
KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020



KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28

TEMPE, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Issued by:
Business and Finance Department

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28

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INTRODUCTORY SECTION

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Elementary Schools

Brisas
Cerritos
Cielo
Colina
Esperanza
Estrella
Lagos
Lomas
Manitas
Mariposa
Milenio
Mirada

Monte Vista

Niños
Norte
Paloma
Sierra
Waggoner

PreK-8 School

Kyrene Traditional
Academy

Middle Schools

Akimel A-al
Altadena
Aprende
Centennial
Kyrene
Pueblo

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

Michelle Fahy
John King
Michael Myrick
Margaret Pratt
Kevin Walsh

December 15, 2020

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

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Kyrene Elementary School District No. 28 (District) for the fiscal year ended June 30, 2020.

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, 2020, 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.

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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, 2020, 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 and provides a program of public education from preschool through grade eight. The projected enrollment for fiscal year 2020-21 is 16,471 students who are served by 18 elementary schools, six middle schools, and one K-8 campus, and one K-8 Digital Academy.

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

In support of these objectives, the District provides an excellent education to students with academic support, outstanding teachers and staff, and excellent facilities. Kyrene School District has been offering students an exceptional education for more than 130 years, and the success is evident in the District's accolades. Kyrene students excel by consistently outperforming statewide averages on AzMERIT tests and receive high rankings among school lists.

Some of the highlights include:

1. Eight Kyrene schools scored in the top 10% of all Arizona district and charter schools on AzMERIT English Language Arts.
2. Eight Kyrene schools scored in the top 10% of all Arizona district and charter schools on AzMERIT Math.
3. Kyrene students outperformed peer district averages by 20 percentage points in English Language Arts and 16 percentage points in Math.
4. Kyrene students outperformed charter schools by 9 percentage points in both Math and English Language Arts.
5. 72% of all Kyrene students showed growth in AzMERIT English Language Arts.
6. Kyrene has 16 schools that are recognized as A+ Schools of Excellence by the Arizona Educational Foundation.
6. Kyrene has two National Blue Ribbon Schools, Kyrene Traditional Academy and Kyrene de la Sierra.

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

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

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

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



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

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy. Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,222 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such towns as Gilbert, Paradise Valley and Fountain Hills. Maricopa County is currently the nation's fourth largest county in terms of population size and the fifteenth in land area. The County's 2019 population was estimated at 4.5 million.

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

The District is located across Tempe, Chandler and Phoenix. A few of the major companies represented in this metropolitan area include Banner Health Systems, Fry's Food Stores, Wal-Mart Stores, Inc., Wells Fargo, Honeywell, and Intel. In addition, this metropolitan area continues to provide excellent educational and training opportunities through ten community colleges, four private colleges and graduate schools, and one state university.

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

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



The District has a balanced budget, maintains cost and budget controls, forecasts future enrollment trends, and aligns spending programs to long-term strategic initiatives. The District has also achieved the highest bond ratings in the state of Arizona as a result of a robust financial position coupled with a large and stable tax base. The District currently maintains a bond rating of “Aa1” from Moody’s and “AA” from Standard and Poor’s.

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

The recent outbreak and spread of COVID-19, which has been designated a global pandemic by the World Health Organization, has impacted local, state and global economies as well as governments, businesses, and schools. Arizona Governor, Doug Ducey, has issued multiple executive orders in response to COVID-19 that cover topics including physical distancing, virus testing/reporting, contact tracing, face coverings, closing/reopening of business operation, large gatherings and closing/opening of schools. As directed by the State, District schools were closed for several weeks through the end of the 2019-20 school year. This closure was accompanied by enacted legislation to assure continued funding at the same levels to schools for school year 2019-20. Although the District has created a budget and included an estimate of the financial impact related to COVID-19, it is impossible to know the exact effect COVID-19 will have on its long-term finances, operations, or state funding.

In August 2020, the Arizona Department of Health Services (ADHS) released benchmarks for reopening schools for in-person learning in a safe manner. The benchmarks indicate minimal, moderate and substantial condition categories, and provide local COVID-19 data for a two-week period. The data includes average cases per 100,000 population; diagnostic test percent positivity; and COVID-19-like-illness as a percent of hospital visits. District schools are able to monitor weekly benchmark data provided by ADHS and the Maricopa County Department of Public Health (MCDPH) through a school reopening dashboard.

Benchmark data is used to determine school reopening plans based on the local community spread levels. For the 2020-21 school year, the District has developed multiple learning models that allows parents to choose between three options: (1) participate in distance learning year-round through the newly launched Kyrene Digital Academy, (2) participate in a distance-learning environment on a quarter-by-quarter basis, or (3) choose to return to in-person learning when the benchmark data indicates that is a safe option.

Classrooms for in-person learning will use a cohort model, which minimizes the interaction between students throughout the day. The District is following the guidance from federal, state, and local health agencies for safety, cleaning, disinfection, and mitigation strategies. The District will continue to use the ADHS and MCDPH benchmark data to reevaluate the learning models and make any changes throughout the year as necessary.



AWARDS AND ACKNOWLEDGMENTS

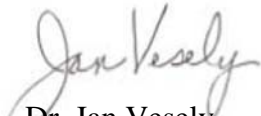
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting and the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for comprehensive annual financial reports for the year ended June 30, 2019. 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, 2020 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, preparation of this report would not have been possible.

Respectfully submitted,



Dr. Jan Vesely
Superintendent



Chris Herrmann
Chief Financial Officer



**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, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

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

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
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in Financial
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Presented to

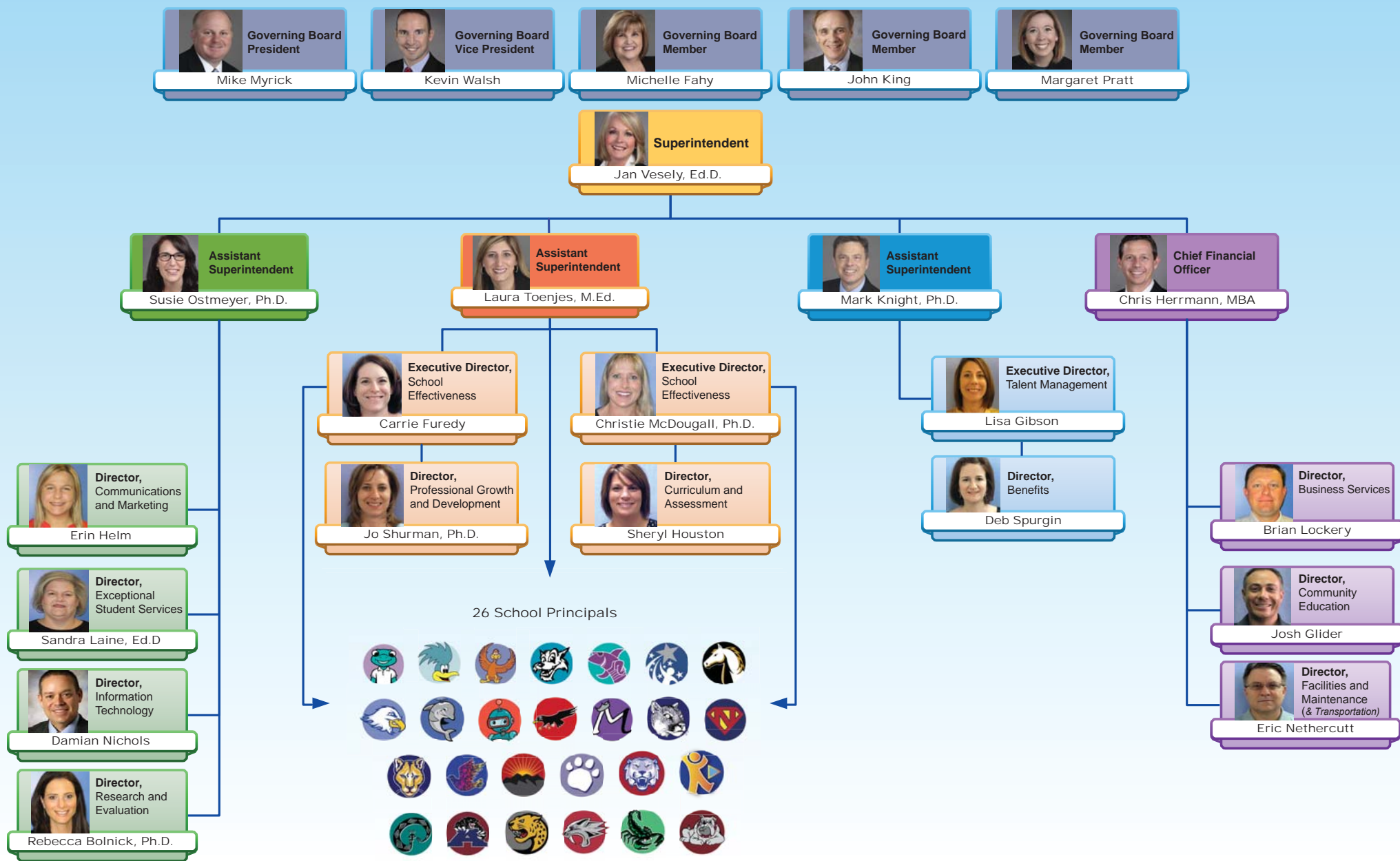
**Kyrene Elementary School District
No. 28, Arizona**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Michael Myrick, President

Kevin Walsh, Vice President

John King, Member

Michelle Fahy, Member

Margaret Pratt, 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, 2020, 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, 2020, 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.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, for the year ended June 30, 2020, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

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 December 15, 2020, 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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Kyrene Elementary School District No. 28's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kyrene Elementary School District No. 28's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
December 15, 2020

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, 2020**

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, 2020. 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 \$9.7 million which represents an 25 percent decrease from the prior fiscal year as a result of the District being closed for three months of the fiscal year due to the COVID-19 pandemic.
- General revenues accounted for \$152.3 million in revenue, or 86 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$24.1 million or 14 percent of total current fiscal year revenues.
- The District had approximately \$186.2 million in expenses related to governmental activities, an increase of seven percent from the prior fiscal year. The increase is primarily related to an increase in instructional expenditures due to increases in instructional salaries and benefits, adopted curriculum purchases and increased instruction technology expenditures, totaling over \$5.0 million.
- Among major funds, the General Fund had \$112.2 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$110.3 million in expenditures. The General Fund's fund balance increased from \$21.8 million at the prior fiscal year end, to \$23.4 million at the end of the current fiscal year.
- The Debt Service Fund had \$23.3 million in revenues and \$20.4 million in expenditures. The Debt Service Fund's fund balance decreased \$12.1 million due to the District meeting its debt obligations.
- The Bond Building Fund's fund balance decreased \$19.0 million due to expenditures relating to implementing the District's 10-year Capital Master Plan while not replacing those expenditures with new revenues until FY21 when the new bonds will be issued.
- Net position for the Internal Service Funds decreased \$1.3 million from the prior fiscal year primarily due to the District spending down fund balance in the Employee Benefit Trust Fund. Operating expenses of \$17.5 million exceeded operating revenues of \$16.1 million at the end of the current fiscal year.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$28.8 million at the current fiscal year end.

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

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2020 and June 30, 2019.

	As of June 30, 2020	As of June 30, 2019
Current and other assets	\$ 116,565,906	\$ 148,086,869
Capital assets, net	263,705,072	264,179,107
Total assets	<u>380,270,978</u>	<u>412,265,976</u>
Deferred outflows	<u>19,974,425</u>	<u>24,593,917</u>
Current liabilities	18,963,861	12,614,583
Long-term liabilities	344,869,058	370,974,760
Total liabilities	<u>363,832,919</u>	<u>383,589,343</u>
Deferred inflows	<u>7,625,983</u>	<u>15,034,348</u>
Net position:		
Net investment in capital assets	72,383,417	89,872,546
Restricted	39,378,225	55,106,379
Unrestricted	(82,975,141)	(106,742,723)
Total net position	<u>\$ 28,786,501</u>	<u>\$ 38,236,202</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 \$83.0 million. The deficit arose due to the District's proportionate share of the state pension and other postemployment benefit unfunded liabilities. The same situation held true for the prior fiscal year.

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

- The addition of \$14.7 million in capital assets through school improvements and the purchase of vehicles, furniture and equipment.
- The addition of \$15.1 million in accumulated depreciation due to the current year depreciation expense.
- The increase of \$6.4 million in pension liabilities.
- The principal retirement of \$30.7 million of bonds.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

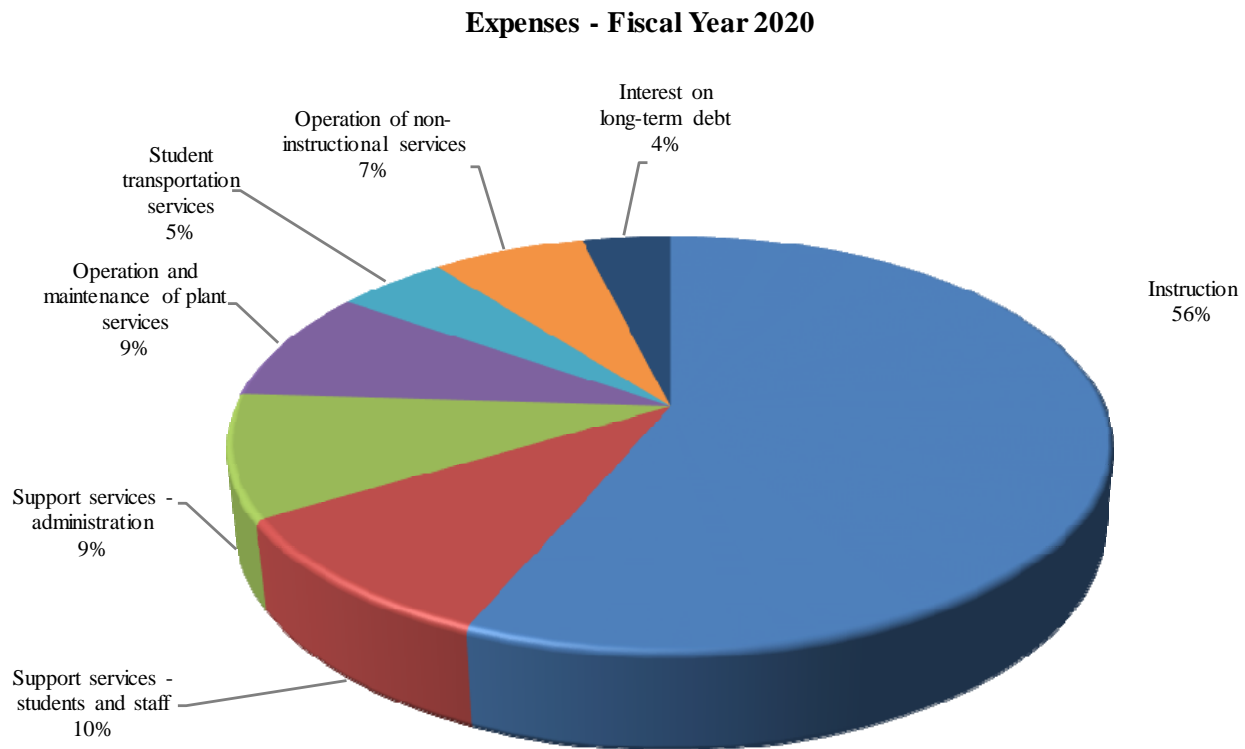
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$176.5 million. The total cost of all programs and services was \$186.2 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2020 and June 30, 2019.

	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019
Revenues:		
Program revenues:		
Charges for services	\$ 11,145,538	\$ 16,340,087
Operating grants and contributions	10,803,586	13,580,735
Capital grants and contributions	2,183,622	119,173
General revenues:		
Property taxes	78,582,664	75,806,355
Investment income	2,716,704	2,783,584
Unrestricted county aid	4,741,273	4,683,039
Unrestricted state aid	65,453,346	61,287,147
Unrestricted federal aid	853,771	801,814
Total revenues	<u>176,480,504</u>	<u>175,401,934</u>
Expenses:		
Instruction	104,942,309	95,095,674
Support services - students and staff	18,875,148	15,624,233
Support services - administration	17,585,115	15,699,409
Operation and maintenance of plant services	16,281,746	16,172,484
Student transportation services	8,976,254	9,148,432
Operation of non-instructional services	12,389,654	13,235,212
Interest on long-term debt	7,108,146	8,637,522
Total expenses	<u>186,158,372</u>	<u>173,612,966</u>
Changes in net position	<u>(9,677,868)</u>	<u>1,788,968</u>
Net position, beginning, as restated	<u>38,464,369</u>	<u>36,447,234</u>
Net position, ending	<u><u>\$ 28,786,501</u></u>	<u><u>\$ 38,236,202</u></u>

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- The \$5.2 million decrease in charges for services is related to school closures as result of the COVID-19 pandemic. As a result, food services operations were reduced and community school programs were cancelled.
- The overall increase of \$12.5 million in expenses is primarily due to increases in salaries and benefits throughout the District, adopted curriculum purchases, and increased instructional technology expenditures.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Year Ended June 30, 2020		Year Ended June 30, 2019	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 104,942,309	\$ (98,914,453)	\$ 95,095,674	\$ (88,739,713)
Support services - students and staff	18,875,148	(16,698,478)	15,624,233	(14,749,028)
Support services - administration	17,585,115	(16,853,306)	15,699,409	(12,826,657)
Operation and maintenance of plant services	16,281,746	(13,506,548)	16,172,484	(14,085,575)
Student transportation services	8,976,254	(8,557,671)	9,148,432	(8,555,307)
Operation of non-instructional services	12,389,654	(672,408)	13,235,212	3,389,504
Interest on long-term debt	7,108,146	(6,822,762)	8,637,522	(8,006,195)
Total	<u>\$ 186,158,372</u>	<u>\$(162,025,626)</u>	<u>\$ 173,612,966</u>	<u>\$(143,572,971)</u>

- The cost of all governmental activities this year was \$186.2 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 \$162.0 million was financed by general revenues, which are made up of primarily property taxes of \$78.6 million and state and county aid of \$70.2 million. Investment earnings accounted for \$2.7 million of funding.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$80.3 million, a decrease of \$32.5 million due primarily to the District continuing to implement its 10-year Capital Master Plan while not replacing those expenditures with new revenues until FY21 when the new bonds will be issued.

The General Fund comprises 29 percent of the total fund balance. Approximately \$21.7 million, or 93 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District.

The fund balance increased \$2.6 million in the General Fund to \$23.4 million as of fiscal year end.

General Fund revenues increased \$5.0 million as a result of an increase in state aid due to an increase in the funding formula adopted by the state legislature. General Fund expenditures increased \$2.3 million primarily as a result of increases in salaries and benefits to employees. These increases were included as part of a three year plan to increase pay.

The Debt Service Fund had \$23.3 million in current fiscal year revenues and \$20.4 million in expenditures. The Debt Service Fund's fund balance decreased from \$32.0 million as of prior fiscal year end to \$19.9 million as of the current fiscal year end primarily due to the District meeting its debt obligations.

The fund balance in the Bond Building Fund decreased \$19.0 million to \$19.6 million as of year end primarily due to the District continuing to implement its 10-year Capital Master Plan while not replacing those expenditures with new revenues until FY21 when the new bonds will be issued.

Proprietary funds. Unrestricted net position of the Internal Service Funds decreased \$1.3 million to \$1.3 million as of fiscal year end primarily as a result of efforts by the District to utilize fund balance to stabilize the costs of healthcare premiums for employees. Operating expenses of \$17.5 million exceeded operating revenues of \$16.1 million.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$2.0 million increase, or two percent.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The favorable variance of \$11.1 million in instruction was a result of the COVID-19 pandemic District shutdown for three months during the school year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$501.3 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$14.0 million from the prior fiscal year, primarily due to an increase in buildings and improvements. Total depreciation expense for the current fiscal year was \$15.1 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2020 and June 30, 2019.

	As of June 30, 2020	As of June 30, 2019
Capital assets - non-depreciable	\$ 35,025,797	\$ 41,399,934
Capital assets - depreciable, net	228,679,275	222,779,173
Total	<u>\$ 263,705,072</u>	<u>\$ 264,179,107</u>

The estimated cost to complete current construction projects is \$2.4 million.

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

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Debt Administration. At year end, the District had \$216.1 million in long-term debt outstanding, \$12.7 million due within one year. Long-term debt decreased by \$32.3 million due to the District meeting its debt obligations and crossover refunding bond dates being met during the year.

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 \$402.8 million and the current Class B debt limit for the District is \$268.5 million which are more than the District's total outstanding general obligation and Class B debt, respectively.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2020-21 budget. Among them:

- Fiscal year 2019-20 budget balance carryforward (estimated \$14.3 million).
- District student average daily membership (estimated 14,669).

The COVID-19 pandemic posed financial and economic challenges for the District's fiscal year 2020-21 budget. School districts did not receive additional state funding to address the costs incurred in fiscal year 2019-20 or fiscal year 2020-21 as a result of COVID-19, as the only additional funding came from the Federal CARES Act. This situation made it extremely difficult to prepare and develop a balanced budget, as these additional costs greatly exceeded the funding provided from the state.

The District's 2020-21 budget includes \$5.1M of unfavorable financial activity related to COVID-19 issues. This includes \$2.4M in lower expected operating revenues as a result of general economic conditions from funding sources other than what is provided by the state funding formula. It also includes an additional \$2.7M of anticipated expenditures related to health and safety, educational delivery models, and social emotional wellness for staff and students. This additional expense includes \$1.9M of funding to provide the technology, software, and internet functionality for distance learning as well as platforms to also support social emotional learning. It also includes \$0.6M in additional funding for enhanced cleaning and disinfection of school campuses, offices, and school buses as well as providing appropriate personal protective equipment (PPE) and supplies. PPE would include items such as thermometers, face coverings, visible signs, hand sanitizer, gloves, and additional cleaning supplies and equipment for our school sites, health offices, and other district office areas.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

These expenditures also include additional \$0.2M of funding that is dedicated in the fiscal year 2020-21 budget to provide the support network needed to deliver an online instructional model to students.

Only approximately \$1.0M of federal funding from the CARES Act is expected to be provided to address these expenditures, so the remaining amounts must be covered from other District funds. In order to offset the unfavorable financial conditions and expenditures caused by COVID-19 and produce a balanced budget, the District reallocated funding from the District's bond and capital override funds. These funds are only available due to the voter support in the community for these approved initiatives. Expenditure reductions were also identified and included in order to produce a balanced budget for fiscal year 2020-21. These reductions include district-wide support positions, supplies and services, and other staffing areas.

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

Budgeted expenditures in the General Fund increased four percent to \$128.2 million in fiscal year 2020-21. State aid and property taxes are expected to be the primary funding sources. No new programs were added in the fiscal year 2020-21.

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, 2020

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 80,577,858
Restricted cash and investments	14,402,604
Property taxes receivable	3,975,043
Accounts receivable	330,555
Due from governmental entities	16,891,051
Inventory	388,795
Total current assets	<u>116,565,906</u>
Noncurrent assets:	
Capital assets not being depreciated	35,025,797
Capital assets, net of accumulated depreciation	<u>228,679,275</u>
Total noncurrent assets	<u>263,705,072</u>
Total assets	<u><u>380,270,978</u></u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding	5,227,484
Pension plan items	<u>14,746,941</u>
Total deferred outflows of resources	<u><u>19,974,425</u></u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	3,312,985
Construction contracts payable	6,575,542
Claims payable	1,994,000
Accrued payroll and employee benefits	2,969,653
Compensated absences payable	2,000,000
Accrued interest payable	4,086,657
Unearned revenues	25,024
Bonds payable	<u>12,735,000</u>
Total current liabilities	<u><u>33,698,861</u></u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>330,134,058</u>
Total noncurrent liabilities	<u><u>330,134,058</u></u>
Total liabilities	<u><u>363,832,919</u></u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	<u>7,625,983</u>
<u>NET POSITION</u>	
Net investment in capital assets	72,383,417
Restricted	39,378,225
Unrestricted	<u>(82,975,141)</u>
Total net position	<u><u>\$ 28,786,501</u></u>

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 104,942,309	\$ 1,712,345	\$ 4,313,225	\$ 2,286	\$ (98,914,453)
Support services - students and staff	18,875,148	154,429	2,022,241		(16,698,478)
Support services - administration	17,585,115		731,809		(16,853,306)
Operation and maintenance of plant services	16,281,746	305,050	288,812	2,181,336	(13,506,548)
Student transportation services	8,976,254		418,583		(8,557,671)
Operation of non-instructional services	12,389,654	8,973,714	2,743,532		(672,408)
Interest on long-term debt	7,108,146		285,384		(6,822,762)
Total governmental activities	<u>\$ 186,158,372</u>	<u>\$ 11,145,538</u>	<u>\$ 10,803,586</u>	<u>\$ 2,183,622</u>	<u>(162,025,626)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					49,850,126
Property taxes, levied for debt service					21,836,871
Property taxes, levied for capital outlay					6,895,667
Investment income					2,716,704
Unrestricted county aid					4,741,273
Unrestricted state aid					65,453,346
Unrestricted federal aid					853,771
Total general revenues					<u>152,347,758</u>
Changes in net position					(9,677,868)
Net position, beginning of year, as restated					<u>38,464,369</u>
Net position, end of year					<u>\$ 28,786,501</u>

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, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
<u>ASSETS</u>			
Cash and investments	\$ 11,240,990	\$ 22,187,851	\$ 26,166,947
Restricted cash and investments		14,402,604	
Property taxes receivable	3,531,025	297,216	
Accounts receivable			
Due from governmental entities	14,079,823		
Due from other funds	435,122		
Inventory	388,795		
Total assets	<u><u>\$ 29,675,755</u></u>	<u><u>\$ 36,887,671</u></u>	<u><u>\$ 26,166,947</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 667,969	\$	\$
Construction contracts payable			6,575,542
Due to other funds			
Accrued payroll and employee benefits	2,438,273		
Unearned revenues			
Bonds payable		12,735,000	
Bond interest payable		4,086,657	
Total liabilities	<u><u>3,106,242</u></u>	<u><u>16,821,657</u></u>	<u><u>6,575,542</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	3,190,612	141,082	
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	<u><u>3,190,612</u></u>	<u><u>141,082</u></u>	
Fund balances (deficits):			
Nonspendable	388,795		
Restricted	1,311,117	19,924,932	19,591,405
Unassigned	21,678,989		
Total fund balances	<u><u>23,378,901</u></u>	<u><u>19,924,932</u></u>	<u><u>19,591,405</u></u>
Total liabilities, deferred inflows of resources			
and fund balances	<u><u>\$ 29,675,755</u></u>	<u><u>\$ 36,887,671</u></u>	<u><u>\$ 26,166,947</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 17,844,709	\$ 77,440,497
	14,402,604
146,802	3,975,043
66,014	66,014
2,741,831	16,821,654
	435,122
	388,795
<u>\$ 20,799,356</u>	<u>\$ 113,529,729</u>

\$ 2,027,915	\$ 2,695,884
	6,575,542
435,122	435,122
494,257	2,932,530
25,024	25,024
	12,735,000
	4,086,657
<u>2,982,318</u>	<u>29,485,759</u>

99,723	3,431,417
337,146	337,146
<u>436,869</u>	<u>3,768,563</u>

	388,795
17,901,371	58,728,825
(521,202)	21,157,787
<u>17,380,169</u>	<u>80,275,407</u>

<u>\$ 20,799,356</u>	<u>\$ 113,529,729</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, 2020

Total governmental fund balances **\$ 80,275,407**

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	\$ 501,295,958	
Less accumulated depreciation	<u>(237,590,886)</u>	263,705,072

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

Property taxes	3,431,417	
Intergovernmental	<u>337,146</u>	3,768,563

Deferred items related to the refunding of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds. 5,227,484

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	14,746,941	
Deferred inflows of resources related to pensions	<u>(7,625,983)</u>	7,120,958

The Internal Service Funds are used by management to charge the cost of insurance to the individual funds and to account for internal and external activities related to cost reimbursable activities and agreements. The assets and liabilities of the Internal Service Funds are included in the Statement of Net Position. 823,075

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

Compensated absences payable	(6,686,451)	
Net pension liability	(122,042,063)	
Bonds payable	<u>(203,405,544)</u>	<u>(332,134,058)</u>

Net position of governmental activities **\$ 28,786,501**

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, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 5,021,440	\$ 1,167,755	\$ 804,145
Property taxes	49,638,915	21,837,701	
State aid and grants	56,679,281		
Federal aid, grants and reimbursements	853,771	285,384	
Total revenues	<u>112,193,407</u>	<u>23,290,840</u>	<u>804,145</u>
Expenditures:			
Current -			
Instruction	67,273,244		
Support services - students and staff	14,900,601		
Support services - administration	12,644,845		
Operation and maintenance of plant services	11,341,315		
Student transportation services	3,979,566		
Operation of non-instructional services	155,197		
Capital outlay	1,757		18,969,422
Debt service -			
Principal retirement		12,735,000	
Interest and fiscal charges		7,648,147	
Total expenditures	<u>110,296,525</u>	<u>20,383,147</u>	<u>18,969,422</u>
Excess (deficiency) of revenues over expenditures	<u>1,896,882</u>	<u>2,907,693</u>	<u>(18,165,277)</u>
Other financing sources (uses):			
Transfer in	729,678	804,141	
Transfer out			(804,141)
Payment to refunded bond escrow agent		(15,769,466)	
Proceeds from sale of capital assets	19,512		
Total other financing sources (uses)	<u>749,190</u>	<u>(14,965,325)</u>	<u>(804,141)</u>
Changes in fund balances	<u>2,646,072</u>	<u>(12,057,632)</u>	<u>(18,969,418)</u>
Fund balances, beginning of year, as restated	21,794,181	31,982,564	38,560,823
Increase (decrease) in reserve for prepaid items	(1,143,605)		
Increase (decrease) in reserve for inventory	82,253		
Fund balances, end of year	<u>\$ 23,378,901</u>	<u>\$ 19,924,932</u>	<u>\$ 19,591,405</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 12,529,009	\$ 19,522,349
6,843,917	78,320,533
12,942,976	69,622,257
7,613,083	8,752,238
<u>39,928,985</u>	<u>176,217,377</u>
15,654,339	82,927,583
2,671,852	17,572,453
1,031,738	13,676,583
1,085,331	12,426,646
590,974	4,570,540
11,366,509	11,521,706
10,925,610	29,896,789
	12,735,000
	7,648,147
<u>43,326,353</u>	<u>192,975,447</u>
<u>(3,397,368)</u>	<u>(16,758,070)</u>
	1,533,819
(729,678)	(1,533,819)
	(15,769,466)
	19,512
<u>(729,678)</u>	<u>(15,749,954)</u>
<u>(4,127,046)</u>	<u>(32,508,024)</u>
21,507,215	113,844,783
	(1,143,605)
	82,253
<u>\$ 17,380,169</u>	<u>\$ 80,275,407</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, 2020

Changes in fund balances - total governmental funds **\$ (32,508,024)**

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

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

Expenditures for capitalized assets	\$ 14,713,074	
Less current year depreciation	<u>(15,127,616)</u>	(414,542)

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

Property taxes	262,131	
Intergovernmental	<u>(73,230)</u>	188,901

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 27,750,000

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

Current year pension contributions	10,529,528	
Pension expense	<u>(13,777,604)</u>	(3,248,076)

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	(1,143,605)	
Inventory	82,253	
Deferred bond items on issuance of refunding debt	(273,101)	
Loss on disposal of assets	(59,493)	
Amortization of deferred bond items	1,567,568	
Compensated absences	<u>(180,162)</u>	(6,540)

The Internal Service Funds is used by management to charge the cost of insurance to the individual funds and to account for internal and external activities related to cost reimbursable activities and agreements. The assets and liabilities of the Internal Service Funds is reported with governmental activities in the Statement of Activities.

(1,439,587)

Changes in net position in governmental activities **\$ (9,677,868)**

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, 2020

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 3,137,361
Accounts receivable	264,541
Due from governmental entities	69,397
Due from other funds	52,053
Total current assets	<u>3,523,352</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>492,157</u>
Total noncurrent assets	<u>492,157</u>
Total assets	<u><u>4,015,509</u></u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	617,101
Claims payable	1,994,000
Due to other funds	52,053
Accrued payroll and employee benefits	<u>37,123</u>
Total current liabilities	<u>2,700,277</u>
Total liabilities	<u><u>2,700,277</u></u>
<u>NET POSITION</u>	
Net investment in capital assets	492,157
Unrestricted	<u>823,075</u>
Total net position	<u><u>\$ 1,315,232</u></u>

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Governmental Activities: Internal Service Funds
Operating revenues:	
Contributions	\$ 14,457,255
Charges for services	1,657,556
Total operating revenues	<u>16,114,811</u>
Operating expenses:	
Depreciation	144,629
Claims	12,762,799
Premiums	1,715,415
Administrative fees	1,552,201
Cost of services	1,309,376
Total operating expenses	<u>17,484,420</u>
Operating income (loss)	<u>(1,369,609)</u>
Nonoperating revenues (expenses):	
Investment income	54,714
Total nonoperating revenues (expenses)	<u>54,714</u>
Changes in net position	<u>(1,314,895)</u>
Total net position, beginning of year	2,630,127
Total net position, end of year	<u>\$ 1,315,232</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, 2020

	Governmental Activities: Internal Service Funds
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from contributions	\$ 14,369,324
Cash received from other sources	1,742,715
Cash payments to suppliers for goods and services	(4,778,942)
Cash payments for claims	(12,885,799)
	<u>(1,552,702)</u>
Net cash provided by/used for operating activities	<u>(1,552,702)</u>
Cash flows from investing activities:	
Investment income	<u>54,714</u>
Net cash provided by/used for investing activities	<u>54,714</u>
Cash flows from noncapital financing activities:	
Acquisition of capital assets	<u>(269,321)</u>
Net cash provided by/used for noncapital financing activities	<u>(269,321)</u>
Net increase/decrease in cash and cash equivalents	<u>(1,767,309)</u>
Cash and cash equivalents, beginning of year	<u>4,904,670</u>
Cash and cash equivalents, end of year	<u>\$ 3,137,361</u>
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>	
Operating income/loss	\$ (1,369,609)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Depreciation expense	144,629
Changes in assets and liabilities:	
Increase/decrease in due from governmental entities:	85,159
Increase/decrease in accounts receivable	(87,931)
Increase/decrease in due from other funds	18,447
Increase/decrease in accrued payroll and employee benefit	20,198
Increase/decrease in accounts payable	(222,148)
Increase/decrease in claims payable	(123,000)
Increase/decrease in due to other funds	(18,447)
	<u>(183,093)</u>
Total adjustments	<u>(183,093)</u>
Net cash provided by/used for operating activities	<u>\$ (1,552,702)</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, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

During the year ended June 30, 2020, the District implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes, and provides guidance as to how those activities should be reported. Student Activities reported in the prior year as fiduciary activities do not meet these new fiduciary activities criteria and have been reclassified as special revenue governmental funds. Beginning balances of the governmental funds and governmental activities have been restated by \$228,167 accordingly.

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, 2020

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 or fiduciary activities.

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

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, 2020

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.

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.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Additionally, the District reports the following fund types:

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

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

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

D. Cash and Investments

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Arizona statute requires a pooled collateral program for public deposits and a Statewide Collateral Pool Administrator (Administrator) in the State Treasurer's Office. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured with collateral of 102 percent of the public deposits, less any applicable 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.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

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

H. Inventory

Inventories are valued at cost using the average cost method. Inventories consist of expendable supplies held for consumption. 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.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Pensions

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

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.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

	General Fund	Debt Service Fund	Bond Building Fund	Non-Major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balances:				
Nonspendable:				
Inventory	\$ 388,795	\$	\$	\$
Restricted:				
Debt service		19,924,932		
Capital projects	1,105,676			5,367,865
Bond building projects			19,591,405	
Voter approved initiatives				7,038,775
Federal and state projects				1,963,831
Food service				499,650
Civic center				548,914
Community school				241,070
Extracurricular activities				1,036,912
Other purposes	205,441			1,204,354
Unassigned	21,678,989			(521,202)
Total fund balances	<u>\$ 23,378,901</u>	<u>\$ 19,924,932</u>	<u>\$ 19,591,405</u>	<u>\$ 17,380,169</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 – RESTRICTED NET POSITION

The table below provides detail of the major components of the District's restricted net position at year end.

	<u>Governmental Activities</u>
Restricted Net Position:	
Debt service	\$ 20,066,014
Capital projects	5,673,029
Voter approved initiatives	7,038,775
Federal and state projects	1,963,831
Food service	499,650
Civic center	548,914
Community school	241,070
Extracurricular activities	1,036,912
Other purposes	2,310,030
Total	<u>\$ 39,378,225</u>

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	<u>Deficit</u>
Non-Major Governmental Funds:	
Title I Grants	\$ 117,738
Professional Development and Technology Grants	16,376
Limited English and Immigrant Students	5,893
Indian Education	505
Special Education Grants	183,853
Other Federal Projects	196,837

The deficits arose because of pending grant reimbursements. In addition, the Intergovernmental Agreements Fund, a non-major internal service fund, had a deficit net position of \$13,171 at year end. Additional revenues received in fiscal year 2020-21 are expected to eliminate the deficits.

Excess Expenditures Over Budget – At year end, the District had expenditures in the funds that exceeded the budgets, however, this does not constitute a violation of any legal provisions.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – 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 \$681,874 and the bank balance was \$631,264.

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	313 days	\$ 79,895,984

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 \$14,402,604 at June 30, 2020.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 – 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:

	General Fund	Non-Major Governmental and Other Funds
Due from other governmental entities:		
Due from federal government	\$ 23,861	\$ 571,678
Due from state government	14,055,962	2,170,153
Due from other districts		69,397
Net due from governmental entities	<u>\$ 14,079,823</u>	<u>\$ 2,811,228</u>

NOTE 7 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 25,307,042	\$	\$	\$ 25,307,042
Construction in process	16,092,892	9,223,002	15,597,139	9,718,755
Total capital assets, not being depreciated	<u>41,399,934</u>	<u>9,223,002</u>	<u>15,597,139</u>	<u>35,025,797</u>
Capital assets, being depreciated:				
Land improvements	45,799,983	1,895,776		47,695,759
Buildings and improvements	369,805,045	18,151,778		387,956,823
Vehicles, furniture and equipment	30,294,901	1,039,657	716,979	30,617,579
Total capital assets being depreciated	<u>445,899,929</u>	<u>21,087,211</u>	<u>716,979</u>	<u>466,270,161</u>
Less accumulated depreciation for:				
Land improvements	(31,227,224)	(1,270,244)		(32,497,468)
Buildings and improvements	(179,642,666)	(11,921,914)		(191,564,580)
Vehicles, furniture and equipment	(12,250,866)	(1,935,458)	(657,486)	(13,528,838)
Total accumulated depreciation	<u>(223,120,756)</u>	<u>(15,127,616)</u>	<u>(657,486)</u>	<u>(237,590,886)</u>
Total capital assets, being depreciated, net	<u>222,779,173</u>	<u>5,959,595</u>	<u>59,493</u>	<u>228,679,275</u>
Governmental activities capital assets, net	<u>\$ 264,179,107</u>	<u>\$ 15,182,597</u>	<u>\$15,656,632</u>	<u>\$ 263,705,072</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 11,484,896
Support services – students and staff	51,687
Support services – administration	598,104
Operation and maintenance of plant services	1,500,485
Student transportation services	1,351,936
Operation of non-instructional services	<u>140,508</u>
Total depreciation expense – governmental activities	<u>\$ 15,127,616</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the remodeling of various schools for exterior weatherization projects. At year end, the District had spent \$9.7 million on the projects and had estimated remaining contractual commitments of \$2.4 million. These projects are being funded with bond proceeds.

NOTE 8 – SHORT TERM DEBT – REVOLVING LINE OF CREDIT

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$88.9 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, 2020	Due Within One Year
Governmental Activities:					
General obligation bonds:					
2005 School Improvement Bonds, Series E (Class B)	22,350,000	5.00-6.00%	7/1/20-28	\$ 14,955,000	\$ 1,440,000
2010 School Improvement Bonds, Series B (Class B)	40,000,000	4.00-5.50%	7/1/20-30	6,925,000	4,150,000
2010 School Improvement Bonds, Series C (Class B)	40,000,000	3.00-5.00%	7/1/26-34	38,650,000	
Refunding Bonds, Series 2015 2010 School Improvement Bonds, Series D (Class B)	24,120,000	2.00-5.00%	7/1/20-27	21,870,000	1,225,000
Refunding Bonds, Series 2016A (Class B)	32,025,000	3.00-4.00%	7/1/20-36	25,225,000	1,350,000
Refunding Bonds, Series 2016B (Class B)	17,450,000	3.00-5.00%	7/1/21-27	17,260,000	
Refunding Bonds, Series 2017A (2019 Crossover)	7,360,000	2.50-6.20%	7/1/24-28	7,360,000	
Refunding Bonds, Series 2017B (2020 Crossover)	6,885,000	2.00-6.00%	7/1/20-23	6,885,000	2,095,000
Refunding Bonds, Series 2017C	12,395,000	2.00-6.00%	7/1/21-28	12,395,000	
2017 School Improvement Bonds, Series A (Class B)	25,085,000	4.00-5.50%	7/1/24-30	25,085,000	
Total	29,965,000	2.00-5.00%	7/1/20-38	23,825,000	2,475,000
				<u>\$ 200,435,000</u>	<u>\$ 12,735,000</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2021	\$ 12,735,000	\$ 8,155,010
2022	14,590,000	7,841,729
2023	13,490,000	7,284,562
2024	11,845,000	6,766,294
2025	12,340,000	6,211,220
2026-30	66,475,000	21,906,600
2031-35	54,830,000	8,455,238
2036-40	14,130,000	1,054,975
Total	<u>\$ 200,435,000</u>	<u>\$ 67,675,628</u>

During the year ended June 30, 2017 and June 30, 2018, the District issued \$26.6 million in crossover refunding bonds. As a result, the refunded general obligation bonds are considered to be defeased at the crossover dates of July 1, 2019 and July 1, 2020. At which time the liability for those bonds will be removed from the government-wide financial statements. During fiscal year 2020 a portion of the crossover refunding bonds came due and reduced the debt obligation of the District by \$15.0 million. Payments on refunded debt will continue to be paid by the Debt Service Fund until the crossover refunding dates.

Changes in investment value for crossover refunding escrow account monies held in money market accounts with U.S. Bank resulted in investment income of \$423,761 at year end.

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year end, \$25,525,000 of defeased bonds are still outstanding.

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$231,165,000	\$	\$ 30,730,000	\$200,435,000	\$12,735,000
Premium	17,273,112		1,567,568	15,705,544	
Total bonds payable	<u>248,438,112</u>		<u>32,297,568</u>	<u>216,140,544</u>	<u>12,735,000</u>
Net pension liability	115,596,800	6,445,263		122,042,063	
Compensated absences payable	<u>6,506,289</u>	<u>3,765,975</u>	<u>3,585,813</u>	<u>6,686,451</u>	<u>2,000,000</u>
Governmental activity long-term liabilities	<u>\$370,541,201</u>	<u>\$10,211,238</u>	<u>\$ 35,883,381</u>	<u>\$344,869,058</u>	<u>\$14,735,000</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds – At year end, several non-major governmental funds had negative cash balances in the Treasurer’s pooled cash accounts of \$435,122. 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 \$52,053 at year end that was reduced by interfund borrowing with the District Services Fund. Both funds were non-major internal services funds.

Interfund transfers:

	Transfers in		
	General	Debt	
Transfers out	Fund	Service	Total
Bond Building Fund	\$	\$ 804,141	\$ 804,141
Non-Major Governmental Funds	729,678		729,678
Total	<u>\$ 729,678</u>	<u>\$ 804,141</u>	<u>\$ 1,533,819</u>

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

NOTE 12 – CONTINGENT LIABILITIES

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

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 – RISK MANAGEMENT

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

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

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

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. The fund balance for the Employee Benefit Trust Fund was \$80,422 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:

	<u>Year ended</u> <u>June 30, 2020</u>	<u>Year ended</u> <u>June 30, 2019</u>
Claims payable, beginning of fiscal year	\$ 2,117,000	\$ 2,118,000
Current year claims and adjustments	12,762,799	14,801,326
Claim payments	<u>(12,885,799)</u>	<u>(14,802,326)</u>
Claims payable, end of fiscal year	<u>\$ 1,994,000</u>	<u>\$ 2,117,000</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 – PENSIONS

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

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

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, 2020

NOTE 14 – PENSIONS

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.11 percent (11.94 percent for retirement and 0.17 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.11 percent (11.45 percent for retirement, 0.49 percent for health insurance premium benefit, and 0.17 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, 2020 were \$10,529,528.

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 10.41 percent (10.29 for retirement, 0.05 percent for health insurance premium benefit, and 0.07 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

Pension Liability. The net pension liability was measured as of June 30, 2019. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2018, to the measurement date of June 30, 2019. The District's proportion of the net liability was based on the District's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2019.

At June 30, 2020, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2019, the District's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2018 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 122,042,063	0.839	0.010

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District's pension expense for the year ended June 30, 2020 was \$13,777,604.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 – PENSIONS

The District 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	\$ 2,204,722	\$ 22,945
Changes of assumptions or other inputs	515,876	4,859,954
Net difference between projected and actual earnings on pension investments		2,743,084
Changes in proportion and differences between contributions and proportionate share of contributions	1,496,815	
Contributions subsequent to the measurement date	10,529,528	
Total	<u>\$ 14,746,941</u>	<u>\$ 7,625,983</u>

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension liability in the year ended June 30, 2021. 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:		
2021	\$	(814,185)
2022		(2,802,270)
2023		(526,788)
2024		734,673

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

Actuarial valuation date	June 30, 2018
Actuarial roll forward date	June 30, 2019
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Inflation	2.3%
Projected salary increases	2.7-7.2%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 – PENSIONS

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. 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, 2017, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, excluding any expected inflation.

On June 29, 2018, the ASRS Board approved updated strategic asset allocation targets, to be effective July 2018. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50%	6.09%
Credit	20	5.36
Interest rate sensitive bonds	10	1.62
Real estate	20	5.85
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 – PENSIONS

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.5%	7.5%	8.5%
Net liability	\$ 173,694,125	\$ 122,042,063	\$ 78,874,233

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

NOTE 15 – SUBSEQUENT EVENT

In October 2020, the District issued \$28,005,000 in School Improvement Bonds. The proceeds will be used to implement the District's Capital Master Plan.

REQUIRED SUPPLEMENTARY INFORMATION

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 4,873,476	\$ 4,873,476
Property taxes			49,638,915	49,638,915
State aid and grants			56,679,281	56,679,281
Total revenues			<u>111,191,672</u>	<u>111,191,672</u>
Expenditures:				
Current -				
Instruction	80,715,438	78,416,759	67,270,532	11,146,227
Support services - students and staff	12,515,147	15,143,186	14,450,755	692,431
Support services - administration	9,926,637	11,858,781	11,576,196	282,585
Operation and maintenance of plant services	13,454,355	13,616,311	12,141,678	1,474,633
Student transportation services	4,898,016	4,476,635	3,978,763	497,872
Operation of non-instructional services	156,130	156,130	155,197	933
Total expenditures	<u>121,665,723</u>	<u>123,667,802</u>	<u>109,573,121</u>	<u>14,094,681</u>
Changes in fund balances	<u>(121,665,723)</u>	<u>(123,667,802)</u>	<u>1,618,551</u>	<u>125,286,353</u>
Fund balances, beginning of year			16,690,392	16,690,392
Increase (decrease) in reserve for prepaid items			93,517	93,517
Increase (decrease) in reserve for inventory			82,253	82,253
Fund balances (deficits), end of year	<u>\$ (121,665,723)</u>	<u>\$ (123,667,802)</u>	<u>\$ 18,484,713</u>	<u>\$ 142,152,515</u>

See accompanying notes to this schedule.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
District's proportion of the net pension (assets) liability	0.84%	0.83%	0.82%	0.81%
District's proportionate share of the net pension (assets) liability	\$ 122,042,063	\$ 115,596,800	\$ 127,917,606	\$ 130,157,833
District's covered payroll	\$ 88,737,970	\$ 82,069,404	\$ 79,874,722	\$ 75,593,152
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	137.53%	140.85%	160.15%	172.18%
Plan fiduciary net position as a percentage of the total pension liability	73.24%	73.40%	69.92%	67.06%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 10,529,528	\$ 9,920,905	\$ 8,945,565	\$ 8,610,495
Contributions in relation to the actuarially determined contribution	<u>10,529,528</u>	<u>9,920,905</u>	<u>8,945,565</u>	<u>8,610,495</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 91,960,943	\$ 88,737,970	\$ 82,069,404	\$ 79,874,722
Contributions as a percentage of covered payroll	11.45%	11.18%	10.90%	10.78%

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.

2016**2015**

June 30, 2015

June 30, 2014

0.85%

0.82%

\$ 132,478,207

\$ 121,650,116

\$ 78,285,620

\$ 79,933,336

169.22%

152.19%

68.35%

69.49%

2016**2015**

\$ 8,201,857

\$ 8,525,304

8,201,8578,525,304\$\$

\$ 75,593,152

\$ 78,285,620

10.85%

10.89%

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

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	\$ 110,296,525	\$ 23,378,901
Activity budgeted as special revenue funds	(1,957,015)	(4,688,747)
Activity budgeted as capital projects funds	(3,511)	(205,441)
Current-year prepaid items	<u>1,237,122</u>	<u> </u>
Schedule of Revenues, Expenditures and Changes in Fund		
Balances – Budget and Actual – General Fund	<u>\$ 109,573,121</u>	<u>\$ 18,484,713</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, 2018, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. 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, 2017, actuarial valuation.

**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, 2020

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 12,034,610	\$ 5,810,099	\$ 17,844,709
Property taxes receivable		146,802	146,802
Accounts receivable	66,014		66,014
Due from governmental entities	1,641,324	1,100,507	2,741,831
Total assets	<u>\$ 13,741,948</u>	<u>\$ 7,057,408</u>	<u>\$ 20,799,356</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 438,095	\$ 1,589,820	\$ 2,027,915
Due to other funds	435,122		435,122
Accrued payroll and employee benefits	494,257		494,257
Unearned revenues	25,024		25,024
Total liabilities	<u>1,392,498</u>	<u>1,589,820</u>	<u>2,982,318</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		99,723	99,723
Unavailable revenues - intergovernmental	337,146		337,146
Total deferred inflows of resources	<u>337,146</u>	<u>99,723</u>	<u>436,869</u>
Fund balances (deficits):			
Restricted	12,533,506	5,367,865	17,901,371
Unassigned	(521,202)		(521,202)
Total fund balances	<u>12,012,304</u>	<u>5,367,865</u>	<u>17,380,169</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,741,948</u>	<u>\$ 7,057,408</u>	<u>\$ 20,799,356</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, 2020

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 12,301,649	\$ 227,360	\$ 12,529,009
Property taxes		6,843,917	6,843,917
State aid and grants	10,761,640	2,181,336	12,942,976
Federal aid, grants and reimbursements	<u>7,613,083</u>		<u>7,613,083</u>
Total revenues	<u>30,676,372</u>	<u>9,252,613</u>	<u>39,928,985</u>
Expenditures:			
Current -			
Instruction	15,654,339		15,654,339
Support services - students and staff	2,671,852		2,671,852
Support services - administration	1,031,738		1,031,738
Operation and maintenance of plant services	1,085,331		1,085,331
Student transportation services	590,974		590,974
Operation of non-instructional services	11,366,509		11,366,509
Capital outlay	<u>102,516</u>	<u>10,823,094</u>	<u>10,925,610</u>
Total expenditures	<u>32,503,259</u>	<u>10,823,094</u>	<u>43,326,353</u>
Excess (deficiency) of revenues over expenditures	<u>(1,826,887)</u>	<u>(1,570,481)</u>	<u>(3,397,368)</u>
Other financing sources (uses):			
Transfer out	<u>(729,678)</u>		<u>(729,678)</u>
Total other financing sources (uses)	<u>(729,678)</u>		<u>(729,678)</u>
Changes in fund balances	<u>(2,556,565)</u>	<u>(1,570,481)</u>	<u>(4,127,046)</u>
Fund balances, beginning of year, as restated	14,568,869	6,938,346	21,507,215
Fund balances, end of year	<u>\$ 12,012,304</u>	<u>\$ 5,367,865</u>	<u>\$ 17,380,169</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.

Gifted - to account for financial assistance received for programs for gifted students.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 4,007,284	\$ 2,150,162	\$ 5,311
Accounts receivable			
Due from governmental entities	670,202	399,444	
Total assets	<u>\$ 4,677,486</u>	<u>\$ 2,549,606</u>	<u>\$ 5,311</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits	166,439	21,878	
Unearned revenues			
Total liabilities	<u>166,439</u>	<u>21,878</u>	
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	4,511,047	2,527,728	5,311
Unassigned			
Total fund balances	<u>4,511,047</u>	<u>2,527,728</u>	<u>5,311</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,677,486</u>	<u>\$ 2,549,606</u>	<u>\$ 5,311</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>
\$	\$	\$	\$	\$	\$ 505,314
117,738	16,376	5,893	7,748	183,853	177,693
<u>\$ 117,738</u>	<u>\$ 16,376</u>	<u>\$ 5,893</u>	<u>\$ 7,748</u>	<u>\$ 183,853</u>	<u>\$ 683,007</u>
\$ 13,866 72,158 31,714	\$ 16,376	\$ 5,893	\$ 7,748	\$ 136,110 47,743	\$
<u>117,738</u>	<u>16,376</u>	<u>5,893</u>	<u>7,748</u>	<u>183,853</u>	
<u>117,738</u>	<u>16,376</u>	<u>5,893</u>	<u>505</u>	<u>183,853</u>	
(117,738)	(16,376)	(5,893)	(505)	(183,853)	683,007
<u>(117,738)</u>	<u>(16,376)</u>	<u>(5,893)</u>	<u>(505)</u>	<u>(183,853)</u>	<u>683,007</u>
<u>\$ 117,738</u>	<u>\$ 16,376</u>	<u>\$ 5,893</u>	<u>\$ 7,748</u>	<u>\$ 183,853</u>	<u>\$ 683,007</u>

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	<u>Other Federal Projects</u>	<u>Results-based Funding</u>	<u>Other State Projects</u>
<u>ASSETS</u>			
Cash and investments	\$	\$ 1,385,735	\$ 26,505
Accounts receivable			
Due from governmental entities	12,781		
Total assets	<u>\$ 12,781</u>	<u>\$ 1,385,735</u>	<u>\$ 26,505</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds	196,837		
Accrued payroll and employee benefits		106,392	
Unearned revenues			25,024
Total liabilities	<u>196,837</u>	<u>106,392</u>	<u>25,024</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>12,781</u>		
Fund balances (deficits):			
Restricted		1,279,343	1,481
Unassigned	(196,837)		
Total fund balances	<u>(196,837)</u>	<u>1,279,343</u>	<u>1,481</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,781</u>	<u>\$ 1,385,735</u>	<u>\$ 26,505</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>
\$ 781,177	\$ 563,562	\$ 347,088	\$ 479,282	\$ 1,049,316	\$ 418,642
50,000		16,014			
49,596					
<u>\$ 880,773</u>	<u>\$ 563,562</u>	<u>\$ 363,102</u>	<u>\$ 479,282</u>	<u>\$ 1,049,316</u>	<u>\$ 418,642</u>
\$ 381,123	\$	\$ 16,589	\$	\$ 12,404	\$ 14,113
	14,648	105,443			
<u>381,123</u>	<u>14,648</u>	<u>122,032</u>		<u>12,404</u>	<u>14,113</u>
499,650	548,914	241,070	479,282	1,036,912	404,529
<u>499,650</u>	<u>548,914</u>	<u>241,070</u>	<u>479,282</u>	<u>1,036,912</u>	<u>404,529</u>
<u>\$ 880,773</u>	<u>\$ 563,562</u>	<u>\$ 363,102</u>	<u>\$ 479,282</u>	<u>\$ 1,049,316</u>	<u>\$ 418,642</u>

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Grants and Gifts to Teachers</u>
<u>ASSETS</u>			
Cash and investments	\$ 8,220	\$ 73,898	\$ 3,427
Accounts receivable			
Due from governmental entities			
Total assets	<u>\$ 8,220</u>	<u>\$ 73,898</u>	<u>\$ 3,427</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			
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	8,220	73,898	3,427
Unassigned			
Total fund balances	<u>8,220</u>	<u>73,898</u>	<u>3,427</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,220</u>	<u>\$ 73,898</u>	<u>\$ 3,427</u>

<u>Student Activities</u>	<u>Totals</u>
\$ 229,687	\$ 12,034,610
	66,014
	1,641,324
<u>\$ 229,687</u>	<u>\$ 13,741,948</u>

\$	\$ 438,095
	435,122
	494,257
	25,024
	<u>1,392,498</u>

	<u>337,146</u>
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229,687	12,533,506
	(521,202)
<u>229,687</u>	<u>12,012,304</u>

<u>\$ 229,687</u>	<u>\$ 13,741,948</u>
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KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2020

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
Revenues:			
Other local	\$ 112,014	\$ 42,623	\$ 1
State aid and grants	8,042,422	731,643	
Federal aid, grants and reimbursements			
Total revenues	<u>8,154,436</u>	<u>774,266</u>	<u>1</u>
Expenditures:			
Current -			
Instruction	8,930,658	565,309	694
Support services - students and staff	117,153	74,805	208
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			82
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>9,047,811</u>	<u>640,114</u>	<u>984</u>
Excess (deficiency) of revenues over expenditures	<u>(893,375)</u>	<u>134,152</u>	<u>(983)</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(893,375)</u>	<u>134,152</u>	<u>(983)</u>
Fund balances (deficits), beginning of year, as restated	5,404,422	2,393,576	6,294
Fund balances (deficits), end of year	<u>\$ 4,511,047</u>	<u>\$ 2,527,728</u>	<u>\$ 5,311</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>
\$	\$	\$	\$	\$	\$
<u>1,205,915</u>	<u>353,368</u>	<u>65,508</u>	<u>195,980</u>	<u>2,825,354</u>	<u>177,693</u>
<u>1,205,915</u>	<u>353,368</u>	<u>65,508</u>	<u>195,980</u>	<u>2,825,354</u>	<u>177,693</u>
487,603		15,408	36,853	2,082,358	346,514
426,031	180,450	43,474	147,223	258,947	
150,540	129,034	1,304	4,061	7,228	
			150		193,486
6,618			1,551	448,385	
3,200					
<u>1,073,992</u>	<u>309,484</u>	<u>60,186</u>	<u>189,838</u>	<u>2,796,918</u>	<u>540,000</u>
<u>131,923</u>	<u>43,884</u>	<u>5,322</u>	<u>6,142</u>	<u>28,436</u>	<u>(362,307)</u>
<u>(28,945)</u>	<u>(5,680)</u>	<u>(1,854)</u>	<u>(6,647)</u>	<u>(87,865)</u>	
<u>(28,945)</u>	<u>(5,680)</u>	<u>(1,854)</u>	<u>(6,647)</u>	<u>(87,865)</u>	
<u>102,978</u>	<u>38,204</u>	<u>3,468</u>	<u>(505)</u>	<u>(59,429)</u>	<u>(362,307)</u>
<u>(220,716)</u>	<u>(54,580)</u>	<u>(9,361)</u>		<u>(124,424)</u>	<u>1,045,314</u>
<u>\$ (117,738)</u>	<u>\$ (16,376)</u>	<u>\$ (5,893)</u>	<u>\$ (505)</u>	<u>\$ (183,853)</u>	<u>\$ 683,007</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, 2020

	Other Federal Projects	Gifted	Results-based Funding
Revenues:			
Other local	\$	\$	\$
State aid and grants		14,849	1,705,828
Federal aid, grants and reimbursements	77,078		
Total revenues	<u>77,078</u>	<u>14,849</u>	<u>1,705,828</u>
Expenditures:			
Current -			
Instruction	76,500	2,229	883,082
Support services - students and staff	44,069	12,620	865,294
Support services - administration			506,099
Operation and maintenance of plant services	121,060		
Student transportation services			41
Operation of non-instructional services	30,991		
Capital outlay			2,286
Total expenditures	<u>272,620</u>	<u>14,849</u>	<u>2,256,802</u>
Excess (deficiency) of revenues over expenditures	<u>(195,542)</u>		<u>(550,974)</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(195,542)</u>		<u>(550,974)</u>
Fund balances (deficits), beginning of year, as restated	(1,295)		1,830,317
Fund balances (deficits), end of year	<u>\$ (196,837)</u>	<u>\$</u>	<u>\$ 1,279,343</u>

Other State Projects	Food Service	Civic Center	Community School	Auxiliary Operations	Extracurricular Activities Fees Tax Credit
\$ 266,898	\$ 1,978,487	\$ 296,747	\$ 7,461,248	\$ 1,239,975	\$ 709,202
	2,712,187				
<u>266,898</u>	<u>4,690,674</u>	<u>296,747</u>	<u>7,461,248</u>	<u>1,239,975</u>	<u>709,202</u>
37,641			453,621	1,109,105	522,539
227,776		3,548	22,943	16,020	174
	152,135		2,557	52,088	364
	300,610	452,254	511	13,582	45
		30,301		28,407	73,029
	4,111,335	525	7,210,828		
	17,265	756	6,582	1,739	5,494
<u>265,417</u>	<u>4,581,345</u>	<u>487,384</u>	<u>7,697,042</u>	<u>1,220,941</u>	<u>601,645</u>
<u>1,481</u>	<u>109,329</u>	<u>(190,637)</u>	<u>(235,794)</u>	<u>19,034</u>	<u>107,557</u>
	(598,687)				
	(598,687)				
<u>1,481</u>	<u>(489,358)</u>	<u>(190,637)</u>	<u>(235,794)</u>	<u>19,034</u>	<u>107,557</u>
	989,008	739,551	476,864	460,248	929,355
<u>\$ 1,481</u>	<u>\$ 499,650</u>	<u>\$ 548,914</u>	<u>\$ 241,070</u>	<u>\$ 479,282</u>	<u>\$ 1,036,912</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, 2020

	Gifts and Donations	Fingerprint	Textbooks
Revenues:			
Other local	\$ 291,579	\$ 3,979	\$ 6,456
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>291,579</u>	<u>3,979</u>	<u>6,456</u>
Expenditures:			
Current -			
Instruction	102,974		
Support services - students and staff	69,394		4,972
Support services - administration	22,273	4,055	
Operation and maintenance of plant services	3,633		
Student transportation services	2,560		
Operation of non-instructional services	9,630		
Capital outlay	68,394		
Total expenditures	<u>278,858</u>	<u>4,055</u>	<u>4,972</u>
Excess (deficiency) of revenues over expenditures	<u>12,721</u>	<u>(76)</u>	<u>1,484</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>12,721</u>	<u>(76)</u>	<u>1,484</u>
Fund balances (deficits), beginning of year, as restated	391,808	8,296	72,414
Fund balances, end of year	<u>\$ 404,529</u>	<u>\$ 8,220</u>	<u>\$ 73,898</u>

<u>Grants and Gifts to Teachers</u>	<u>Student Activities</u>	<u>Totals</u>
\$ 1,067	\$ 158,271	\$ 12,301,649
		10,761,640
		7,613,083
<u>1,067</u>	<u>158,271</u>	<u>30,676,372</u>
1,251		15,654,339
	156,751	2,671,852
		1,031,738
		1,085,331
		590,974
		11,366,509
		102,516
<u>1,251</u>	<u>156,751</u>	<u>32,503,259</u>
<u>(184)</u>	<u>1,520</u>	<u>(1,826,887)</u>
		(729,678)
		(729,678)
<u>(184)</u>	<u>1,520</u>	<u>(2,556,565)</u>
3,611	228,167	14,568,869
<u>\$ 3,427</u>	<u>\$ 229,687</u>	<u>\$ 12,012,304</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2020

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 112,014	\$ 112,014
State aid and grants		8,042,422	8,042,422
Federal aid, grants and reimbursements			
Total revenues		<u>8,154,436</u>	<u>8,154,436</u>
Expenditures:			
Current -			
Instruction	13,289,362	8,930,658	4,358,704
Support services - students and staff	160,091	117,153	42,938
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>13,449,453</u>	<u>9,047,811</u>	<u>4,401,642</u>
Excess (deficiency) of revenues over expenditures	<u>(13,449,453)</u>	<u>(893,375)</u>	<u>12,556,078</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(13,449,453)</u>	<u>(893,375)</u>	<u>12,556,078</u>
Fund balances (deficits), beginning of year, as restated		5,404,422	5,404,422
Fund balances (deficits), end of year	<u>\$ (13,449,453)</u>	<u>\$ 4,511,047</u>	<u>\$ 17,960,500</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 42,623 731,643	\$ 42,623 731,643	\$	\$ 1	\$ 1
	774,266	774,266		1	1
830,000	565,309 74,805	264,691 (74,805)	6,314	694 208	5,620 (208)
				82	(82)
830,000	640,114	189,886	6,314	984	5,330
(830,000)	134,152	964,152	(6,314)	(983)	5,331
(830,000)	134,152	964,152	(6,314)	(983)	5,331
	2,393,576	2,393,576		6,294	6,294
\$ (830,000)	\$ 2,527,728	\$ 3,357,728	\$ (6,314)	\$ 5,311	\$ 11,625

(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, 2020

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		1,205,915	1,205,915
Total revenues		<u>1,205,915</u>	<u>1,205,915</u>
Expenditures:			
Current -			
Instruction	1,455,537	487,603	967,934
Support services - students and staff		426,031	(426,031)
Support services - administration		150,540	(150,540)
Operation and maintenance of plant services			
Student transportation services		6,618	(6,618)
Operation of non-instructional services		3,200	(3,200)
Capital outlay			
Total expenditures	<u>1,455,537</u>	<u>1,073,992</u>	<u>381,545</u>
Excess (deficiency) of revenues over expenditures	<u>(1,455,537)</u>	<u>131,923</u>	<u>1,587,460</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(28,945)	(28,945)
Proceeds from sale of capital assets			
Total other financing sources (uses)		<u>(28,945)</u>	<u>(28,945)</u>
Changes in fund balances	<u>(1,455,537)</u>	<u>102,978</u>	<u>1,558,515</u>
Fund balances (deficits), beginning of year, as restated		(220,716)	(220,716)
Fund balances (deficits), end of year	<u>\$ (1,455,537)</u>	<u>\$ (117,738)</u>	<u>\$ 1,337,799</u>

Professional Development and Technology Grants			Limited English and Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	353,368	353,368		65,508	65,508
	353,368	353,368		65,508	65,508
391,629	180,450	211,179	88,562	15,408	(15,408)
	129,034	(129,034)		43,474	45,088
				1,304	(1,304)
391,629	309,484	82,145	88,562	60,186	28,376
(391,629)	43,884	435,513	(88,562)	5,322	93,884
	(5,680)	(5,680)		(1,854)	(1,854)
	(5,680)	(5,680)		(1,854)	(1,854)
(391,629)	38,204	429,833	(88,562)	3,468	92,030
	(54,580)	(54,580)		(9,361)	(9,361)
\$ (391,629)	\$ (16,376)	\$ 375,253	\$ (88,562)	\$ (5,893)	\$ 82,669

(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, 2020

	Indian Education		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		195,980	195,980
Total revenues		<u>195,980</u>	<u>195,980</u>
Expenditures:			
Current -			
Instruction		36,853	(36,853)
Support services - students and staff	211,397	147,223	64,174
Support services - administration		4,061	(4,061)
Operation and maintenance of plant services		150	(150)
Student transportation services		1,551	(1,551)
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>211,397</u>	<u>189,838</u>	<u>21,559</u>
Excess (deficiency) of revenues over expenditures	<u>(211,397)</u>	<u>6,142</u>	<u>217,539</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(6,647)	(6,647)
Proceeds from sale of capital assets			
Total other financing sources (uses)		<u>(6,647)</u>	<u>(6,647)</u>
Changes in fund balances	<u>(211,397)</u>	<u>(505)</u>	<u>210,892</u>
Fund balances (deficits), beginning of year, as restated			
Fund balances (deficits), end of year	<u>\$ (211,397)</u>	<u>\$ (505)</u>	<u>\$ 210,892</u>

Special Education Grants			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 71,283	\$ 71,283
	2,825,354	2,825,354		853,771	853,771
	2,825,354	2,825,354		925,054	925,054
3,289,118	2,082,358	1,206,760		2,688	(2,688)
	258,947	(258,947)		447,303	(447,303)
	7,228	(7,228)	2,000,000	774,450	1,225,550
	448,385	(448,385)		45,706	(45,706)
3,289,118	2,796,918	492,200	2,000,000	1,270,147	729,853
(3,289,118)	28,436	3,317,554	(2,000,000)	(345,093)	1,654,907
	(87,865)	(87,865)			
	(87,865)	(87,865)			
(3,289,118)	(59,429)	3,229,689	(2,000,000)	(345,093)	1,654,907
	(124,424)	(124,424)		2,646,002	2,646,002
\$ (3,289,118)	\$ (183,853)	\$ 3,105,265	\$ (2,000,000)	\$ 2,300,909	\$ 4,300,909

(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, 2020

	E-Rate		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		177,693	177,693
Total revenues		<u>177,693</u>	<u>177,693</u>
Expenditures:			
Current -			
Instruction	540,000	346,514	193,486
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services		193,486	(193,486)
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>540,000</u>	<u>540,000</u>	
Excess (deficiency) of revenues over expenditures	<u>(540,000)</u>	<u>(362,307)</u>	<u>177,693</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(540,000)</u>	<u>(362,307)</u>	<u>177,693</u>
Fund balances (deficits), beginning of year, as restated		1,045,314	1,045,314
Fund balances (deficits), end of year	<u>\$ (540,000)</u>	<u>\$ 683,007</u>	<u>\$ 1,223,007</u>

Other Federal Projects			Gifted		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	77,078	77,078		14,849	14,849
	77,078	77,078		14,849	14,849
	76,500	(76,500)		2,229	(2,229)
	44,069	(44,069)	15,160	12,620	2,540
1,073,131	121,060	952,071			
	30,991	(30,991)			
1,073,131	272,620	800,511	15,160	14,849	311
(1,073,131)	(195,542)	877,589	(15,160)		15,160
(1,073,131)	(195,542)	877,589	(15,160)		15,160
	(1,295)	(1,295)			
\$ (1,073,131)	\$ (196,837)	\$ 876,294	\$ (15,160)	\$	\$ 15,160

(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, 2020

	Results-based Funding		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		1,705,828	1,705,828
Federal aid, grants and reimbursements			
Total revenues		<u>1,705,828</u>	<u>1,705,828</u>
Expenditures:			
Current -			
Instruction	2,236,901	883,082	1,353,819
Support services - students and staff		865,294	(865,294)
Support services - administration		506,099	(506,099)
Operation and maintenance of plant services			
Student transportation services		41	(41)
Operation of non-instructional services			
Capital outlay		2,286	(2,286)
Total expenditures	<u>2,236,901</u>	<u>2,256,802</u>	<u>(19,901)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,236,901)</u>	<u>(550,974)</u>	<u>1,685,927</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(2,236,901)</u>	<u>(550,974)</u>	<u>1,685,927</u>
Fund balances (deficits), beginning of year, as restated		1,830,317	1,830,317
Fund balances (deficits), end of year	<u>\$ (2,236,901)</u>	<u>\$ 1,279,343</u>	<u>\$ 3,516,244</u>

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	266,898	266,898		20,584	20,584
	266,898	266,898		20,584	20,584
	37,641	(37,641)			
343,522	227,776	115,746			
			55,000		55,000
343,522	265,417	78,105	55,000		55,000
(343,522)	1,481	345,003	(55,000)	20,584	75,584
				19,512	19,512
				19,512	19,512
(343,522)	1,481	345,003	(55,000)	40,096	95,096
				1,065,580	1,065,580
\$ (343,522)	\$ 1,481	\$ 345,003	\$ (55,000)	\$ 1,105,676	\$ 1,160,676

(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, 2020

	Food Service		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,978,487	\$ 1,978,487
State aid and grants			
Federal aid, grants and reimbursements		2,712,187	2,712,187
Total revenues		<u>4,690,674</u>	<u>4,690,674</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration		152,135	(152,135)
Operation and maintenance of plant services		300,610	(300,610)
Student transportation services			
Operation of non-instructional services	6,500,000	4,111,335	2,388,665
Capital outlay		17,265	(17,265)
Total expenditures	<u>6,500,000</u>	<u>4,581,345</u>	<u>1,918,655</u>
Excess (deficiency) of revenues over expenditures	<u>(6,500,000)</u>	<u>109,329</u>	<u>6,609,329</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(598,687)	(598,687)
Proceeds from sale of capital assets			
Total other financing sources (uses)		<u>(598,687)</u>	<u>(598,687)</u>
Changes in fund balances	<u>(6,500,000)</u>	<u>(489,358)</u>	<u>6,010,642</u>
Fund balances (deficits), beginning of year, as restated		989,008	989,008
Fund balances (deficits), end of year	<u>\$ (6,500,000)</u>	<u>\$ 499,650</u>	<u>\$ 6,999,650</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 296,747	\$ 296,747	\$	\$ 7,461,248	\$ 7,461,248
	296,747	296,747		7,461,248	7,461,248
	3,548	(3,548)		453,621	(453,621)
				22,943	(22,943)
				2,557	(2,557)
720,000	452,254	267,746		511	(511)
	30,301	(30,301)			
	525	(525)	12,000,000	7,210,828	4,789,172
	756	(756)		6,582	(6,582)
720,000	487,384	232,616	12,000,000	7,697,042	4,302,958
(720,000)	(190,637)	529,363	(12,000,000)	(235,794)	11,764,206
(720,000)	(190,637)	529,363	(12,000,000)	(235,794)	11,764,206
	739,551	739,551		476,864	476,864
\$ (720,000)	\$ 548,914	\$ 1,268,914	\$ (12,000,000)	\$ 241,070	\$ 12,241,070

(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, 2020

	Auxiliary Operations		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 1,239,975	\$ 1,239,975
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>1,239,975</u>	<u>1,239,975</u>
Expenditures:			
Current -			
Instruction	2,000,000	1,109,105	890,895
Support services - students and staff		16,020	(16,020)
Support services - administration		52,088	(52,088)
Operation and maintenance of plant services		13,582	(13,582)
Student transportation services		28,407	(28,407)
Operation of non-instructional services			
Capital outlay		1,739	(1,739)
Total expenditures	<u>2,000,000</u>	<u>1,220,941</u>	<u>779,059</u>
Excess (deficiency) of revenues over expenditures	<u>(2,000,000)</u>	<u>19,034</u>	<u>2,019,034</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(2,000,000)</u>	<u>19,034</u>	<u>2,019,034</u>
Fund balances (deficits), beginning of year, as restated		460,248	460,248
Fund balances (deficits), end of year	<u>\$ (2,000,000)</u>	<u>\$ 479,282</u>	<u>\$ 2,479,282</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 709,202	\$ 709,202	\$	\$ 291,579	\$ 291,579
	<u>709,202</u>	<u>709,202</u>		<u>291,579</u>	<u>291,579</u>
1,200,000	522,539	677,461	350,000	102,974	247,026
	174	(174)		69,394	(69,394)
	364	(364)		22,273	(22,273)
	45	(45)		3,633	(3,633)
	73,029	(73,029)		2,560	(2,560)
	5,494	(5,494)		9,630	(9,630)
<u>1,200,000</u>	<u>601,645</u>	<u>598,355</u>	<u>350,000</u>	<u>68,394</u>	<u>(68,394)</u>
(1,200,000)	107,557	1,307,557	(350,000)	278,858	71,142
<u>(1,200,000)</u>	<u>107,557</u>	<u>1,307,557</u>	<u>(350,000)</u>	<u>12,721</u>	<u>362,721</u>
	929,355	929,355		391,808	391,808
<u>\$ (1,200,000)</u>	<u>\$ 1,036,912</u>	<u>\$ 2,236,912</u>	<u>\$ (350,000)</u>	<u>\$ 404,529</u>	<u>\$ 754,529</u>

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2020

	Fingerprint		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 3,979	\$ 3,979
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>3,979</u>	<u>3,979</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	15,000	4,055	10,945
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>15,000</u>	<u>4,055</u>	<u>10,945</u>
Excess (deficiency) of revenues over expenditures	<u>(15,000)</u>	<u>(76)</u>	<u>14,924</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(15,000)</u>	<u>(76)</u>	<u>14,924</u>
Fund balances (deficits), beginning of year, as restated		8,296	8,296
Fund balances (deficits), end of year	<u>\$ (15,000)</u>	<u>\$ 8,220</u>	<u>\$ 23,220</u>

Textbooks			Indirect Costs		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 6,456	\$ 6,456	\$	\$ 23,746	\$ 23,746
	6,456	6,456		23,746	23,746
75,000	4,972	70,028		2,543	(2,543)
				286,364	(286,364)
			940,000	389,323	550,677
				803	(803)
75,000	4,972	70,028	940,000	679,033	260,967
(75,000)	1,484	76,484	(940,000)	(655,287)	284,713
				729,678	729,678
				729,678	729,678
(75,000)	1,484	76,484	(940,000)	74,391	1,014,391
	72,414	72,414		1,189,453	1,189,453
\$ (75,000)	\$ 73,898	\$ 148,898	\$ (940,000)	\$ 1,263,844	\$ 2,203,844

(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, 2020

	Grants and Gifts to Teachers		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,067	\$ 1,067
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>1,067</u>	<u>1,067</u>
Expenditures:			
Current -			
Instruction	8,000	1,251	6,749
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>8,000</u>	<u>1,251</u>	<u>6,749</u>
Excess (deficiency) of revenues over expenditures	<u>(8,000)</u>	<u>(184)</u>	<u>7,816</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(8,000)</u>	<u>(184)</u>	<u>7,816</u>
Fund balances (deficits), beginning of year, as restated		3,611	3,611
Fund balances (deficits), end of year	<u>\$ (8,000)</u>	<u>\$ 3,427</u>	<u>\$ 11,427</u>

Advertisement			Student Activities		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,325	\$ 2,325	\$	\$ 158,271	\$ 158,271
	<u>2,325</u>	<u>2,325</u>		<u>158,271</u>	<u>158,271</u>
40,000	7,835	32,165	500,000	156,751	343,249
<u>40,000</u>	<u>7,835</u>	<u>32,165</u>	<u>500,000</u>	<u>156,751</u>	<u>343,249</u>
<u>(40,000)</u>	<u>(5,510)</u>	<u>34,490</u>	<u>(500,000)</u>	<u>1,520</u>	<u>501,520</u>
<u>(40,000)</u>	<u>(5,510)</u>	<u>34,490</u>	<u>(500,000)</u>	<u>1,520</u>	<u>501,520</u>
	23,828	23,828		228,167	228,167
<u>\$ (40,000)</u>	<u>\$ 18,318</u>	<u>\$ 58,318</u>	<u>\$ (500,000)</u>	<u>\$ 229,687</u>	<u>\$ 729,687</u>

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2020

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 12,419,587	\$ 12,419,587
State aid and grants		10,761,640	10,761,640
Federal aid, grants and reimbursements		8,466,854	8,466,854
Total revenues		<u>31,648,081</u>	<u>31,648,081</u>
Expenditures:			
Current -			
Instruction	25,205,232	15,657,027	9,548,205
Support services - students and staff	1,785,361	3,121,698	(1,336,337)
Support services - administration	2,055,000	2,100,387	(45,387)
Operation and maintenance of plant services	2,788,131	1,520,360	1,267,771
Student transportation services		591,777	(591,777)
Operation of non-instructional services	18,500,000	11,366,509	7,133,491
Capital outlay		102,516	(102,516)
Total expenditures	<u>50,333,724</u>	<u>34,460,274</u>	<u>15,873,450</u>
Excess (deficiency) of revenues over expenditures	<u>(50,333,724)</u>	<u>(2,812,193)</u>	<u>47,521,531</u>
Other financing sources (uses):			
Transfer in		729,678	729,678
Transfer out		(729,678)	(729,678)
Proceeds from sale of capital assets		19,512	19,512
Total other financing sources (uses)		<u>19,512</u>	<u>19,512</u>
Changes in fund balances	<u>(50,333,724)</u>	<u>(2,792,681)</u>	<u>47,541,043</u>
Fund balances (deficits), beginning of year		19,493,732	19,493,732
Fund balances (deficits), end of year	<u>\$ (50,333,724)</u>	<u>\$ 16,701,051</u>	<u>\$ 67,034,775</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
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2020

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 1,167,755	\$ 1,167,755
Property taxes		21,837,701	21,837,701
Federal aid, grants and reimbursements		285,384	285,384
Total revenues		<u>23,290,840</u>	<u>23,290,840</u>
Expenditures:			
Debt service -			
Principal retirement	12,735,000	12,735,000	
Interest and fiscal charges	7,765,000	7,648,147	116,853
Total expenditures	<u>20,500,000</u>	<u>20,383,147</u>	<u>116,853</u>
Excess (deficiency) of revenues over expenditures	<u>(20,500,000)</u>	<u>2,907,693</u>	<u>23,407,693</u>
Other financing sources (uses):			
Transfer in		804,141	804,141
Payment to refunded bond escrow agent		(15,769,466)	(15,769,466)
Total other financing sources (uses)		<u>(14,965,325)</u>	<u>(14,965,325)</u>
Changes in fund balances	<u>(20,500,000)</u>	<u>(12,057,632)</u>	<u>8,442,368</u>
Fund balances, beginning of year		31,982,564	31,982,564
Fund balances (deficits), end of year	<u>\$ (20,500,000)</u>	<u>\$ 19,924,932</u>	<u>\$ 40,424,932</u>

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2020

	<u>Litigation Recovery</u>	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>
<u>ASSETS</u>			
Cash and investments	\$ 79,849	\$ 4,949,811	\$ 755,069
Property taxes receivable		146,802	
Due from governmental entities		1,100,507	
Total assets	<u>\$ 79,849</u>	<u>\$ 6,197,120</u>	<u>\$ 755,069</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 1,465,910	\$ 123,910
Total liabilities	<u></u>	<u>1,465,910</u>	<u>123,910</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u></u>	<u>99,723</u>	<u></u>
Fund balances:			
Restricted	<u>79,849</u>	<u>4,631,487</u>	<u>631,159</u>
Total fund balances	<u>79,849</u>	<u>4,631,487</u>	<u>631,159</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 79,849</u>	<u>\$ 6,197,120</u>	<u>\$ 755,069</u>

<u>Gifts and Donations - Capital</u>	<u>Condemnation</u>	<u>Energy and Water Savings</u>	<u>Totals</u>
\$ 13,182	\$ 2,533	\$ 9,655	\$ 5,810,099
			146,802
			1,100,507
<u>\$ 13,182</u>	<u>\$ 2,533</u>	<u>\$ 9,655</u>	<u>\$ 7,057,408</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,589,820</u>
			1,589,820
			<u>99,723</u>
<u>13,182</u>	<u>2,533</u>	<u>9,655</u>	<u>5,367,865</u>
<u>13,182</u>	<u>2,533</u>	<u>9,655</u>	<u>5,367,865</u>
<u>\$ 13,182</u>	<u>\$ 2,533</u>	<u>\$ 9,655</u>	<u>\$ 7,057,408</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, 2020

	Litigation Recovery	Unrestricted Capital Outlay	Adjacent Ways
Revenues:			
Other local	\$ 1,496	\$ 203,110	\$ 11,773
Property taxes		6,843,917	
State aid and grants		1,100,507	
Total revenues	<u>1,496</u>	<u>8,147,534</u>	<u>11,773</u>
Expenditures:			
Capital outlay		9,719,361	
Total expenditures		<u>9,719,361</u>	
Changes in fund balances	<u>1,496</u>	<u>(1,571,827)</u>	<u>11,773</u>
Fund balances, beginning of year	78,353	6,203,314	619,386
Fund balances, end of year	<u>\$ 79,849</u>	<u>\$ 4,631,487</u>	<u>\$ 631,159</u>

<u>Gifts and Donations - Capital</u>	<u>Condemnation</u>	<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$ 180	\$ 47	\$	\$ 10,754	\$ 227,360
				6,843,917
			1,080,829	2,181,336
<u>180</u>	<u>47</u>		<u>1,091,583</u>	<u>9,252,613</u>
10,985			1,092,748	10,823,094
<u>10,985</u>			<u>1,092,748</u>	<u>10,823,094</u>
(10,805)	47		(1,165)	(1,570,481)
23,987	2,486	9,655	1,165	6,938,346
<u>\$ 13,182</u>	<u>\$ 2,533</u>	<u>\$ 9,655</u>	<u>\$</u>	<u>\$ 5,367,865</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, 2020

	Insurance Proceeds		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 30,026	\$ 30,026
Property taxes			
State aid and grants			
Total revenues		<u>30,026</u>	<u>30,026</u>
Expenditures:			
Current -			
Instruction		24	(24)
Operation and maintenance of plant services		1,730	(1,730)
Capital outlay	250,000	1,757	248,243
Total expenditures	<u>250,000</u>	<u>3,511</u>	<u>246,489</u>
Excess (deficiency) of revenues over expenditures	<u>(250,000)</u>	<u>26,515</u>	<u>276,515</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(250,000)</u>	<u>26,515</u>	<u>276,515</u>
Fund balances, beginning of year		178,926	178,926
Fund balances (deficits), end of year	<u>\$ (250,000)</u>	<u>\$ 205,441</u>	<u>\$ 455,441</u>

Litigation Recovery			Unrestricted Capital Outlay		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,496	\$ 1,496	\$	\$ 203,110	\$ 203,110
				6,843,917	6,843,917
				1,100,507	1,100,507
	1,496	1,496		8,147,534	8,147,534
59,000		59,000			
			14,329,707	9,719,361	4,610,346
59,000		59,000	14,329,707	9,719,361	4,610,346
(59,000)	1,496	60,496	(14,329,707)	(1,571,827)	12,757,880
(59,000)	1,496	60,496	(14,329,707)	(1,571,827)	12,757,880
	78,353	78,353		6,203,314	6,203,314
\$ (59,000)	\$ 79,849	\$ 138,849	\$ (14,329,707)	\$ 4,631,487	\$ 18,961,194

(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, 2020

	Adjacent Ways		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 11,773	\$ 11,773
Property taxes			
State aid and grants			
Total revenues		<u>11,773</u>	<u>11,773</u>
Expenditures:			
Current -			
Instruction			
Operation and maintenance of plant services			
Capital outlay	614,004		614,004
Total expenditures	<u>614,004</u>		<u>614,004</u>
Excess (deficiency) of revenues over expenditures	<u>(614,004)</u>	<u>11,773</u>	<u>625,777</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(614,004)</u>	<u>11,773</u>	<u>625,777</u>
Fund balances, beginning of year		619,386	619,386
Fund balances (deficits), end of year	<u>\$ (614,004)</u>	<u>\$ 631,159</u>	<u>\$ 1,245,163</u>

Bond Building			Gifts and Donations - Capital		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 804,145	\$ 804,145	\$	\$ 180	\$ 180
	804,145	804,145		180	180
38,258,701	18,969,422	19,289,279	85,000	10,985	74,015
38,258,701	18,969,422	19,289,279	85,000	10,985	74,015
(38,258,701)	(18,165,277)	20,093,424	(85,000)	(10,805)	74,195
	(804,141)	(804,141)			
	(804,141)	(804,141)			
(38,258,701)	(18,969,418)	19,289,283	(85,000)	(10,805)	74,195
	38,560,823	38,560,823		23,987	23,987
\$ (38,258,701)	\$ 19,591,405	\$ 57,850,106	\$ (85,000)	\$ 13,182	\$ 98,182

(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, 2020

	Condemnation		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 47	\$ 47
Property taxes			
State aid and grants			
Total revenues		<u>47</u>	<u>47</u>
Expenditures:			
Current -			
Instruction			
Operation and maintenance of plant services			
Capital outlay	5,365		5,365
Total expenditures	<u>5,365</u>		<u>5,365</u>
Excess (deficiency) of revenues over expenditures	<u>(5,365)</u>	<u>47</u>	<u>5,412</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(5,365)</u>	<u>47</u>	<u>5,412</u>
Fund balances, beginning of year		2,486	2,486
Fund balances (deficits), end of year	<u>\$ (5,365)</u>	<u>\$ 2,533</u>	<u>\$ 7,898</u>

Energy and Water Savings			Building Renewal Grant		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 10,754	\$ 10,754
				1,080,829	1,080,829
				1,091,583	1,091,583
10,000		10,000	1,081,994	1,092,748	(10,754)
10,000		10,000	1,081,994	1,092,748	(10,754)
(10,000)		10,000	(1,081,994)	(1,165)	1,080,829
(10,000)		10,000	(1,081,994)	(1,165)	1,080,829
	9,655	9,655		1,165	1,165
\$ (10,000)	\$ 9,655	\$ 19,655	\$ (1,081,994)	\$	\$ 1,081,994

(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, 2020

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,061,531	\$ 1,061,531
Property taxes		6,843,917	6,843,917
State aid and grants		2,181,336	2,181,336
Total revenues		<u>10,086,784</u>	<u>10,086,784</u>
Expenditures:			
Current -			
Instruction	59,000	24	58,976
Operation and maintenance of plant services		1,730	(1,730)
Capital outlay	54,634,771	29,794,273	24,840,498
Total expenditures	<u>54,693,771</u>	<u>29,796,027</u>	<u>24,897,744</u>
Excess (deficiency) of revenues over expenditures	<u>(54,693,771)</u>	<u>(19,709,243)</u>	<u>34,984,528</u>
Other financing sources (uses):			
Transfer out		(804,141)	(804,141)
Total other financing sources (uses)		<u>(804,141)</u>	<u>(804,141)</u>
Changes in fund balances	<u>(54,693,771)</u>	<u>(20,513,384)</u>	<u>34,180,387</u>
Fund balances, beginning of year		45,678,095	45,678,095
Fund balances (deficits), end of year	<u>\$ (54,693,771)</u>	<u>\$ 25,164,711</u>	<u>\$ 79,858,482</u>

INTERNAL SERVICE FUNDS

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

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

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF NET POSITION -
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2020

	<u>District Services</u>	<u>Intergovernmental Agreements</u>	<u>Employee Benefit Trust</u>
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 697,045	\$	\$ 1,855,660
Accounts receivable			249,110
Due from governmental entities	21,752	47,645	
Due from other funds	52,053		
Total current assets	<u>770,850</u>	<u>47,645</u>	<u>2,104,770</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	492,157		
Total noncurrent assets	<u>492,157</u>		
Total assets	<u>1,263,007</u>	<u>47,645</u>	<u>2,104,770</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	16,680		24,198
Claims payable			1,994,000
Due to other funds		52,053	
Accrued payroll and employee benefits	22,210	8,763	6,150
Total current liabilities	<u>38,890</u>	<u>60,816</u>	<u>2,024,348</u>
Total liabilities	<u>38,890</u>	<u>60,816</u>	<u>2,024,348</u>
<u>NET POSITION</u>			
Net investment in capital assets	492,157		
Unrestricted	731,960	(13,171)	80,422
Total net position	<u>\$ 1,224,117</u>	<u>\$ (13,171)</u>	<u>\$ 80,422</u>

<u>Workers Compensation</u>	<u>Totals</u>
\$ 584,656	\$ 3,137,361
15,431	264,541
	69,397
	52,053
<u>600,087</u>	<u>3,523,352</u>
	492,157
	<u>492,157</u>
<u>600,087</u>	<u>4,015,509</u>
576,223	617,101
	1,994,000
	52,053
	37,123
<u>576,223</u>	<u>2,700,277</u>
<u>576,223</u>	<u>2,700,277</u>
	492,157
23,864	823,075
<u>\$ 23,864</u>	<u>\$ 1,315,232</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>District Services</u>	<u>Intergovernmental Agreements</u>	<u>Employee Benefit Trust</u>
Operating revenues:			
Contributions	\$	\$	\$ 13,887,671
Charges for services	1,437,886	219,670	
Total operating revenues	<u>1,437,886</u>	<u>219,670</u>	<u>13,887,671</u>
Operating expenses:			
Depreciation	144,629		
Claims			12,762,799
Premiums			1,139,192
Administrative fees			1,552,201
Cost of services	1,072,502	236,874	
Total operating expenses	<u>1,217,131</u>	<u>236,874</u>	<u>15,454,192</u>
Operating income (loss)	<u>220,755</u>	<u>(17,204)</u>	<u>(1,566,521)</u>
Nonoperating revenues (expenses):			
Investment income	11,692		34,104
Total nonoperating revenues (expenses)	<u>11,692</u>		<u>34,104</u>
Changes in net position	<u>232,447</u>	<u>(17,204)</u>	<u>(1,532,417)</u>
Total net position, beginning of year	991,670	4,033	1,612,839
Total net position, end of year	<u>\$ 1,224,117</u>	<u>\$ (13,171)</u>	<u>\$ 80,422</u>

<u>Workers Compensation</u>	<u>Totals</u>
\$ 569,584	\$ 14,457,255
	1,657,556
<u>569,584</u>	<u>16,114,811</u>
	144,629
	12,762,799
576,223	1,715,415
	1,552,201
	1,309,376
<u>576,223</u>	<u>17,484,420</u>
<u>(6,639)</u>	<u>(1,369,609)</u>
<u>8,918</u>	<u>54,714</u>
<u>8,918</u>	<u>54,714</u>
<u>2,279</u>	<u>(1,314,895)</u>
21,585	2,630,127
<u>\$ 23,864</u>	<u>\$ 1,315,232</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF CASH FLOWS - ALL INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

	<u>District Services</u>	<u>Intergovernmental Agreements</u>
<u>Increase/Decrease in Cash and Cash Equivalents</u>		
Cash flows from operating activities:		
Cash received from contributions	\$	\$
Cash received from other sources	1,510,311	232,404
Cash payments to suppliers for goods and services	(1,297,737)	(232,404)
Cash payments for claims		
Net cash provided by/used for operating activities	<u>212,574</u>	
Cash flows from investing activities:		
Investment income	<u>11,692</u>	
Net cash provided by/used for investing activities	<u>11,692</u>	
Cash flows from noncapital financing activities:		
Acquisition of capital assets	<u>(269,321)</u>	
Net cash provided by/used for noncapital financing activities	<u>(269,321)</u>	
Net increase/decrease in cash and cash equivalents	<u>(45,055)</u>	
Cash and cash equivalents, beginning of year	<u>742,100</u>	
Cash and cash equivalents, end of year	<u>\$ 697,045</u>	<u>\$</u>

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

Operating income/loss	\$ 220,755	\$ (17,204)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:		
Depreciation expense	144,629	
Changes in assets and liabilities:		
Increase/decrease in deposits	53,978	31,181
Increase/decrease in accounts receivable		
Increase/decrease in due from other funds	18,447	
Increase/decrease in prepaid items	12,579	4,470
Increase/decrease in accounts payable	(237,814)	
Increase/decrease in claims payable		
Increase/decrease in due to other funds		<u>(18,447)</u>
Total adjustments	<u>(8,181)</u>	<u>17,204</u>
Net cash provided by/used for operating activities	<u>\$ 212,574</u>	<u>\$</u>

<u>Employee Benefits Trust</u>	<u>Workers Compensation</u>	<u>Totals</u>
\$ 13,804,655	\$ 564,669	\$ 14,369,324
(2,716,537)	(532,264)	1,742,715
<u>(12,885,799)</u>		<u>(4,778,942)</u>
		<u>(12,885,799)</u>
<u>(1,797,681)</u>	<u>32,405</u>	<u>(1,552,702)</u>
<u>34,104</u>	<u>8,918</u>	<u>54,714</u>
<u>34,104</u>	<u>8,918</u>	<u>54,714</u>
		<u>(269,321)</u>
		<u>(269,321)</u>
<u>(1,763,577)</u>	<u>41,323</u>	<u>(1,767,309)</u>
<u>3,619,237</u>	<u>543,333</u>	<u>4,904,670</u>
<u>\$ 1,855,660</u>	<u>\$ 584,656</u>	<u>\$ 3,137,361</u>

\$ (1,566,521)	\$ (6,639)	\$ (1,369,609)
----------------	------------	----------------

		144,629
		85,159
(83,016)	(4,915)	(87,931)
		18,447
3,149		20,198
(28,293)	43,959	(222,148)
(123,000)		(123,000)
		<u>(18,447)</u>
<u>(231,160)</u>	<u>39,044</u>	<u>(183,093)</u>
<u>\$ (1,797,681)</u>	<u>\$ 32,405</u>	<u>\$ (1,552,702)</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u> (As Restated)
Net Position:					
Net investment in capital assets	\$ 72,383,417	\$ 89,872,546	\$ 98,482,098	\$ 106,426,708	\$ 108,943,728
Restricted	39,378,225	55,106,379	56,405,890	36,150,556	28,705,673
Unrestricted	(82,975,141)	(106,742,723)	(117,505,906)	(104,166,424)	(92,436,793)
Total net position	<u>\$ 28,786,501</u>	<u>\$ 38,236,202</u>	<u>\$ 37,382,082</u>	<u>\$ 38,410,840</u>	<u>\$ 45,212,608</u>
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Position:					
Net investment in capital assets	\$ 111,473,166	\$ 114,206,682	\$ 117,106,859	\$ 116,598,703	\$ 120,170,099
Restricted	28,863,347	22,849,053	18,256,725	14,904,625	25,434,583
Unrestricted	(92,651,215)	42,530,346	40,219,781	39,991,512	24,109,768
Total net position	<u>\$ 47,685,298</u>	<u>\$ 179,586,081</u>	<u>\$ 175,583,365</u>	<u>\$ 171,494,840</u>	<u>\$ 169,714,450</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenses					
Instruction	\$ 104,942,309	\$ 95,095,674	\$ 88,041,606	\$ 93,265,995	\$ 82,271,525
Support services - students and staff	18,875,148	15,624,233	13,753,213	19,164,537	17,787,181
Support services - administration	17,585,115	15,699,409	14,031,266	12,767,901	11,814,132
Operation and maintenance of plant services	16,281,746	16,172,484	15,057,684	15,471,919	14,566,646
Student transportation services	8,976,254	9,148,432	8,139,676	8,099,841	7,147,466
Operation of non-instructional services	12,389,654	13,235,212	11,305,128	10,985,302	10,252,874
Interest on long-term debt	7,108,146	8,637,522	8,527,959	7,481,976	7,945,137
Total expenses	<u>186,158,372</u>	<u>173,612,966</u>	<u>158,856,532</u>	<u>167,237,471</u>	<u>151,784,961</u>
Program Revenues					
Charges for services:					
Instruction	1,712,345	2,509,115	2,662,304	2,563,576	2,669,654
Operation of non-instructional services	8,973,714	673,747	8,097,264	7,234,196	6,862,562
Other activities	459,479	13,157,225	3,982,375	3,972,469	3,952,249
Operating grants and contributions	10,803,586	13,580,735	11,187,969	10,367,665	10,087,362
Capital grants and contributions	<u>2,183,622</u>	<u>119,173</u>	<u></u>	<u></u>	<u></u>
Total program revenues	<u>24,132,746</u>	<u>30,039,995</u>	<u>25,929,912</u>	<u>24,137,906</u>	<u>23,571,827</u>
Net (Expense)/Revenue	<u>\$ (162,025,626)</u>	<u>\$ (143,572,971)</u>	<u>\$ (132,926,620)</u>	<u>\$ (143,099,565)</u>	<u>\$ (128,213,134)</u>

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses					
Instruction	\$ 84,344,746	\$ 82,030,946	\$ 79,578,214	\$ 84,161,237	\$ 81,321,836
Support services - students and staff	19,530,043	15,255,810	13,744,870	13,802,110	13,952,233
Support services - administration	12,744,530	10,824,855	10,744,152	11,021,728	10,354,397
Operation and maintenance of plant services	13,355,060	13,604,651	15,415,775	14,228,399	14,754,567
Student transportation services	8,650,420	8,034,589	7,724,844	8,026,873	7,154,741
Operation of non-instructional services	10,445,127	10,189,894	9,398,642	10,093,017	9,904,757
Interest on long-term debt	5,266,898	6,144,252	6,121,401	5,565,030	15,249,382
Total expenses	<u>154,336,824</u>	<u>146,084,997</u>	<u>142,727,898</u>	<u>146,898,394</u>	<u>152,691,913</u>
Program Revenues					
Charges for services:					
Instruction	2,220,714	2,657,161	1,577,531	903,242	5,524,962
Operation of non-instructional services	7,908,447	8,463,195	7,469,785	6,890,809	4,158,950
Other activities	2,718,150	1,604,568	2,213,596	2,950,481	603,412
Operating grants and contributions	10,897,019	10,118,955	10,448,125	13,614,415	11,560,945
Capital grants and contributions				889,360	47,465
Total program revenues	<u>23,744,330</u>	<u>22,843,879</u>	<u>21,709,037</u>	<u>25,248,307</u>	<u>21,895,734</u>
Net (Expense)/Revenue	<u>\$ (130,592,494)</u>	<u>\$ (123,241,118)</u>	<u>\$ (121,018,861)</u>	<u>\$ (121,650,087)</u>	<u>\$ (130,796,179)</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net (Expense)/Revenue	\$ (162,025,626)	\$ (143,572,971)	\$ (132,926,620)	\$ (143,099,565)	\$ (128,213,134)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	49,850,126	48,402,729	46,766,250	46,546,960	41,579,462
Property taxes, levied for debt service	21,836,871	20,530,328	18,589,695	21,647,698	15,416,696
Property taxes, levied for capital outlay	6,895,667	6,873,298	6,737,208	7,589,029	7,511,148
Investment income	2,716,704	2,783,584	862,894	616,662	540,339
Unrestricted county aid	4,741,273	4,683,039	4,406,194	4,341,246	4,376,677
Unrestricted state aid	65,453,346	61,287,147	53,793,847	54,946,955	55,845,262
Unrestricted federal aid	853,771	801,814	719,884	609,247	470,860
Total general revenues	<u>152,347,758</u>	<u>145,361,939</u>	<u>131,875,972</u>	<u>136,297,797</u>	<u>125,740,444</u>
Changes in Net Position	<u>\$ (9,677,868)</u>	<u>\$ 1,788,968</u>	<u>\$ (1,050,648)</u>	<u>\$ (6,801,768)</u>	<u>\$ (2,472,690)</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net (Expense)/Revenue	\$ (130,592,494)	\$ (123,241,118)	\$ (121,018,861)	\$ (121,650,087)	\$ (130,796,179)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	44,177,896	41,745,333	47,826,175	45,678,790	45,099,372
Property taxes, levied for debt service	13,971,878	15,937,345	13,477,061	15,065,623	23,817,460
Property taxes, levied for capital outlay	7,381,938	8,528,086	7,118,860	8,036,971	5,016,171
Investment income	365,799	341,662	198,855	267,940	798,862
Unrestricted county aid	4,305,332	4,575,232	4,546,551	4,584,974	4,608,743
Unrestricted state aid	52,565,740	55,854,282	52,503,042	49,796,179	49,596,402
Unrestricted federal aid	426,271	261,894	242,139		572,019
Special Item - Gain on sale of assets	3,385,892				
Total general revenues	<u>126,580,746</u>	<u>127,243,834</u>	<u>125,912,683</u>	<u>123,430,477</u>	<u>129,509,029</u>
Changes in Net Position	<u>\$ (4,011,748)</u>	<u>\$ 4,002,716</u>	<u>\$ 4,893,822</u>	<u>\$ 1,780,390</u>	<u>\$ (1,287,150)</u>

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund:					
Nondisposable	\$ 388,795	\$ 1,450,147	\$ 300,593	\$ 1,340,670	\$ 292,838
Restricted	1,311,117	1,244,506	1,062,500	1,547,193	4,948,015
Unassigned	21,678,989	19,099,528	19,182,848	17,437,224	17,172,492
Total General Fund	<u>\$ 23,378,901</u>	<u>\$ 21,794,181</u>	<u>\$ 20,545,941</u>	<u>\$ 20,325,087</u>	<u>\$ 22,413,345</u>
All Other Governmental Funds:					
Nondisposable	\$	\$	\$	\$ 11,103	\$ 11,103
Restricted	57,417,708	92,232,811	83,373,231	79,794,454	55,176,477
Unassigned	(521,202)	(410,376)	(533,342)		
Total all other governmental funds	<u>\$ 56,896,506</u>	<u>\$ 91,822,435</u>	<u>\$ 82,839,889</u>	<u>\$ 79,805,557</u>	<u>\$ 55,187,580</u>

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:					
Nondisposable	\$ 1,258,311	\$ 261,235	\$ 591,938	\$ 706,604	\$ 527,331
Unassigned	12,546,351	18,977,332	19,940,697	19,074,244	15,277,767
Total General Fund	<u>\$ 18,757,808</u>	<u>\$ 19,238,567</u>	<u>\$ 20,532,635</u>	<u>\$ 19,780,848</u>	<u>\$ 15,805,098</u>
All Other Governmental Funds:					
Nondisposable	\$ 14,843	\$ 39,265	\$ 117,024	\$ 63,338	\$ 63,458
Restricted	81,500,545	63,638,865	22,275,315	17,655,265	14,060,812
Unassigned		(113,397)		(2,398)	(120,596)
Reserved					
Total all other governmental funds	<u>\$ 81,515,388</u>	<u>\$ 63,564,733</u>	<u>\$ 22,392,339</u>	<u>\$ 17,716,205</u>	<u>\$ 14,003,674</u>

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Federal sources:					
Federal grants	\$ 6,040,051	\$ 8,394,384	\$ 5,626,976	\$ 6,116,228	\$ 5,573,267
National School Lunch Program	2,712,187	2,962,804	2,949,517	3,048,550	3,085,815
Total federal sources	<u>8,752,238</u>	<u>11,357,188</u>	<u>8,576,493</u>	<u>9,164,778</u>	<u>8,659,082</u>
State sources:					
State equalization assistance	57,779,788	52,759,114	45,895,173	47,972,153	48,929,863
State grants	1,987,575	1,643,021	1,708,598	650,240	618,425
School Facilities Board	1,080,829		1,144		
Other revenues	8,774,065	8,859,433	7,898,674	6,974,802	6,915,206
Total state sources	<u>69,622,257</u>	<u>63,261,568</u>	<u>55,503,589</u>	<u>55,597,195</u>	<u>56,463,494</u>
Local sources:					
Property taxes	78,320,533	76,102,294	72,333,374	75,810,064	66,275,827
County aid	4,741,273	4,683,039	4,406,194	4,341,246	4,376,677
Food service sales	1,902,872	3,074,877	2,764,486	2,300,419	2,511,753
Investment income	2,661,990	2,667,536	754,449	566,914	468,542
Other revenues	10,216,214	14,442,388	13,227,703	12,515,822	12,320,635
Total local sources	<u>97,842,882</u>	<u>100,970,134</u>	<u>93,486,206</u>	<u>95,534,465</u>	<u>85,953,434</u>
Total revenues	<u><u>\$ 176,217,377</u></u>	<u><u>\$ 175,588,890</u></u>	<u><u>\$ 157,566,288</u></u>	<u><u>\$ 160,296,438</u></u>	<u><u>\$ 151,076,010</u></u>

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Federal sources:					
Federal grants	\$ 6,268,603	\$ 6,010,715	\$ 6,066,833	\$ 6,982,224	\$ 7,161,069
State Fiscal Stabilization (ARRA)					572,019
Education Jobs				3,130,755	
National School Lunch Program	2,960,070	2,712,642	2,833,523	2,878,740	2,615,322
Total federal sources	<u>9,228,673</u>	<u>8,723,357</u>	<u>8,900,356</u>	<u>12,991,719</u>	<u>10,348,410</u>
State sources:					
State equalization assistance	45,893,602	49,161,855	47,125,634	44,869,225	45,447,749
State grants	638,634	414,272	295,618	258,263	298,141
School Facilities Board					
Other revenues	6,672,138	6,692,610	5,377,408	4,926,954	4,378,689
Total state sources	<u>53,204,374</u>	<u>56,268,737</u>	<u>52,798,660</u>	<u>50,054,442</u>	<u>50,124,579</u>
Local sources:					
Property taxes	65,723,617	66,048,091	66,326,114	70,345,369	74,442,668
County aid	4,305,332	4,575,232	4,546,551	4,584,974	4,608,743
Food service sales	2,695,415	2,875,837	2,906,863	3,334,657	3,496,813
Investment income	297,482	276,616	136,354	195,860	595,710
Other revenues	11,538,487	11,130,330	9,603,344	8,663,668	8,014,299
Total local sources	<u>84,560,333</u>	<u>84,906,106</u>	<u>83,519,226</u>	<u>87,124,528</u>	<u>91,158,233</u>
Total revenues	<u>\$ 146,993,380</u>	<u>\$ 149,898,200</u>	<u>\$ 145,218,242</u>	<u>\$ 150,170,689</u>	<u>\$ 151,631,222</u>

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenditures:					
Current -					
Instruction	\$ 82,927,583	\$ 81,509,745	\$ 75,068,795	\$ 74,067,931	\$ 66,525,650
Support services - students and staff	17,572,453	15,630,889	14,087,734	18,081,659	16,774,537
Support services - administration	13,676,583	13,330,441	12,556,856	11,304,525	10,799,543
Operation and maintenance of plant services	12,426,646	15,421,865	12,521,437	14,669,131	12,506,555
Student transportation services	4,570,540	5,616,762	5,649,980	5,687,131	5,305,440
Operation of non-instructional services	11,521,706	12,942,410	11,188,747	10,711,500	10,079,519
Capital outlay	29,896,789	30,162,750	23,800,573	26,618,338	32,835,034
Debt service -					
Interest and fiscal charges	7,648,147	9,255,572	8,976,586	8,289,676	8,427,790
Principal retirement	12,735,000	15,715,000	10,870,000	11,810,000	9,525,000
Bond issuance costs		357,734	420,528	650,705	
Payment to refunded bond escrow agent					
Total expenditures	<u><u>\$ 192,975,447</u></u>	<u><u>\$ 199,943,168</u></u>	<u><u>\$ 175,141,236</u></u>	<u><u>\$ 181,890,596</u></u>	<u><u>\$ 172,779,068</u></u>
Expenditures for capitalized assets	\$ 14,713,074	\$ 17,820,565	\$ 17,304,429	\$ 17,797,974	\$ 27,796,574
Debt service as a percentage of noncapital expenditures	11%	14%	13%	12%	12%

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenditures:					
Current -					
Instruction	\$ 68,292,959	\$ 67,893,287	\$ 66,920,319	\$ 68,872,150	\$ 70,907,190
Support services - students and staff	18,070,878	14,275,754	13,013,233	12,622,359	13,388,092
Support services - administration	11,235,605	9,792,931	9,517,292	9,499,541	9,261,953
Operation and maintenance of plant services	13,627,847	12,917,394	14,806,679	13,495,107	12,918,845
Student transportation services	6,687,002	6,175,274	6,222,956	6,402,069	5,852,918
Operation of non-instructional services	10,147,856	9,871,316	9,232,963	9,862,327	9,685,496
Capital outlay	32,539,600	12,712,312	8,773,490	23,577,081	25,658,108
Debt service -					
Claims and judgments					
Interest and fiscal charges	5,405,348	6,282,702	6,461,001	13,120,020	15,283,685
Principal retirement	9,045,000	9,655,000	7,865,000	11,245,000	10,010,254
Bond issuance costs	669,929	492,682	39,950	142,015	245,000
Total expenditures	<u><u>\$ 186,371,593</u></u>	<u><u>\$ 150,068,652</u></u>	<u><u>\$ 142,852,883</u></u>	<u><u>\$ 168,837,669</u></u>	<u><u>\$ 173,211,541</u></u>
Expenditures for capitalized assets	\$ 23,747,764	\$ 4,726,037	\$ 2,439,177	\$ 14,548,438	\$ 18,984,651
Debt service as a percentage of noncapital expenditures	15%	11%	10%	16%	16%

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Excess (deficiency) of revenues over expenditures	\$ (16,758,070)	\$ (24,354,278)	\$ (17,574,948)	\$ (21,594,158)	\$ (21,703,058)
Other financing sources (uses):					
General obligation bonds issued		29,965,000		32,025,000	
Refunding bonds issued			44,365,000	24,810,000	
Premium on sale of bonds		3,354,609	7,117,642	6,625,870	
Transfers in	1,533,819	1,507,317	1,323,142	695,722	505,623
Transfers out	(1,533,819)	(1,507,317)	(1,323,142)	(695,722)	(505,623)
Payment to refunded bond escrow agent	(15,769,466)		(29,611,620)	(20,537,623)	
Proceeds from sale of capital assets	19,512	29,089			
Insurance recoveries		86,812	10,292	152,798	
Total other financing sources (uses)	<u>(15,749,954)</u>	<u>33,435,510</u>	<u>21,881,314</u>	<u>43,076,045</u>	
Changes in fund balances	<u>\$ (32,508,024)</u>	<u>\$ 9,081,232</u>	<u>\$ 4,306,366</u>	<u>\$ 21,481,887</u>	<u>\$ (21,703,058)</u>
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Excess (deficiency) of revenues over expenditures	\$ (39,378,213)	\$ (170,452)	\$ 2,365,359	\$ (18,666,980)	\$ (21,580,319)
Other financing sources (uses):					
General obligation bonds issued	40,000,000	40,000,000	2,975,000		22,350,000
Refunding bonds issued	24,120,000			43,030,000	
Premium on sale of bonds	3,986,478	457,240	148,542	5,718,309	269,331
Transfers in	2,174,792	874,089	952,804	879,479	625,466
Transfers out	(2,174,792)	(874,089)	(952,804)	(879,479)	(625,466)
Payment to refunded bond escrow agent	(16,371,855)			(41,061,276)	
Total other financing sources (uses)	<u>55,875,455</u>	<u>40,457,240</u>	<u>3,123,542</u>	<u>7,687,033</u>	<u>22,619,331</u>
Changes in fund balances	<u>\$ 16,497,242</u>	<u>\$ 40,286,788</u>	<u>\$ 5,488,901</u>	<u>\$ (10,979,947)</u>	<u>\$ 1,039,012</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 777,531,982	\$ 721,450,782	\$ 692,578,568	\$ 666,800,958	\$ 641,559,365
Agricultural and Vacant	21,720,158	21,759,054	23,572,455	23,625,878	26,253,614
Residential (Owner Occupied)	1,045,014,472	1,003,572,457	956,721,774	911,509,930	872,197,797
Residential (Rental)	334,617,533	309,111,930	282,811,579	262,783,880	241,555,102
Railroad, Private Cars and Airlines	692,460	662,453	735,739	751,319	848,264
Historical Property	11,480	10,934	8,995	8,995	8,995
Certain Government Property Improvements			7,815	32,164	30,633
Total	<u>\$ 2,179,588,085</u>	<u>\$ 2,056,567,610</u>	<u>\$ 1,956,436,925</u>	<u>\$ 1,865,513,124</u>	<u>\$ 1,782,453,770</u>
Gross Full Cash Value	\$ 20,214,648,460	\$ 23,468,465,997	\$ 22,385,244,072	\$ 21,576,815,867	\$ 19,737,374,822
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	9%	9%	9%	9%
Total Direct Rate	3.87	3.97	3.97	4.38	4.01

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 626,531,270	\$ 640,507,039	\$ 731,499,569	\$ 822,373,241	\$ 1,030,386,534
Agricultural and Vacant	28,158,482	29,582,506	33,426,792	43,129,063	46,805,690
Residential (Owner Occupied)	838,799,724	780,061,637	873,654,286	1,006,438,721	1,154,407,771
Residential (Rental)	215,135,669	179,838,943	148,018,091	173,044,070	190,832,566
Railroad, Private Cars and Airlines	914,047	1,076,883	1,050,802	930,897	941,414
Historical Property	8,995	56,211	10,190	11,925	19,165
Certain Government Property Improvements	84,122	84,691	56,716	10,715	
Total	<u>\$ 1,709,632,309</u>	<u>\$ 1,631,207,910</u>	<u>\$ 1,787,716,446</u>	<u>\$ 2,045,938,632</u>	<u>\$ 2,423,393,140</u>
Gross Full Cash Value	\$ 15,890,974,368	\$ 15,055,100,341	\$ 15,954,370,358	\$ 18,575,028,097	\$ 21,684,199,876
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Total Direct Rate	4.03	4.28	6.06	3.71	3.20

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 987,423,505	\$ 901,001,710	\$ 862,897,465	\$ 796,375,149	\$ 695,163,872
Agricultural and Vacant	31,913,260	30,913,456	33,799,190	33,166,138	33,215,133
Residential (Owner Occupied)	1,206,108,267	1,154,840,353	1,114,752,574	1,102,592,443	1,040,453,025
Residential (Rental)	458,873,281	413,466,721	375,244,678	343,106,025	308,509,302
Railroad, Private Cars and Airlines	865,575	807,870	865,575	807,870	865,575
Historical Property	20,905	18,335	12,310	12,310	12,310
Certain Government Property Improvements			8,807	37,234	33,297
Total	<u>\$ 2,685,204,793</u>	<u>\$ 2,501,048,445</u>	<u>\$ 2,387,580,599</u>	<u>\$ 2,276,097,169</u>	<u>\$ 2,078,252,514</u>
Gross Full Cash Value	\$ 20,214,648,460	\$ 23,468,465,997	\$ 22,385,244,072	\$ 21,576,815,867	\$ 19,737,374,822
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	13%	11%	11%	11%	11%
Estimated Net Full Cash Value	17,785,759,913	19,311,007,823	19,299,227,810	18,485,347,364	16,739,381,972
Total Direct Rate	3.87	3.97	3.97	4.38	4.01

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 632,919,305	\$ 641,174,971	\$ 734,998,962	\$ 824,593,681	\$ 1,129,640,298
Agricultural and Vacant	29,286,377	30,403,095	33,998,556	46,286,831	57,846,261
Residential (Owner Occupied)	875,378,553	780,666,997	873,966,653	1,007,509,296	1,157,244,748
Residential (Rental)	240,907,417	184,528,176	148,043,518	173,284,118	198,497,341
Railroad, Private Cars and Airlines	923,280	1,087,199	1,071,064	1,040,293	1,126,249
Historical Property	12,310	196,342	10,190	11,925	42,283
Certain Government Property Improvements	84,122	84,691	56,716	10,732	
Total	<u>\$ 1,779,511,364</u>	<u>\$ 1,638,141,471</u>	<u>\$ 1,792,145,659</u>	<u>\$ 2,052,736,876</u>	<u>\$ 2,544,397,180</u>
Gross Full Cash Value	\$ 15,890,974,368	\$ 15,055,100,341	\$ 15,954,370,358	\$ 18,575,028,097	\$ 21,684,199,876
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	12%
Estimated Net Full Cash Value	14,087,094,529	12,605,725,763	13,614,086,584	15,611,707,575	18,750,068,016
Total Direct Rate	4.03	4.28	6.06	3.71	3.20

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	18 %	19 %
Agricultural and Vacant	15	15	15	15	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	14	15	14	16

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	19 %	20 %	20 %	20 %	21 %
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	16	15	15	15	17

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			
2020	0.46	1.40	0.06	0.18	1.33	0.01	0.14	2.13	2.40	1.13	2.56	1.96	1.90	3.87
2019	0.47	1.40	0.06	0.18	1.38	0.01	0.14	2.14	2.42	1.14	2.64	2.05	1.91	3.97
2018	0.49	1.40	0.06	0.18	1.41	0.01	0.14	2.16	2.49	1.14	2.65	2.09	1.88	3.97
2017	0.50	1.40	0.06	0.18	1.47	0.01	0.14	2.17	2.53	1.16	2.90	2.24	2.14	4.38
2016	0.51	1.36	0.06	0.16	1.49	0.01	0.14	1.82	2.52	1.18	2.87	2.14	1.87	4.01
2015	0.51	1.32	0.06	0.14	1.28	0.01	0.14	0.60	2.44	1.18	3.06	2.25	1.78	4.03
2014	0.51	1.28	0.04	0.14	1.53	0.01	0.14	1.82	2.49	1.27	2.66	2.22	2.06	4.28
2013	0.47	1.24	0.05	0.18	1.37	0.01	0.10	1.82	2.14	1.27	2.57	4.27	1.79	6.06
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

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	2020			2011	
	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	\$ 45,810,323	2.10 %		\$ 31,339,938	1.23 %
TWC-Chandler LLC	20,338,866	0.93		34,099,113	1.34
DDRA Ahwatukee Foothills LLC	12,414,477	0.57		20,256,534	0.80
Honeywell International Inc	12,680,540	0.58		11,650,537	0.46
JPMorgan Chse Bank NA	9,795,465	0.45			
Target Corporation	8,678,288	0.40		9,926,410	0.39
KM Sonoma LLC/Mt Sonoma LLC	8,362,515	0.38			
Realty Associates Fund X L P	7,356,872	0.34			
Iridium Satellite LLC	12,169,939	0.56			
Eastgroup Properties LP	7,236,128	0.33			
Qwest Corporation				12,043,018	0.47
GB Investments Inc					
Ikea Property Inc.				7,403,089	0.29
Tempe Marketplace Commerce Associates				7,560,000	0.30
Park at San Tan LLC				9,512,616	0.37
BRE Property Investros LLC				8,721,620	0.34
Total	<u>\$ 144,843,413</u>	<u>6.64 %</u>		<u>\$ 152,512,875</u>	<u>5.99 %</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
2020	\$ 84,575,255	\$ 81,266,160	96.09 %	\$	\$ 81,266,160	96.09 %
2019	82,337,808	78,951,577	95.89	3,348,912	82,300,489	99.95
2018	77,837,881	74,654,448	95.91	3,161,695	77,816,143	99.97
2017	81,918,314	78,427,558	95.74	3,470,028	81,897,586	99.97
2016	71,969,712	71,004,111	98.66	946,943	71,951,054	99.97
2015	70,501,784	67,643,277	95.95	2,840,558	70,483,835	99.97
2014	70,368,581	67,354,447	95.72	2,997,518	70,351,965	99.98
2013	70,472,026	67,381,446	95.61	3,086,966	70,468,412	99.99
2012	76,119,935	72,904,655	95.78	3,211,517	76,116,172	100.00
2011	80,472,545	77,824,096	96.71	2,640,545	80,464,641	99.99

Source: The source of this information is the 2019 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:	Total	Percentage of	Capital Leases		Total	Percentage of	Per Capita	Percentage of Personal Income	
		Amounts		Estimated				Estimated			
		Restricted for Principal		Actual Value Full Cash Value)				Actual Value Full Cash Value)			
2020	\$ 216,140,544	\$ 20,071,850	\$ 196,068,694	0.97 %	\$ 1,127	\$	\$ 216,140,544	1.07 %	\$ 1,242	N/A %	
2019	248,438,112	32,124,476	216,313,636	0.92	1,273		248,438,112	1.06	1,462	1.11	
2018	227,556,071	34,071,017	193,485,054	0.86	1,158		227,556,071	1.02	1,362	1.08	
2017	209,734,818	12,842,513	196,892,305	0.91	1,274	42,780	209,777,598	0.97	1,357	1.07	
2016	181,858,123	1,881,715	179,976,408	0.91	1,187	83,932	181,942,055	0.92	1,200	0.98	
2015	191,828,888	3,274,923	188,553,965	1.19	1,213	123,517	191,952,405	1.21	1,235	1.14	
2014	156,020,000	2,300,914	153,719,086	1.02	854	161,596	156,181,596	1.04	868	0.93	
2013	123,885,000	808,411	123,076,589	0.77	684		123,885,000	0.78	688	0.84	
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	

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, 2020

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Community College District	\$ 312,450,000	5.05 %	\$ 15,778,725
Special Health Care District	459,125,000	5.05	23,185,813
City of Chandler	302,200,000	20.68	62,494,960
City of Phoenix	1,085,050,000	6.64	72,047,320
City of Tempe	366,044,363	32.79	120,025,947
Tempe Union High School District No. 213	82,925,000	58.17	48,237,473
Subtotal, Overlapping Debt			<u>341,770,238</u>
Direct:			
Kyrene Elementary School District No. 28			<u>216,140,544</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 557,910,782</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	8.41	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 3,018	
As a Percentage of Net Limited Assessed Valuation	34.01	%
As a Percentage of Estimated Gross Full Cash Value	27.61	%

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, 2019 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 2020:

Net full cash assessed valuation	\$ 2,685,204,793
Debt limit (10% of assessed value)	268,520,479
Debt applicable to limit	<u>203,470,000</u>
Legal debt margin	<u><u>\$ 65,050,479</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2020:

Net full cash assessed valuation	\$ 2,685,204,793
Debt limit (15% of assessed value)	402,780,719
Debt applicable to limit	<u>203,470,000</u>
Legal debt margin	<u><u>\$ 199,310,719</u></u>

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt Limit	\$ 402,780,719	\$ 375,157,267	\$ 358,137,090	\$ 341,414,575	\$ 311,737,877
Total net debt applicable to limit	<u>203,470,000</u>	<u>163,992,300</u>	<u>168,944,807</u>	<u>206,275,870</u>	<u>176,750,000</u>
Legal debt margin	<u><u>\$ 199,310,719</u></u>	<u><u>\$ 211,164,967</u></u>	<u><u>\$ 189,192,283</u></u>	<u><u>\$ 135,138,705</u></u>	<u><u>\$ 134,987,877</u></u>
Total net debt applicable to the limit as a percentage of debt limit	51%	44%	47%	60%	57%
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 256,444,846	\$ 245,721,221	\$ 268,821,849	\$ 307,910,531	\$ 381,659,577
Total net debt applicable to limit	<u>185,795,000</u>	<u>156,020,000</u>	<u>123,885,000</u>	<u>143,400,000</u>	<u>137,260,000</u>
Legal debt margin	<u><u>\$ 70,649,846</u></u>	<u><u>\$ 89,701,221</u></u>	<u><u>\$ 144,936,849</u></u>	<u><u>\$ 164,510,531</u></u>	<u><u>\$ 244,399,577</u></u>
Total net debt applicable to the limit as a percentage of debt limit	72%	63%	46%	47%	36%

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
2019	4,485,414	\$	222,943,072	\$	49,704	3.6 %	174,030
2018	4,294,460		210,370,180		47,694	4.1	169,934
2017	4,221,684		196,286,194		45,573	4.2	167,135
2016	4,137,076		185,111,698		43,628	4.5	154,606
2015	4,076,438		168,483,421		41,222	5.5	151,606
2014	4,087,191		168,483,421		41,222	5.4	155,396
2013	4,009,412		147,700,000		27,552	6.2	180,000
2012	3,824,058		147,374,500		38,538	9.1	180,000
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

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

The source of the "Population" and "Unemployment Rate" information for 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2019, 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	2020		2011	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employees
Banner Health Systems	21,160	1.25 %		
Intel Corporation	11,350	0.68		
Arizona State University	9,490	0.57	10,089	22.93 %
Honor Health	7,300	0.44		
Honeywell	6,930	0.41	10,145	23.06
United States Department of the Air Force	6,900	0.41		
Dignity Health	6,650	0.40		
State Farm Insurance	6,550	0.39		
Bank of America	6,530	0.39		
JP Morgan Chase Bank National Association	6,500	0.38	9,300	21.14
Wells Fargo Operation Center			6,479	14.73
Motorola			4,538	10.31
SRP			3,331	7.57
Freescale			2,800	6.36
Chase Bankard Services			2,377	5.40
US Airways			1,898	4.31
City of Tempe			1,565	3.56
Total	<u>89,360</u>	<u>5.33 %</u>	<u>52,522</u>	<u>119.37 %</u>
Total employment	<u>1,673,610</u>		<u>44,000</u>	

Source: Arizona COG/MPO Employer Database.

These figures are based on Maricopa County. We find these sources to be reliable and expect them to be available for the foreseeable future. Includes only top 10 employer data for FY 2020

FY 2011 data is as presented in the District's 2011 CAFR and represents the Tempe metropolitan area.

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

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

Full-time Equivalent Employees as of June 30					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Supervisory					
Superintendents/Principals	28	28	28	28	28
Assistant principals	24	24	23	11	11
Total supervisory	<u>52</u>	<u>52</u>	<u>51</u>	<u>39</u>	<u>39</u>
Instruction					
Teachers	939	964	957	952	935
Other professionals (instructional)	261	261	236	216	200
Total instruction	<u>1,200</u>	<u>1,225</u>	<u>1,193</u>	<u>1,168</u>	<u>1,135</u>
Student Services					
Librarians	17	17	18	4	4
Nurses/Technicians	31	31	31	31	30
Total student services	<u>48</u>	<u>48</u>	<u>49</u>	<u>35</u>	<u>34</u>
Support and Administration					
Service workers	536	511	511	513	491
Other classified	26	26	24	66	59
Total support and administration	<u>562</u>	<u>537</u>	<u>535</u>	<u>579</u>	<u>550</u>
Total	<u><u>1,862</u></u>	<u><u>1,862</u></u>	<u><u>1,828</u></u>	<u><u>1,821</u></u>	<u><u>1,758</u></u>

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Supervisory					
Superintendents/Principals	28	28	28	27	28
Assistant principals	12	12	15	14	14
Total supervisory	<u>40</u>	<u>40</u>	<u>43</u>	<u>41</u>	<u>42</u>
Instruction					
Teachers	963	963	951	960	1,005
Other professionals (instructional)	195	195	195	183	181
Total instruction	<u>1,158</u>	<u>1,158</u>	<u>1,146</u>	<u>1,143</u>	<u>1,186</u>
Student Services					
Librarians	7	7	5	21	25
Nurses/Technicians	31	31	32	31	30
Total student services	<u>38</u>	<u>38</u>	<u>37</u>	<u>52</u>	<u>55</u>
Support and Administration					
Service workers	449	449	443	462	478
Other classified	61	61	58	32	33
Total support and administration	<u>510</u>	<u>510</u>	<u>501</u>	<u>494</u>	<u>511</u>
Total	<u>1,746</u>	<u>1,746</u>	<u>1,727</u>	<u>1,730</u>	<u>1,794</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
2020	15,633	\$ 142,695,511	\$ 9,128	1.20 %	\$ 186,158,372	\$ 11,908	9.84 %	939	16.6	30.5 %
2019	16,015	144,452,112	9,020	9.85	173,612,966	10,841	8.93	964	16.6	28.8
2018	15,963	131,073,549	8,211	(1.65)	158,856,532	9,952	(4.12)	1,034	15.4	32.0
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

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Schools</u>										
<u>Elementary</u>										
Buildings	48	48	48	48	48	48	48	48	48	48
Square feet	1,470,730	1,470,730	1,470,730	1,470,378	1,470,378	1,470,378	1,470,378	1,470,378	1,470,378	1,470,378
Capacity	16,174	16,174	16,174	16,174	16,174	16,174	16,174	16,174	16,174	16,174
Enrollment	10,641	10,641	11,320	11,320	11,521	11,705	11,749	11,681		
<u>Middle</u>										
Buildings	48	48	46	46	46	46	46	46	46	46
Square feet	961,629	961,343	915,470	915,260	915,260	915,260	915,260	915,260	915,260	915,260
Capacity	8,945	8,945	7,125	7,125	7,125	7,125	7,125	7,125	7,125	7,125
Enrollment	6,042	6,042	5,977	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
Buses	129	129	129	130						
<u>Athletics</u>										
Soccer fields	6	6	6	6	6	6	6	6	6	6
Running tracks	6	6	6	6	6	6	6	6	6	6
Baseball/softball	11/12	11/12	11/12	11/12	11/12	11/12	11/12	11/12	11/12	11/12
Playgrounds	29	29	29	29	29	29	29	29	29	29

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

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