1,007,509,296	1,157,244,748	1,373,643,110	1,522,868,054	1,413,447,143
Residential (Rental)	173,284,118	198,497,341	219,043,287	190,434,509	154,513,567
Railroad, Private Cars and Airlines	1,040,293	1,126,249	1,162,727	1,282,746	1,344,221
Historical Property	11,925	42,283	21,635	13,500	12,000
Total	<u>\$ 2,052,736,876</u>	<u>\$ 2,544,397,180</u>	<u>\$ 2,858,289,015</u>	<u>\$ 2,894,830,446</u>	<u>\$ 2,596,108,136</u>
Gross Full Cash Value	\$ 18,575,028,097	\$ 21,684,199,876	\$ 24,607,576,458	\$ 24,422,238,451	\$ 22,161,674,713
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	12%	12%	12%	12%
Estimated Net Full Cash Value	15,611,707,575	18,750,068,016	21,120,857,810	21,806,542,368	19,454,503,521
Total Direct Rate	3.71	3.20	2.91	2.89	3.49

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

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

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	20 %	21 %	22 %	23 %	24 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	17	18	20	21

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

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

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

Fiscal Year Ended June 30	Overlapping Rates											District Direct Rates		
	State	County	County	Flood	Community	Fire	Central	City	City	City	Tempe	Primary	Secondary	Total
	Equalization		Free	Control	College	District	Arizona	of	of	of	Union High			
			Library	District	District	Assistance	Water	Phoenix	Tempe	Chandler	School District			
2017	0.50	1.40	0.06	0.18	1.47	0.01	0.14	2.17	2.53	1.16	2.90	2.24	2.14	4.38
2016	0.51	1.36	0.06	0.16	1.49	0.01	0.14	1.82	2.52	1.18	2.87	2.14	1.87	4.01
2015	0.51	1.32	0.06	0.14	1.28	0.01	0.14	0.60	2.44	1.18	3.06	2.25	1.78	4.03
2014	0.51	1.28	0.04	0.14	1.53	0.01	0.14	1.82	2.49	1.27	2.66	2.22	2.06	4.28
2013	0.47	1.24	0.05	0.18	1.37	0.01	0.10	1.82	2.14	1.27	2.57	4.27	1.79	6.06
2012	0.43	1.24	0.05	0.18	1.21	0.01	0.10	1.82	1.79	1.27	2.57	2.05	1.66	3.71
2011	0.36	1.05	0.04	0.15	0.97	0.01	0.10	1.82	1.40	1.18	2.30	1.53	1.67	3.20
2010	0.33	0.99	0.04	0.14	0.88	0.01	0.10	1.82	1.40	1.18	2.22	1.43	1.48	2.91
2009	0.00	1.03	0.04	0.14	0.94	0.01	0.10	1.82	1.40	1.18	2.28	1.52	1.37	2.89
2008	0.00	1.10	0.04	0.15	0.98	0.01	0.10	1.82	1.40	1.20	2.50	1.95	1.54	3.49

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

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

Taxpayer	2017		2008	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Intel Corporation	\$ 40,496,655	2.17 %	\$ 27,184,487	1.05 %
TWC-Chandler LLC	23,799,666	1.28	34,047,379	1.31
DDRA Ahwatukee Foothills LLC	12,472,867	0.67	20,529,698	0.79
Honeywell International Inc	9,734,509	0.52		
Target Corporation	8,907,988	0.48	16,482,358	0.63
Tempe Campus SPV LLC	7,909,650	0.42		
Qwest Corporation	6,373,840	0.34	18,216,381	0.70
Realty Associates Fund X L P	6,355,143	0.34		
Cars-DB10 LP	5,222,463	0.28		
Verizon Wireless	5,110,452	0.27		
Allied Signal			14,649,443	0.56
Freescale Semiconductor Inc.			13,813,044	0.53
Ikea Property Inc.			9,613,431	0.37
Total	<u>\$ 126,383,233</u>	<u>6.77 %</u>	<u>\$ 154,536,221</u>	<u>5.94 %</u>

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

Notes: 1) The information presented is for the Tempe metropolitan area. Kyrene Elementary School District also serves portions of the City of Chandler and City of Phoenix communities.
2) On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value.

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2017	\$ 81,918,314	\$ 78,427,558	95.74 %	\$	\$ 78,427,558	95.74 %
2016	71,969,712	71,004,111	98.66	935,719	71,939,830	99.96
2015	70,501,784	67,643,277	95.95	2,831,598	70,474,875	99.96
2014	70,368,581	67,354,447	95.72	2,994,046	70,348,493	99.97
2013	70,472,026	67,381,446	95.61	3,085,742	70,467,188	99.99
2012	76,119,935	72,904,655	95.78	2,646,391	75,551,046	99.25
2011	80,472,545	77,824,096	96.71	2,639,577	80,463,673	99.99
2010	72,354,037	66,757,879	92.27	3,505,924	70,263,803	97.11
2009	68,652,956	65,431,128	95.31	2,749,713	68,180,841	99.31
2008	74,097,893	72,437,425	97.76	1,652,452	74,089,877	99.99

Source: The source of this information is the 2013 Maricopa County Treasurer's records.

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

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

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

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income	
2017	\$ 209,734,818	\$ 12,842,513	\$ 196,892,305	0.91 %	\$ 1,637	\$ 42,780	\$ 209,777,598	0.97 %	\$ 1,744	N/A %	
2016	181,858,123	1,881,715	179,976,408	0.91	1,187	83,932	181,942,055	0.92	1,200	0.65	
2015	191,828,888	3,274,923	188,553,965	1.19	1,213	123,517	191,952,405	1.21	1,235	1.14	
2014	156,020,000	2,300,914	153,719,086	1.02	854	161,596	156,181,596	1.04	868	0.93	
2013	123,885,000	808,411	123,076,589	0.77	684		123,885,000	0.78	688	0.84	
2012	143,400,000	1,155,432	142,244,568	0.77	790	51,026	143,451,026	0.77	797	0.97	
2011	137,260,000	1,928,320	135,331,680	0.62	752	99,524	137,359,524	0.63	763	0.92	
2010	126,697,394	2,354,177	124,343,217	0.51	691	50,255	126,747,649	0.52	704	0.89	
2009	136,460,380	2,212,598	134,247,782	0.55	880	195,873	136,656,253	0.56	896	0.96	
2008	121,817,390	3,446,960	118,370,430	0.53	779		121,817,390	0.55	801	0.83	

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2017

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Community College District	\$ 509,430,000	5.16 %	\$ 26,286,588
Special Health Care District	73,000,000	5.15	3,759,500
City of Chandler	302,595,000	20.86	63,121,317
City of Phoenix	1,063,580,000	6.99	74,344,242
City of Tempe	376,873,000	32.94	124,141,966
Tempe Union High School District No. 213	96,300,000	58.84	56,662,920
Subtotal, Overlapping Debt			<u>348,316,533</u>
Direct:			
Kyrene Elementary School District No. 28			<u>209,777,598</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 558,094,131</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	10.37	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 3,504	
As a Percentage of Net Limited Assessed Valuation	40.29	%
As a Percentage of Estimated Gross Full Cash Value	33.02	%

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

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

2) Outstanding debt as of June 30, 2016 is presented for the overlapping governments as this is the most recent available information.

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

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2017:

Net full cash assessed valuation	\$ 2,276,097,169
Debt limit (10% of assessed value)	227,609,717
Debt applicable to limit	<u>206,275,870</u>
Legal debt margin	<u><u>\$ 21,333,847</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2017:

Net full cash assessed valuation	\$ 2,276,097,169
Debt limit (15% of assessed value)	341,414,575
Debt applicable to limit	<u>206,275,870</u>
Legal debt margin	<u><u>\$ 135,138,705</u></u>

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 341,414,575	\$ 311,737,877	\$ 256,444,846	\$ 245,721,221	\$ 268,821,849
Total net debt applicable to limit	<u>206,275,870</u>	<u>176,750,000</u>	<u>185,795,000</u>	<u>156,020,000</u>	<u>123,885,000</u>
Legal debt margin	<u><u>\$ 135,138,705</u></u>	<u><u>\$ 134,987,877</u></u>	<u><u>\$ 70,649,846</u></u>	<u><u>\$ 89,701,221</u></u>	<u><u>\$ 144,936,849</u></u>
Total net debt applicable to the limit as a percentage of debt limit	60%	57%	72%	63%	46%
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Debt Limit	\$ 307,910,531	\$ 381,659,577	\$ 428,743,352	\$ 434,224,567	\$ 389,416,220
Total net debt applicable to limit	<u>143,400,000</u>	<u>137,260,000</u>	<u>126,697,394</u>	<u>136,460,380</u>	<u>121,817,390</u>
Legal debt margin	<u><u>\$ 164,510,531</u></u>	<u><u>\$ 244,399,577</u></u>	<u><u>\$ 302,045,958</u></u>	<u><u>\$ 297,764,187</u></u>	<u><u>\$ 267,598,830</u></u>
Total net debt applicable to the limit as a percentage of debt limit	47%	36%	30%	31%	31%

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

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

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

Year	Population	Personal Income (thousands)	Per Capita Income	Unemployment Rate	Estimated District Population
2016	4,137,076	\$ 280,120,037	\$ 40,415	4.5 %	154,606
2015	4,076,438	168,483,421	41,222	5.5	151,606
2014	4,087,191	168,483,421	41,222	5.4	155,396
2013	4,009,412	147,700,000	27,552	6.2	180,000
2012	3,824,058	147,374,500	38,538	9.1	180,000
2011	3,843,370	148,593,801	38,411	8.2	180,000
2010	4,192,887	142,864,275	37,352	9.2	180,000
2009	4,379,634	142,091,618	35,319	8.5	180,000
2008	3,987,942	147,122,078	37,168	4.8	152,500
2007	3,778,598	139,665,253	36,135	3.3	152,000

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis.

The source of the "Population" and "Unemployment Rate" information from 2007 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2016, the source of the information is the Arizona Office of Employment and Population Statistics.

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

Employer	2017			2008	
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment
State of Arizona	50,816	2.66	%		%
Banner Health Systems	35,406	1.86			
Wal-Mart Stores Inc.	32,373	1.70			
Fry's Food Stores	17,286	0.91			
City of Phoenix	14,585	0.77			
Wells Fargo Bank, N.A	14,480	0.76		3,406	5.84
Maricopa County	13,567	0.71			
Arizona State University	12,676	0.67		10,336	17.72
Dignity Health	12,100	0.64			
Intel Corp.	11,760	0.62			
SRP				3,331	5.71
Freescall Semiconductor				3,000	5.14
Kyrene Elementary School District				2,860	4.90
US Airways				2,800	4.80
Insight Direct Inc.				2,500	4.29
Honeywell				2,000	3.43
Bank One Telephone Banking Division				2,000	3.43
City of Tempe				1,740	2.98
Total	<u>215,049</u>	<u>11.30</u>	%	<u>33,973</u>	<u>58.24</u> %
Total employment	<u>1,902,687</u>			<u>58,333</u>	

Source: The source of this county-wide information is the Business Journal Book of Lists.. The source of the "Total employment" for 2016 is the U.S. Department of Labor, Bureau of Labor Statistics, by Arizona Department of Administration, Office of Employment and Population Statistics.

Note: The information presented above is County-wide.

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

Full-time Equivalent Employees as of June 30					
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Supervisory					
Superintendents/Principals	28	28	28	28	28
Assistant principals	11	12	12	12	14
Total supervisory	<u>39</u>	<u>40</u>	<u>40</u>	<u>40</u>	<u>42</u>
Instruction					
Teachers	915	950	954	940	943
Other professionals (instructional)	247	200	212	204	192
Total instruction	<u>1,162</u>	<u>1,150</u>	<u>1,166</u>	<u>1,144</u>	<u>1,135</u>
Student Services					
Librarians	18	25	27	25	24
Nurses/Technicians	31	31	30	20	19
Total student services	<u>49</u>	<u>56</u>	<u>57</u>	<u>45</u>	<u>43</u>
Support and Administration					
Service workers	297	209	212	212	209
Other classified	67	72	74	74	70
Total support and administration	<u>364</u>	<u>281</u>	<u>286</u>	<u>286</u>	<u>279</u>
Total	<u><u>1,614</u></u>	<u><u>1,527</u></u>	<u><u>1,549</u></u>	<u><u>1,515</u></u>	<u><u>1,499</u></u>

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Supervisory					
Superintendents/Principals	27	25	25	25	24
Assistant principals	14	14	14	19	16
Total supervisory	<u>41</u>	<u>39</u>	<u>39</u>	<u>44</u>	<u>40</u>
Instruction					
Teachers	949	990	996	1,070	985
Other professionals (instructional)	210	204	191	238	216
Total instruction	<u>1,159</u>	<u>1,194</u>	<u>1,187</u>	<u>1,308</u>	<u>1,201</u>
Student Services					
Librarians	21	25	25	25	25
Nurses/Technicians	18	14	14	14	13
Total student services	<u>39</u>	<u>39</u>	<u>39</u>	<u>39</u>	<u>38</u>
Support and Administration					
Service workers	198	96	113	105	96
Other classified	76	76	79	82	80
Total support and administration	<u>274</u>	<u>172</u>	<u>192</u>	<u>187</u>	<u>176</u>
Total	<u><u>1,513</u></u>	<u><u>1,444</u></u>	<u><u>1,457</u></u>	<u><u>1,578</u></u>	<u><u>1,455</u></u>

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

(Concluded)

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

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
2017	16,113	\$ 134,521,877	\$ 8,349	12.92 %	\$ 167,237,471	\$ 10,379	12.82 %	915	17.6	31.0 %
2016	16,500	121,991,244	7,394	(5.30)	151,784,961	9,199	(2.24)	950	17.4	30.5
2015	16,402	128,062,147	7,808	5.53	154,336,824	9,410	5.28	954	17.2	31.0
2014	16,345	120,925,956	7,398	3.89	146,084,997	8,938	5.27	940	17.4	31.0
2013	16,811	119,713,442	7,121	(0.46)	142,727,898	8,490	(2.45)	943	17.8	28.5
2012	16,879	120,753,553	7,154	(1.20)	146,898,394	8,703	(3.96)	949	17.8	29.2
2011	16,850	122,014,494	7,241	(1.67)	152,691,913	9,062	(0.14)	990	17.0	26.9
2010	16,877	124,284,096	7,364	(2.75)	153,146,938	9,074	(2.93)	996	16.9	24.8
2009	16,993	128,672,483	7,572	(0.30)	158,857,087	9,348	(0.89)	1,070	15.9	20.3
2008	17,108	129,927,583	7,595	11.71	161,364,022	9,432	9.45	985	17.4	18.2

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

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

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

	Fiscal Year Ended June 30									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Schools</u>										
<u>Elementary</u>										
Buildings	48	48	48	48	48	48	48	48	65	69
Square feet	1,470,378	1,470,378	1,470,378	1,470,378	1,470,378	1,470,378	1,470,378	1,470,378	1,457,650	1,451,378
Capacity	16,174	16,174	16,174	16,174	16,174	16,174	16,174	16,174	16,069	16,000
Enrollment	11,320	11,521	11,705	11,749	11,681					
<u>Middle</u>										
Buildings	46	46	46	46	46	46	46	46	46	46
Square feet	915,260	915,260	915,260	915,260	915,260	915,260	915,260	915,260	915,260	915,260
Capacity	7,125	7,125	7,125	7,125	7,125	7,125	7,125	7,125	7,125	7,125
Enrollment	5,977	6,096	6,145	6,117	6,442	6,521				
<u>Administrative</u>										
Buildings	3	3	3	3	3	3	3	3	3	3
Square feet	70,947	70,947	70,947	70,947	70,947	70,947	70,947	70,947	70,947	70,947
<u>Transportation</u>										
Garages	7	7	7	7	7	7	7	7	7	7
<u>Athletics</u>										
Soccer fields	6	6	6	6	6	6	6	6	6	6
Running tracks	6	6	6	6	6	6	6	6	6	6
Baseball/softball	1	1	1	1	1	1	1	11/12	11/12	11/12
Playgrounds	29	29	29	29	29	29	29	29	29	29

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

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