

Exhibit B

Capital Improvement Plan Funding Sources

Bond Proceeds

The proceeds from district bond issues are expended in accordance with the voter-approved ballot question and background information contained in the voter pamphlet.

In November 2010, voters approved \$116,950,000 in bonds for capital improvements and pupil transportation buses. Capital improvements are outlined in a detailed plan available online at www.kyrene.org/cap. The district has held four bond sales as of November 2016. The first sale for \$2,964,800 in August 2012; the second for \$40,000,00 in November 2013; the third for \$40,000,000 in June 2015, and the most recent was for \$33,945,207 in November 2016.

Allowable expenditures from the Bond Fund (Fund 630) may include:

1. Construction or renovation of school buildings
2. Improving school grounds
3. Purchasing pupil transportation vehicles
4. Acquisition or lease of sites
5. Supplying school buildings with furniture, equipment and technology District Additional Assistance

The unrestricted District Additional Assistance funding formula currently provides \$450.76 per student. The student count is “unweighted” and is based on average daily membership (ADM) with special education preschool and kindergarten students counted as half.

For FY16/17, this formula calculation was \$6,357,603; however, after the State Budget Reduction Adjustment, yielded only \$893,171 in funding for the District. Consistent with past year, the District transferred these funds to the Maintenance & Operation budget.

Expenditures from District Additional Assistance (fund 610), can be used for any capital need.

Capital Funding Sources Not Included in the CIP

Capital Override

The district currently has a capital override in place, approved in November 2011, which funds \$6,834,000 per year for seven years which began in FY12/13. These funds are used to support technology infrastructure, equipment, and software needs.