
KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015



KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28

TEMPE, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Issued by:
Business and Finance Department

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28

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INTRODUCTORY SECTION

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December 18, 2015

Middle Schools

Akimel A-al
Altadena
Aprende
Centennial
Kyrene
Pueblo

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

Elementary Schools

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

Administration

David K. Schauer, Ed.D.
Superintendent

Gina Taylor, Ed.D.
*Assistant Superintendent
Educational Services*

Mark Knight, Ph.D.
*Assistant Superintendent
Human Resource Services*

Lorah J. Neville, M.A. Ed
*Executive Director, Curriculum
and Learning Services*

Jeremy Calles
Chief Financial Officer

Governing Board

Beth Brizel
Bernadette Coggins
Michelle Hirsch
John King
Ross Robb

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, 2015.

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, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an

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unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2015, 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Reporting Package.

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

PROFILE OF THE DISTRICT

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from preschool through grade eight, with an estimated current enrollment of 17,850 students.

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

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

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

The State finished the year with a balance of \$555 million in their “Rainy Day Fund”. A settlement agreement has been reached for the Inflation Lawsuit and Kyrene could see an additional \$3.4 million a year beginning in 2015-16. The Arizona State Retirement System continues to lower contribution rates for employees and employers. Kyrene is projected to finish the 2015-16 year with more funds available in Reserves than ever before due to the recent land sale and the Inflation Lawsuit Settlement.

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

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

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

The District has also put strategies into place to stabilize its enrollment. As projected by the District’s contracted demographer, the District’s community has become built out and the In-District population is aging out of the elementary grades. This has caused the District to face declining enrollment in recent years and was projected to further decline our enrollment in the upcoming years. However, the District has implemented more Schools of Choice that have attracted enrollment from outside the District’s boundary. The result has shown success by stabilizing enrollment numbers over the past couple of years. The District now has an established Traditional Academy, Leadership Academy, Prep Academy and Dual Language

Academy. The District has also launched a second Dual Language Academy and Leadership Academy due to the overwhelming demand.

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

The District has maximized their budget balance carry forward by continually carrying forward almost the entire 4% maximum that is allowed by Arizona Revised Statutes. In addition, the District has prepaid a portion of their health and liability insurance costs. These strategies have helped the District to absorb budget cuts without making a significant impact on student achievement.

AWARDS AND ACKNOWLEDGMENT

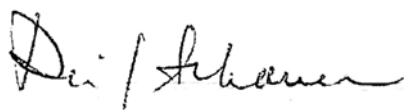
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting and the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for comprehensive annual financial reports. 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, 2015 certificates.

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

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

Respectfully submitted,



Dr. David Schauer
Superintendent



Jeremy Calles
Chief Financial Officer

Association of School Business Officials International



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

Kyrene Elementary School District No 28

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

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



A handwritten signature in black ink, appearing to read 'Mark C. Pepera', is written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President Executive Director

A handwritten signature in black ink, appearing to read 'John D. Musso', is written over a horizontal line.

John D. Musso, CAE, RSBA



Government Finance Officers Association

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

Presented to

**Kyrene Elementary School District
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

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

Executive Director/CEO

District Administrators Kyrene School District



Ross Robb
President



Bernadette Coggins
Vice President



Michelle Hirsch
Member



John King
Member



Kristin Middleton
Member

Kyrene School District Governing Board



Superintendent
David K. Schauer, Ed.D
Chief Executive Officer

Educational Services
Gina Taylor, Ed.D
Assistant Superintendent

Community Education and Outreach Services
Kelly Alexander, M.Ed.
Director

Instructional Services
Lorah J. Neville, M.A., Ed
Executive Director

Exceptional Student Services
Shari Dukes, Ph.D
Director

Curriculum and Learning Services
Mark Share, MA, Ed
Director

Human Resource Services
Mark Knight, Ph.D
Assistant Superintendent

Business Services
Jackie Matten, B.S.
Director

Facilities and Transportation
Eric Nethercutt, B.S.
Director

Technology Services
Darrian Nichols B.S.
Director

Support Services
Jeremy Calles, B.S.
Chief Financial Officer

School and Organizational Development
Jeff Peters, M.A., Ed
Director

Research and Assessment
Susie Osmeyer, Ph.D
Director

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Ross Robb, President

Beth Brizel, Member

Bernadette Coggins, Vice President

Michelle Hirsch, Member

John King, Member

ADMINISTRATIVE STAFF

Dr. David K. Schauer, Superintendent

Dr. Mark Knight, Assistant Superintendent

Jeremy Calles, Chief Financial Officer

Lorah Neville, Executive Director

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, 2015, 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, 2015, 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. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for the year ended June 30, 2015, 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 18, 2015, on our consideration of Kyrene Elementary School District No. 28's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kyrene Elementary School District No. 28's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

December 18, 2015

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, 2015**

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, 2015. 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 \$4.0 million which represents an eight percent decrease from the prior fiscal year.
- General revenues accounted for \$123.2 million in revenue, or 82 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$23.7 million or 16 percent of total current fiscal year revenues. The District also had a special item related to the gain on sale of land for \$3.4 million or two percent of total current fiscal year revenues.
- The District had approximately \$154.3 million in expenses related to governmental activities, an increase of six percent from the prior fiscal year.
- Among major funds, the General Fund had \$95.1 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$101.3 million in expenditures. The General Fund's fund balance decreased from \$19.2 million at the prior fiscal year end to \$18.8 million at the end of the current fiscal year.
- The Debt Service Fund had \$14.9 million in revenues and \$25.4 million in expenditures. The Debt Service Fund's fund balance increased \$1.0 million due to the issuance of \$24.1 million in refunding bonds during the year.
- The Bond Building Fund's fund balance increased \$16.7 million due to the issuance of school improvement bonds of \$40.0 million.
- Net position for the Internal Service Funds decreased \$556,189 from the prior fiscal year. Operating expenses of \$15.0 million exceeded operating revenues of \$14.4 million at the end of the current fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

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

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. 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.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

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 \$47.7 million at the current fiscal year end.

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

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2015 and June 30, 2014.

	As of June 30, 2015	As of June 30, 2014
Current assets	\$ 142,429,468	\$ 122,007,117
Capital assets, net	241,999,932	230,134,674
Total assets	<u>384,429,400</u>	<u>352,141,791</u>
Deferred outflows	<u>18,690,822</u>	<u>3,345,776</u>
Current liabilities	12,930,836	8,629,860
Long-term liabilities	321,231,239	167,271,626
Total liabilities	<u>334,162,075</u>	<u>175,901,486</u>
Deferred inflows	<u>21,272,849</u>	
Net position:		
Net investment in capital assets	111,473,166	114,206,682
Restricted	28,863,347	22,942,445
Unrestricted	(92,651,215)	42,436,954
Total net position	<u>\$ 47,685,298</u>	<u>\$ 179,586,081</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 \$92.7 million. The deficit arose due to the implementation of GASB Statement No. 68, which required the District to record a liability for its proportionate share of the state pension plan's unfunded liability. Positive balances were reported in all three categories in the prior fiscal year.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

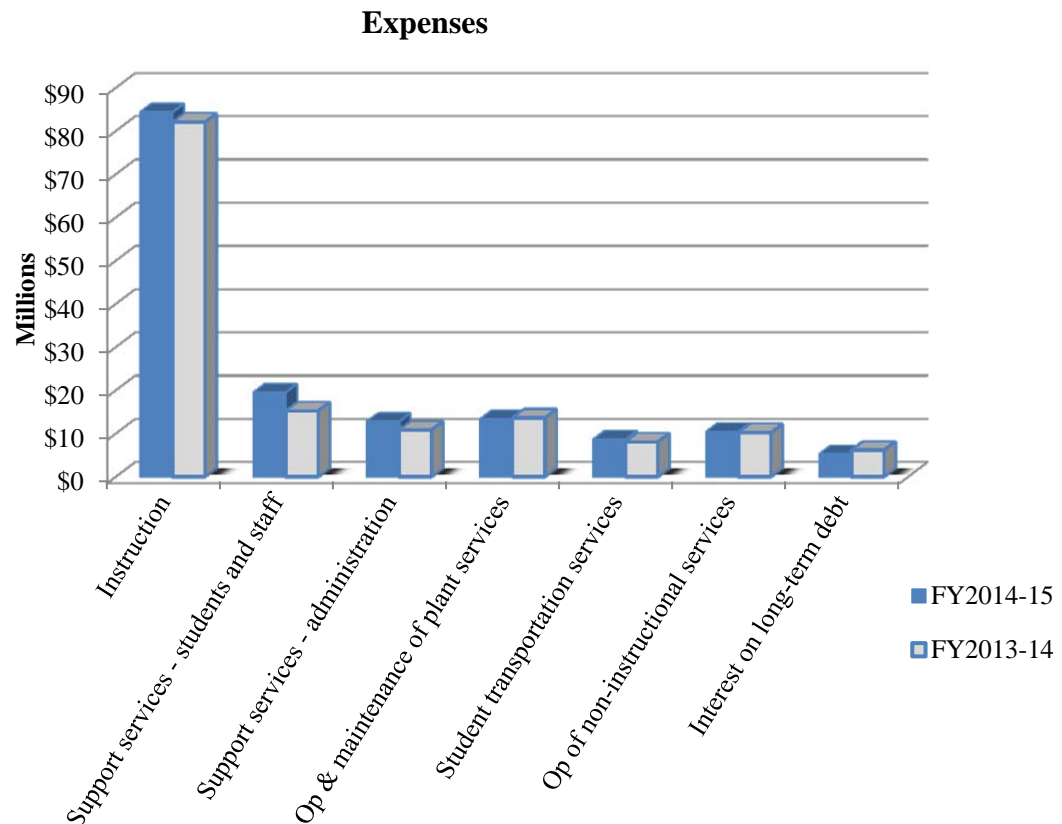
- The issuance of \$40.0 million in general obligation bonds.
- The net addition of \$23.7 million in capital assets through school improvements for security upgrades in each school's lobby; several roof replacements; energy efficiency upgrades; and the purchase of vehicles, furniture and equipment.
- The addition of \$121.7 million in pension liabilities due to the implementation of new pension reporting standards.
- The principal retirement of \$9.7 million of bonds.

Changes in net position. The District's total revenues for the current fiscal year were \$150.3 million. The total cost of all programs and services was \$154.3 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2015 and June 30, 2014.

	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014
Revenues:		
Program revenues:		
Charges for services	\$ 12,847,311	\$ 12,724,924
Operating grants and contributions	10,897,019	10,118,955
General revenues:		
Property taxes	65,531,712	66,210,764
Investment income	365,799	341,662
Unrestricted county aid	4,305,332	4,575,232
Unrestricted state aid	52,565,740	55,854,282
Unrestricted federal aid	426,271	261,894
Special item – gain on sale of assets	3,385,892	
Total revenues	<u>150,325,076</u>	<u>150,087,713</u>
Expenses:		
Instruction	84,344,746	82,030,946
Support services – students and staff	19,530,043	15,255,810
Support services – administration	12,744,530	10,824,855
Operation and maintenance of plant services	13,355,060	13,604,651
Student transportation services	8,650,420	8,034,589
Operation of non-instructional services	10,445,127	10,189,894
Interest on long-term debt	5,266,898	6,144,252
Total expenses	<u>154,336,824</u>	<u>146,084,997</u>
Changes in net position	<u>(4,011,748)</u>	<u>4,002,716</u>
Net position, beginning, as restated	<u>51,697,046</u>	<u>175,583,365</u>
Net position, ending	<u>\$ 47,685,298</u>	<u>\$ 179,586,081</u>

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- The District sold land at a gain of \$3.4 million.
- Support services – students and staff expense increased \$4.3 million due to an increase in wage rates for employees, an increase in elementary office staff support, and the timing of payments for health insurance.
- Unrestricted state aid decreased \$3.3 million due to a decrease in state equalization payments as a result of a change in the funding formula.

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

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2015		Year Ended June 30, 2014	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 84,344,746	\$ (78,187,003)	\$ 82,030,946	\$ (75,282,048)
Support services – students and staff	19,530,043	(17,219,231)	15,255,810	(13,252,201)
Support services – administration	12,744,530	(10,743,386)	10,824,855	(10,076,473)
Operation and maintenance of plant services	13,355,060	(12,440,450)	13,604,651	(13,251,870)
Student transportation services	8,650,420	(7,983,352)	8,034,589	(7,451,535)
Operation of non-instructional services	10,445,127	423,390	10,189,894	985,943
Interest on long-term debt	5,266,898	(4,442,462)	6,144,252	(4,912,934)
Total	\$154,336,824	\$(130,592,494)	\$ 146,084,997	\$(123,241,118)

- The cost of all governmental activities this year was \$154.3 million.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$23.7 million.
- Net cost of governmental activities of \$130.6 million was financed by general revenues, which are made up of primarily property taxes of \$65.5 million and unrestricted state aid of \$52.6 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$100.3 million, an increase of \$17.5 million primarily due to the issuance of \$40.0 million of school improvement bonds.

The General Fund comprises 19 percent of the total fund balance. Approximately \$12.5 million or 67 percent of the General Fund's fund balance is unassigned.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$480,759 to \$18.8 million as of fiscal year end was as a result of an increase in expenditures for support services – students and staff.

The Debt Service Fund had \$14.9 million in current fiscal year revenues and \$25.4 million in expenditures. The Debt Service Fund's fund balance increased from \$2.2 million as of prior fiscal year end to \$3.2 million as of the current fiscal year end primarily due to refunding transactions that occurred during the year.

The fund balance in the Bond Building Fund increased \$16.7 million to \$58.0 million as of year end primarily due to the issuance of \$40.0 million of school improvement bonds.

Proprietary funds. Unrestricted net position of the Internal Service Funds at the end of the fiscal year amounted to \$14.4 million, which is consistent with the District's reserve policy. Operating expenses of \$15.0 million exceeded operating revenues of \$14.4 million.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$115,251 decrease or less than one percent.

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

- The favorable variance of \$3.3 million in instruction was a result of a lower amount of expenditures than originally anticipated.
- The unfavorable variance of \$1.7 million in support services – students and staff was a result of increased salaries and office support staffing.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$418.8 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$22.4 million from the prior fiscal year primarily due to new construction for school upgrades. Total depreciation expense for the current fiscal year was \$11.1 million.

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

CAPITAL ASSETS AND DEBT ADMINISTRATION

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2015 and June 30, 2014.

	<u>As of June 30, 2015</u>	<u>As of June 30, 2014</u>
Capital assets – non-depreciable	\$ 35,873,762	\$ 28,315,636
Capital assets – depreciable, net	<u>206,126,170</u>	<u>201,819,038</u>
Total	<u><u>\$ 241,999,932</u></u>	<u><u>\$ 230,134,674</u></u>

The estimated cost to complete current construction projects is \$2.1 million.

Additional information on the District's capital assets can be found in Note 5.

Debt Administration. At year end, the District had \$192.0 million in long-term debt outstanding, \$9.1 million due within one year. Long-term debt increased by \$31.3 million due primarily to the issuance of \$40.0 million in school improvement bonds.

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 secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the total secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$266.9 million and the current Class B debt limit for the district is \$178.0 million which are more than the District's total outstanding general obligation and Class B debt, respectively.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Many factors were considered by the District's administration during the process of developing the fiscal year 2015-16 budget. Among them:

- Fiscal year 2014-15 budget balance carryforward (estimated \$3.2 million).
- District student population (estimated 16,529).

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

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Budgeted expenditures in the General Fund increased less than one percent to \$97.6 million in fiscal year 2015-16. Increased student count is the primary reason for the increase. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2015-16 budget.

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, 2015

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 117,350,616
Property taxes receivable	5,927,335
Due from governmental entities	17,878,363
Prepaid items	1,000,000
Inventory	273,154
Total current assets	<u>142,429,468</u>
Noncurrent assets:	
Capital assets not being depreciated	35,873,762
Capital assets, net of accumulated depreciation	206,126,170
Total noncurrent assets	<u>241,999,932</u>
Total assets	<u>384,429,400</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding	3,393,197
Pension plan items	15,297,625
Total deferred outflows of resources	<u>18,690,822</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	1,800,989
Construction contracts payable	6,754,427
Claims payable	1,132,000
Accrued payroll and employee benefits	884,054
Compensated absences payable	2,000,000
Accrued interest payable	2,314,690
Unearned revenues	44,676
Obligations under capital leases	39,585
Bonds payable	9,045,000
Total current liabilities	<u>24,015,421</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	310,146,654
Total noncurrent liabilities	<u>310,146,654</u>
Total liabilities	<u>334,162,075</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	21,272,849
<u>NET POSITION</u>	
Net investment in capital assets	111,473,166
Restricted for:	
Voter approved initiatives	7,675,653
Federal and state projects	276,181
Food service	770,023
School plant	4,953,146
Community school	6,130,189
Other local initiatives	2,678,880
Debt service	3,274,923
Capital outlay	3,104,352
Unrestricted	(92,651,215)
Total net position	<u>\$ 47,685,298</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, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for	Operating	Revenue and
		Services	Grants and	Changes in Net
			Contributions	Position
				Governmental
				Activities
Governmental activities:				
Instruction	\$ 84,344,746	\$ 2,220,714	\$ 3,937,029	\$ (78,187,003)
Support services - students and staff	19,530,043	400,635	1,910,177	(17,219,231)
Support services - administration	12,744,530	1,854,419	146,725	(10,743,386)
Operation and maintenance of plant services	13,355,060	380,624	533,986	(12,440,450)
Student transportation services	8,650,420	82,472	584,596	(7,983,352)
Operation of non-instructional services	10,445,127	7,908,447	2,960,070	423,390
Interest on long-term debt	5,266,898		824,436	(4,442,462)
Total governmental activities	\$ 154,336,824	\$ 12,847,311	\$ 10,897,019	(130,592,494)

General revenues:

Taxes:

Property taxes, levied for general purposes 44,177,896

Property taxes, levied for debt service 13,971,878

Property taxes, levied for capital outlay 7,381,938

Investment income 365,799

Unrestricted county aid 4,305,332

Unrestricted state aid 52,565,740

Unrestricted federal aid 426,271

Special item - Gain on sale of assets 3,385,892

Total general revenues and special items 126,580,746

Changes in net position (4,011,748)

Net position, beginning of year, as restated 51,697,046

Net position, end of year \$ 47,685,298

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, 2015

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,677,566	\$ 14,499,486	\$ 64,786,869
Property taxes receivable	5,618,891	135,127	
Due from governmental entities	16,101,484		
Due from other funds	540,170		
Prepaid items	1,000,000		
Inventory	258,311		
Total assets	<u><u>\$ 25,196,422</u></u>	<u><u>\$ 14,634,613</u></u>	<u><u>\$ 64,786,869</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 533,062	\$	\$
Construction contracts payable			6,754,427
Due to other funds			
Accrued payroll and employee benefits	571,125		
Unearned revenues			
Bonds payable		9,045,000	
Bond interest payable		2,314,690	
Total liabilities	<u><u>1,104,187</u></u>	<u><u>11,359,690</u></u>	<u><u>6,754,427</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	5,334,427	42,025	
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	<u><u>5,334,427</u></u>	<u><u>42,025</u></u>	
Fund balances:			
Nonspendable	1,258,311		
Restricted	4,953,146	3,232,898	58,032,442
Unassigned	12,546,351		
Total fund balances	<u><u>18,757,808</u></u>	<u><u>3,232,898</u></u>	<u><u>58,032,442</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 25,196,422</u></u>	<u><u>\$ 14,634,613</u></u>	<u><u>\$ 64,786,869</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 20,874,888	\$ 101,838,809
173,317	5,927,335
1,658,685	17,760,169
	540,170
	1,000,000
14,843	273,154
<u>\$ 22,721,733</u>	<u>\$ 127,339,637</u>

\$ 1,173,837	\$ 1,706,899
	6,754,427
540,170	540,170
312,929	884,054
44,676	44,676
	9,045,000
	2,314,690
<u>2,071,612</u>	<u>21,289,916</u>

123,892	5,500,344
276,181	276,181
<u>400,073</u>	<u>5,776,525</u>

14,843	1,273,154
20,235,205	86,453,691
	12,546,351
<u>20,250,048</u>	<u>100,273,196</u>

<u>\$ 22,721,733</u>	<u>\$ 127,339,637</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, 2015

Total governmental fund balances	\$	100,273,196
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Amounts reported for *governmental activities* in the Statement of Net Position are different because:

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

Governmental capital assets	\$ 418,761,410	
Less accumulated depreciation	<u>(176,761,478)</u>	241,999,932

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

Property taxes	5,500,344	
Intergovernmental	<u>276,181</u>	5,776,525

Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.		(2,640,691)
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	15,297,625	
Deferred inflows of resources related to pensions	<u>(21,272,849)</u>	(5,975,224)

The Internal Service Funds are used by management to charge the cost of insurance and other services to the individual funds and departments. The assets and liabilities of the Internal Service Funds are included in the Statement of Net Position.		14,280,394
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(7,628,718)	
Net pension liability	(121,650,116)	
Bonds payable	<u>(176,750,000)</u>	<u>(306,028,834)</u>

Net position of governmental activities	\$	<u>47,685,298</u>
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The notes to the basic financial statements are an integral part of this statement.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 4,429,412	\$ 27,734	\$ 151,867
Property taxes	44,100,495	14,040,503	
State aid and grants	46,189,972		
Federal aid, grants and reimbursements	426,271	824,436	
Total revenues	<u>95,146,150</u>	<u>14,892,673</u>	<u>151,867</u>
Expenditures:			
Current -			
Instruction	58,053,504		
Support services - students and staff	15,366,280		
Support services - administration	9,213,806		
Operation and maintenance of plant services	12,724,615		
Student transportation services	5,758,132		
Operation of non-instructional services	175,132		
Capital outlay	69		23,311,938
Debt service -			
Principal retirement		9,045,000	
Interest and fiscal charges		5,405,348	
Bond issuance costs		267,312	402,617
Payment to refunded bond escrow agent		10,649,569	
Total expenditures	<u>101,291,538</u>	<u>25,367,229</u>	<u>23,714,555</u>
Excess (deficiency) of revenues over expenditures	<u>(6,145,388)</u>	<u>(10,474,556)</u>	<u>(23,562,688)</u>
Other financing sources (uses):			
Transfer in	526,721	1,648,071	
Transfer out			(1,648,071)
Issuance of school improvement bonds			40,000,000
Issuance of refunding bonds		24,120,000	
Premium on sale of bonds		2,120,974	1,865,504
Payment to refunded bond escrow agent		(16,371,855)	
Proceeds from sale of capital assets	4,140,832		
Total other financing sources (uses):	<u>4,667,553</u>	<u>11,517,190</u>	<u>40,217,433</u>
Changes in fund balances	<u>(1,477,835)</u>	<u>1,042,634</u>	<u>16,654,745</u>
Fund balances, beginning of year	19,238,567	2,190,264	41,377,697
Increase (decrease) in reserve for prepaid items	1,000,000		
Increase (decrease) in reserve for inventory	(2,924)		
Fund balances, end of year	<u>\$ 18,757,808</u>	<u>\$ 3,232,898</u>	<u>\$ 58,032,442</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 14,227,703	\$ 18,836,716
7,582,619	65,723,617
7,014,402	53,204,374
7,977,966	9,228,673
<u>36,802,690</u>	<u>146,993,380</u>
10,239,455	68,292,959
2,704,598	18,070,878
2,021,799	11,235,605
903,232	13,627,847
928,870	6,687,002
9,972,724	10,147,856
9,227,593	32,539,600
	9,045,000
	5,405,348
	669,929
	10,649,569
<u>35,998,271</u>	<u>186,371,593</u>
<u>804,419</u>	<u>(39,378,213)</u>
	2,174,792
(526,721)	(2,174,792)
	40,000,000
	24,120,000
	3,986,478
	(16,371,855)
	4,140,832
<u>(526,721)</u>	<u>55,875,455</u>
<u>277,698</u>	<u>16,497,242</u>
19,996,772	82,803,300
	1,000,000
(24,422)	(27,346)
<u>\$ 20,250,048</u>	<u>\$ 100,273,196</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, 2015

Net changes in fund balances - total governmental funds **\$ 17,469,896**

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

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

Expenditures for capitalized assets	\$ 23,747,764	
Less current year depreciation	<u>(11,081,818)</u>	12,665,946

Issuance of school improvement bonds provides current financial resources to governmental but the issuance increases long term liabilities in the Statement of Net Position.		(41,865,504)
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Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(191,905)	
Intergovernmental	<u>69,392</u>	(122,513)

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.

Refunding bond transaction	(1,550,974)	
Bond principal retirement	<u>9,045,000</u>	7,494,026

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

Current year pension contributions	8,525,304	
Pension expense	<u>(8,261,609)</u>	263,695

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

Deferred charges on issuance of debt	47,421	
Sale of land	(754,940)	
Loss on disposal of assets	(45,748)	
Amortization of deferred bond items	2,422,453	
Compensated absences	<u>(1,008,552)</u>	660,634

The Internal Service Funds are used by management to charge the cost of insurance and other services to the individual funds and departments. The changes in net position of the Internal Service Funds are reported with governmental activities in the Statement of Activities.

(577,928)

Changes in net position in governmental activities **\$ (4,011,748)**

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, 2015

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 15,511,807
Due from governmental entities	118,194
Due from other funds	65,284
Total current assets	<u>15,695,285</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>321,415</u>
Total noncurrent assets	<u>321,415</u>
Total assets	<u>16,016,700</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	94,090
Claims payable	1,132,000
Due to other funds	65,284
Obligations under capital leases	39,585
Total current liabilities	<u>1,330,959</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>83,932</u>
Total noncurrent liabilities	<u>83,932</u>
Total liabilities	<u>1,414,891</u>
<u>NET POSITION</u>	
Net investment in capital assets	197,898
Unrestricted	<u>14,403,911</u>
Total net position	<u>\$ 14,601,809</u>

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Activities: Internal Service Funds
Operating revenues:	
Contributions	\$ 12,801,272
Charges for services	1,624,214
Total operating revenues	<u>14,425,486</u>
Operating expenses:	
Depreciation	61,414
Claims	10,878,665
Premiums	1,429,555
Administrative fees	1,220,627
Cost of services	1,459,731
Total operating expenses	<u>15,049,992</u>
Operating income (loss)	<u>(624,506)</u>
Nonoperating revenues (expenses):	
Investment income	74,710
Interest and fiscal charges	(6,393)
Total nonoperating revenues (expenses)	<u>68,317</u>
Changes in net position	<u>(556,189)</u>
Total net position, beginning of year	15,157,998
Total net position, end of year	<u><u>\$ 14,601,809</u></u>

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

**KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

**Governmental
Activities: Internal
Service Funds**

Decrease in Cash and Cash Equivalents

Cash flows from operating activities:

Cash received for services	\$ 2,064,721
Cash received from contributions	12,446,138
Cash payments for claims	(10,723,665)
Cash payments to suppliers for goods and services	<u>(4,039,112)</u>

Net cash used for operating activities	<u>(251,918)</u>
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Cash flows from capital and related financing activities:

Acquisition of capital assets	(97,501)
Loss on sale of capital assets	14,348
Principal paid on long-term debt	(38,079)
Interest paid on long-term debt	<u>(6,393)</u>

Net cash used for capital and related financing activities	<u>(127,625)</u>
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Cash flows from investing activities:

Investment income	<u>74,710</u>
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Net cash provided by investing activities	<u>74,710</u>
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Net decrease in cash and cash equivalents	<u>(304,833)</u>
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Cash and cash equivalents, beginning of year	<u>15,816,640</u>
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Cash and cash equivalents, end of year	<u>\$ 15,511,807</u>
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Reconciliation of Operating Loss to Net Cash Used for Operating Activities

Operating loss	\$ (624,506)
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Adjustments to reconcile operating loss to net cash used for operating activities:

Depreciation expense	61,414
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Changes in assets and liabilities:

Decrease in due from governmental entities	99,354
Decrease in due from other funds	17,062
Decrease in deposits held by others	100,000
(Decrease) in accrued payroll and employee benefits	(13,981)
(Decrease) in accounts payable	(29,199)
(Decrease) in due to other funds	(17,062)
Increase in claims payable	<u>155,000</u>

Total adjustments	<u>372,588</u>
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Net cash used for operating activities	<u>\$ (251,918)</u>
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The notes to the basic financial statements are an integral part of this statement.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2015

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 211,311
Total assets	<u>\$ 211,311</u>
<u>LIABILITIES</u>	
Due to student groups	\$ 211,311
Total liabilities	<u>\$ 211,311</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, 2015

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, 2015, the District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This Statement requires governments providing defined benefit pensions to recognize the long-term obligation for pension benefits as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

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, 2015

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. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

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

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

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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, 2015

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 – 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 District departments on a cost reimbursement basis, (2) activities related to agreements with other governments where the District is the fiscal agent, (3) the District's self-insurance program for employee benefits and (4) the District's insurance program to pay for workers' compensation insurance premiums.

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

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

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Cash and Investments

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

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

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

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

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Investment Income

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

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

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.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

I. Prepaid Items

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

J. Capital Assets

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Deferred Outflows/Inflows of Resources

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

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

L. Compensated Absences

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

M. Pensions

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

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, as well as the difference between the reacquisition price and the net carrying amount of the old debt are deferred and amortized over the life of the bonds using the straight line method over the term of the related debt.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

O. Interfund Activity

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

P. Net Position Flow Assumption

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

Q. Estimates

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

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.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

	General Fund	Debt Service Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	\$ 258,311	\$	\$	\$ 14,843
Prepaid items	1,000,000			
Restricted:				
Debt service		3,232,898		
Capital projects				2,980,460
Bond building projects			58,032,442	
Voter approved initiatives				7,675,653
Auxiliary operations				209,082
Food service				770,023
Civic center				1,075,711
Community school				6,130,189
Extracurricular activities				824,966
Other purposes	4,953,146			569,121
Unassigned	12,546,351			
Total fund balances	<u>\$ 18,757,808</u>	<u>\$ 3,232,898</u>	<u>\$ 58,032,442</u>	<u>\$ 20,250,048</u>

NOTE 3 – 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 \$750,621 and the bank balance was \$1,467,013.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3 – CASH AND INVESTMENTS

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.

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	367 days	\$ 116,811,306
Total		<u>\$ 116,811,306</u>

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

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

Custodial Credit Risk – Investments. The District's investment in the County Treasurer's investment pool represents a proportionate interest in the pool's portfolio; however, the District's portion is not identified with specific investments and is not subject to custodial credit risk.

NOTE 4 – RECEIVABLES

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

	<u>General Fund</u>	<u>Non-Major Governmental and Other Funds</u>
Due from other governmental entities:		
Due from federal government	\$ 21,033	\$ 905,901
Due from state government	16,080,451	752,784
Due from other districts		118,194
Net due from governmental entities	<u>\$ 16,101,484</u>	<u>\$ 1,776,879</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 – 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	\$ 26,061,982	\$	\$ 754,940	\$ 25,307,042
Construction in process	2,253,654	10,259,906	1,946,840	10,566,720
Total capital assets, not being depreciated	28,315,636	10,259,906	2,701,780	35,873,762
Capital assets, being depreciated:				
Land improvements	34,009,763	2,051,450		36,061,213
Buildings and improvements	311,802,032	9,986,521		321,788,553
Vehicles, furniture and equipment	22,227,170	3,396,727	586,015	25,037,882
Total capital assets being depreciated	368,038,965	15,434,698	586,015	382,887,648
Less accumulated depreciation for:				
Land improvements	(25,726,774)	(965,760)		(26,692,534)
Buildings and improvements	(127,752,449)	(8,585,369)		(136,337,818)
Vehicles, furniture and equipment	(12,740,704)	(1,530,689)	(540,267)	(13,731,126)
Total accumulated depreciation	(166,219,927)	(11,081,818)	(540,267)	(176,761,478)
Total capital assets, being depreciated, net	201,819,038	4,352,880	45,748	206,126,170
Governmental activities capital assets, net	<u>\$ 230,134,674</u>	<u>\$ 14,612,786</u>	<u>\$2,747,528</u>	<u>\$ 241,999,932</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 9,174,139
Support services – students and staff	55,050
Support services – administration	456,991
Operation and maintenance of plant services	232,744
Student transportation services	1,098,266
Operation of non-instructional services	64,628
Total depreciation expense – governmental activities	<u>\$11,081,818</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the replacement of cooling towers, remodeling of various sites for security upgrades in each of the school lobbies and several roof replacements. At year end, the District had spent \$10.6 million on the projects and had estimated remaining contractual commitments of \$2.1 million. These projects are being funded with bond proceeds.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 – 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. Short-term debt activity for the current fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Revolving line of credit	\$	\$ 652,000	\$ 652,000	\$

NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES

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

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

	<u>Governmental Activities</u>
Asset:	
Vehicles, furniture and equipment	\$ 206,068
Less: Accumulated depreciation	41,230
Total	<u>\$ 164,838</u>

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

Year Ending June 30:	<u>Governmental Activities</u>
2016	\$ 44,471
2017	44,472
2018	44,472
Total minimum lease payments	<u>133,415</u>
Less: amount representing interest	<u>9,898</u>
Present value of minimum lease payments	<u>123,517</u>
Due within one year	<u>\$ 39,585</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$34.0 million remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. In addition, a portion of the District's school improvement bonds are Qualified Build America Bonds (BABS). The District receives a direct subsidy payment from the United States of America for a portion of the interest due on the bonds.

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2015</u>	<u>Due Within One Year</u>
Governmental Activities:					
2005 School Improvement Bonds, Series C (Class B)	\$30,000,000	4.375 - 5.00%	7/1/21-27	\$ 19,020,000	\$
2005 School Improvement Bonds, Series D (Class B)	25,000,000	4.375 - 6.20%	7/1/15-28	25,000,000	1,890,000
2005 School Improvement Bonds, Series E (Class B)	22,350,000	3.20 - 6.00%	7/1/15-28	22,350,000	2,280,000
Refunding Bonds, Series 2012	43,030,000	5.96%	7/1/15-17	12,330,000	1,900,000
2010 School Improvement Bonds, Series A (Class B)	2,975,000	2.30%	7/1/15	2,975,000	2,975,000
2010 School Improvement Bonds, Series B (Class B)	40,000,000	3.00 - 5.50%	7/1/18-30	40,000,000	
2010 School Improvement Bonds, Series C (Class B)	40,000,000	3.00 – 5.00%	7/1/16-34	40,000,000	
Refunding Bonds, Series 2015	24,120,000	2.00 – 5.00%	7/1/18-27	24,120,000	
Total				<u>\$185,795,000</u>	<u>\$9,045,000</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2016	\$ 9,045,000	\$ 6,600,482
2017	9,525,000	8,039,059
2018	8,620,000	7,536,202
2019	8,320,000	7,173,861
2020	8,325,000	6,841,047
2021-25	50,385,000	27,678,293
2026-30	56,600,000	14,483,629
2031-35	34,975,000	3,366,563
Total	<u>\$ 185,795,000</u>	<u>\$ 81,719,136</u>

During the year ended June 30, 2015, the District issued \$24,120,000 in refunding bonds, with an effective interest rate of 2.7 percent, to advance refund \$24,690,000 of outstanding general obligation bonds, with an average interest rate of 4.67 percent. The net proceeds of \$27,021,424, which includes a contribution from the District of \$1,049,164 and \$2,120,974 of bond premium, (after payment of \$267,312 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities and the remaining \$1,402 was deposited in the District's Debt Service Fund. Those securities were deposited in an irrevocable trust with an escrow agent, to provide for all future debt service payments of the refunded general obligation bonds. As a result, the refunded general obligation bonds are considered to be defeased, and the liability for those bonds has been removed from the government-wide financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$2,924,795. This amount is reported as deferred charges and amortized over the new debt's life. This advance refunding was undertaken to reduce total debt service payments over the next 12 years by \$892,893 and resulted in an economic gain of \$1,061,877.

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, \$38,240,000 million of defeased bonds are still outstanding.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 – CHANGES IN LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 156,020,000	\$ 64,120,000	\$ 34,345,000	\$ 185,795,000	\$ 9,045,000
Premium	4,469,863	3,986,478	2,422,453	6,033,888	
Total bonds payable	<u>160,489,863</u>	<u>68,106,478</u>	<u>36,767,453</u>	<u>191,828,888</u>	<u>9,045,000</u>
Obligations under capital leases	161,596		38,079	123,517	39,585
Net pension liability	127,889,035		6,238,919	121,650,116	
Compensated absences payable	<u>6,620,166</u>	<u>10,519,596</u>	<u>9,511,044</u>	<u>7,628,718</u>	<u>2,000,000</u>
Governmental activity long-term liabilities	<u>\$ 295,160,660</u>	<u>\$ 78,626,074</u>	<u>\$ 52,555,495</u>	<u>\$ 321,231,239</u>	<u>\$11,084,585</u>

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

	<u>General Fund</u>	<u>Non-Major Governmental and Other Funds</u>	<u>Total Due to Other Funds</u>
Non-Major Governmental and Other Funds	\$ 540,170	\$ 65,284	\$ 605,454
Total Due from Other Funds	<u>\$ 540,170</u>	<u>\$ 65,284</u>	<u>\$ 605,454</u>

At year end, several funds had negative cash balances in the Treasurer's pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund and the District Services Fund, a proprietary fund. All interfund balances are expected to be paid within one year.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers:

	Transfers in		
	General	Debt	
Transfers out	Fund	Service	Total
Bond Building Fund	\$	\$1,648,071	\$ 1,648,071
Non-Major Governmental Funds	526,721		526,721
Total	\$ 526,721	\$1,648,071	\$ 2,174,792

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

NOTE 11 – CONTINGENT LIABILITIES

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

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

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

Performance Audit – The District has been selected by the State Office of the Auditor General to have a performance audit pursuant to A.R.S. Section 41-1279.03.A. for the fiscal year ended June 30, 2013. This performance audit has not been completed, and although the results are unknown at this time, the District expects the results to be immaterial to the financial statements.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12 – RISK MANAGEMENT

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

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

The District established the Employee Benefit Trust Fund, an Internal Service Fund, to account for and finance the uninsured risks of loss related to employee health. Under this program, the Fund provides coverage for up to a maximum of \$200,000 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.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12 – RISK MANAGEMENT

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

	Year ended June 30, 2015	Year ended June 30, 2014
Unpaid claims, beginning of fiscal year	\$ 977,000	\$ 1,630,000
Incurred claims (including IBNRs)	10,878,665	8,623,277
Claim payments	(10,723,665)	(9,276,277)
Unpaid claims, end of fiscal year	<u>\$ 1,132,000</u>	<u>\$ 977,000</u>

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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, 2015

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.60 percent (11.48 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.60 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 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, 2015 were \$8,525,304.

In addition, the District was required by statute to contribute at the actuarially determined rate of 9.57 percent (9.51 for retirement and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS.

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

		Health Benefit Supplement Fund	Long-Term Disability Fund
Year ending June 30:			
2015	\$	461,885	\$ 93,943
2014		444,718	177,887
2013		471,268	174,007

Pension Liability. At June 30, 2015, the District reported a liability of \$121.7 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the District's proportion was 0.82 percent, which was an increase of less than one percent from its proportion measured as of June 30, 2013.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2015, the District recognized pension expense of \$8.3 million and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,182,615	\$
Net difference between projected and actual earnings on pension plan investments		21,272,849
Changes in proportion and differences between contributions and proportionate share of contributions	589,706	
Contributions subsequent to the measurement date	8,525,304	
Total	<u>\$15,297,625</u>	<u>\$21,272,849</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. 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:	
2016	\$ (2,373,725)
2017	(2,373,725)
2018	(4,434,866)
2019	(5,318,212)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 30, 2014
Actuarial cost method	Entry age normal
Asset valuation	Fair value
Discount rate	8.0%
Projected salary increases	3.0-6.75%
Inflation	3.0%
Permanent base increases	Included
Mortality rates	1994 GAM Scale BB

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

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	63%	7.03%
Fixed income	25%	3.20
Real estate	8%	4.75
Commodities	4%	4.50
Total	<u>100%</u>	

Discount Rate. The discount rate used to measure the ASRS total pension liability was 8.0 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Proportionate share of the net pension liability	\$153,759,508	\$121,650,116	\$104,229,159

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.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Beginning Net Position Restatement. The implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, represents a change in accounting principle. Net position as of July 1, 2014, has been restated as follows for this change in accounting principle:

	Statement of Activities
Net position, June 30, 2014, as previously reported	\$ 179,586,081
Net pension liability	<u>127,889,035</u>
Net position, July 1, 2014, as restated	<u>\$ 51,697,046</u>

REQUIRED SUPPLEMENTARY INFORMATION

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KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 4,308,108	\$ 4,308,108
Property taxes			44,100,495	44,100,495
State aid and grants			45,871,843	45,871,843
Total revenues			<u>94,280,446</u>	<u>94,280,446</u>
Expenditures:				
Current -				
Instruction	58,727,192	57,794,174	54,524,256	3,269,918
Support services - students and staff	12,091,095	12,887,471	14,572,366	(1,684,895)
Support services - administration	7,470,725	8,268,692	8,212,529	56,163
Operation and maintenance of plant services	12,969,752	12,204,531	11,404,061	800,470
Student transportation services	6,068,980	6,057,625	5,387,331	670,294
Operation of non-instructional services	181,794	181,794	121,090	60,704
Total expenditures	<u>97,509,538</u>	<u>97,394,287</u>	<u>94,221,633</u>	<u>3,172,654</u>
Changes in fund balances	<u>(97,509,538)</u>	<u>(97,394,287)</u>	<u>58,813</u>	<u>97,453,100</u>
Fund balances, beginning of year			4,936,008	4,936,008
Increase (decrease) in reserve for prepaid items			2,800,000	2,800,000
Increase (decrease) in reserve for inventory			(2,924)	(2,924)
Fund balances (deficits), end of year	<u>\$ (97,509,538)</u>	<u>\$ (97,394,287)</u>	<u>\$ 7,791,897</u>	<u>\$ 105,186,184</u>

See accompanying notes to this schedule.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2015

2015

District's proportion of the net pension liability (asset)	0.82%
District's proportionate share of the net pension liability (asset)	\$ 121,650,116
District's covered-employee payroll	\$ 74,369,198
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	163.58%
Plan fiduciary net position as a percentage of the total pension liability	69.49%

SCHEDULE OF CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2015

2015

Actuarially determined contribution	\$ 8,525,304
Contributions in relation to the actuarially determined contribution	<u>8,525,304</u>
Contribution deficiency (excess)	<u>\$</u>
District's covered-employee payroll	\$ 78,281,304
Contributions as a percentage of covered-employee payroll	10.89%

See accompanying notes to this schedule.

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

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	\$101,291,538	\$ 18,757,808
Activity budgeted as special revenue funds	(779,905)	(10,965,911)
Current-year prepaid items	1,800,000	
Prior-year prepaid items	<u>(8,090,000)</u>	<u> </u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 94,221,633</u>	<u>\$ 7,791,897</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, 2013, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

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

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GOVERNMENTAL FUNDS

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2015

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 17,334,355	\$ 3,540,533	\$ 20,874,888
Property taxes receivable		173,317	173,317
Due from governmental entities	1,651,690	6,995	1,658,685
Inventory	14,843		14,843
Total assets	<u><u>\$ 19,000,888</u></u>	<u><u>\$ 3,720,845</u></u>	<u><u>\$ 22,721,733</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 557,344	\$ 616,493	\$ 1,173,837
Due to other funds	540,170		540,170
Accrued payroll and employee benefits	312,929		312,929
Unearned revenues	44,676		44,676
Total liabilities	<u>1,455,119</u>	<u>616,493</u>	<u>2,071,612</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		123,892	123,892
Unavailable revenues - intergovernmental	276,181		276,181
Total deferred inflows of resources	<u>276,181</u>	<u>123,892</u>	<u>400,073</u>
Fund balances:			
Nonspendable	14,843		14,843
Restricted	17,254,745	2,980,460	20,235,205
Total fund balances	<u>17,269,588</u>	<u>2,980,460</u>	<u>20,250,048</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 19,000,888</u></u>	<u><u>\$ 3,720,845</u></u>	<u><u>\$ 22,721,733</u></u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2015

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 14,105,849	\$ 121,854	\$ 14,227,703
Property taxes		7,582,619	7,582,619
State aid and grants	6,879,246	135,156	7,014,402
Federal aid, grants and reimbursements	<u>7,977,966</u>	<u>7,977,966</u>	<u>7,977,966</u>
Total revenues	<u>28,963,061</u>	<u>7,839,629</u>	<u>36,802,690</u>
Expenditures:			
Current -			
Instruction	10,239,455		10,239,455
Support services - students and staff	2,704,498	100	2,704,598
Support services - administration	2,006,799	15,000	2,021,799
Operation and maintenance of plant services	864,036	39,196	903,232
Student transportation services	925,975	2,895	928,870
Operation of non-instructional services	9,972,724		9,972,724
Capital outlay	<u>155,638</u>	<u>9,071,955</u>	<u>9,227,593</u>
Total expenditures	<u>26,869,125</u>	<u>9,129,146</u>	<u>35,998,271</u>
Excess (deficiency) of revenues over expenditures	<u>2,093,936</u>	<u>(1,289,517)</u>	<u>804,419</u>
Other financing sources (uses):			
Transfer out	<u>(526,721)</u>		<u>(526,721)</u>
Total other financing sources (uses):	<u>(526,721)</u>		<u>(526,721)</u>
Changes in fund balances	<u>1,567,215</u>	<u>(1,289,517)</u>	<u>277,698</u>
Fund balances, beginning of year	15,726,795	4,269,977	19,996,772
Increase (decrease) in reserve for inventory	(24,422)		(24,422)
Fund balances, end of year	<u>\$ 17,269,588</u>	<u>\$ 2,980,460</u>	<u>\$ 20,250,048</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.

Student Success - to account for student success monies.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 5,089,258	\$ 1,840,606	\$ 27,848
Due from governmental entities	465,806	279,983	
Inventory			
Total assets	<u><u>\$ 5,555,064</u></u>	<u><u>\$ 2,120,589</u></u>	<u><u>\$ 27,848</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities	<u></u>	<u></u>	<u></u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances:			
Nonspendable			
Restricted	<u>5,555,064</u>	<u>2,120,589</u>	<u>27,848</u>
Total fund balances	<u><u>5,555,064</u></u>	<u><u>2,120,589</u></u>	<u><u>27,848</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 5,555,064</u></u>	<u><u>\$ 2,120,589</u></u>	<u><u>\$ 27,848</u></u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Limited English and Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>E-Rate</u>
\$ 304,487	\$ 57,426	\$ 6,952	\$ 30,409 5,336	\$ 236,305	\$ 276,181
<u>\$ 304,487</u>	<u>\$ 57,426</u>	<u>\$ 6,952</u>	<u>\$ 35,745</u>	<u>\$ 236,305</u>	<u>\$ 276,181</u>
\$ 222,116 82,371	\$ 23,680 33,746	\$ 6,593	\$ 35,745	\$ 236,305	\$
<u>304,487</u>	<u>57,426</u>	<u>359 6,952</u>	<u>35,745</u>	<u>236,305</u>	
					<u>276,181</u>
<u>\$ 304,487</u>	<u>\$ 57,426</u>	<u>\$ 6,952</u>	<u>\$ 35,745</u>	<u>\$ 236,305</u>	<u>\$ 276,181</u>

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Other Federal Projects	Academic Contests	Other State Projects
<u>ASSETS</u>			
Cash and investments	\$	\$ 1,475	\$ 64,014
Due from governmental entities	5,665		
Inventory			
Total assets	<u>\$ 5,665</u>	<u>\$ 1,475</u>	<u>\$ 64,014</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 21,172
Due to other funds	5,665		
Accrued payroll and employee benefits			
Unearned revenues		1,475	42,842
Total liabilities	<u>5,665</u>	<u>1,475</u>	<u>64,014</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances:			
Nonspendable			
Restricted			
Total fund balances			
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,665</u>	<u>\$ 1,475</u>	<u>\$ 64,014</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>
\$ 780,658	\$ 1,095,222	\$ 6,406,065	\$ 607,821	\$ 824,966	\$ 494,714
13,549					
14,843					
<u>\$ 809,050</u>	<u>\$ 1,095,222</u>	<u>\$ 6,406,065</u>	<u>\$ 607,821</u>	<u>\$ 824,966</u>	<u>\$ 494,714</u>
\$ 24,184	\$	\$ 64,829	\$ 398,739	\$	\$ 24,740
	19,511	211,047			
<u>24,184</u>	<u>19,511</u>	<u>275,876</u>	<u>398,739</u>		<u>24,740</u>
14,843					
<u>770,023</u>	<u>1,075,711</u>	<u>6,130,189</u>	<u>209,082</u>	<u>824,966</u>	<u>469,974</u>
<u>784,866</u>	<u>1,075,711</u>	<u>6,130,189</u>	<u>209,082</u>	<u>824,966</u>	<u>469,974</u>
<u>\$ 809,050</u>	<u>\$ 1,095,222</u>	<u>\$ 6,406,065</u>	<u>\$ 607,821</u>	<u>\$ 824,966</u>	<u>\$ 494,714</u>

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Grants and Gifts to Teachers</u>
<u>ASSETS</u>			
Cash and investments	\$ 21	\$ 66,626	\$ 4,652
Due from governmental entities			
Inventory			
Total assets	<u>\$ 21</u>	<u>\$ 66,626</u>	<u>\$ 4,652</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:			
Nonspendable			
Restricted	21	66,626	4,652
Total fund balances	<u>21</u>	<u>66,626</u>	<u>4,652</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21</u>	<u>\$ 66,626</u>	<u>\$ 4,652</u>

Totals	
\$	17,334,355
	1,651,690
	14,843
\$	19,000,888

\$	557,344
	540,170
	312,929
	44,676
	1,455,119

	276,181
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	14,843
	17,254,745
	17,269,588

\$	19,000,888
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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, 2015

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 20,834	\$ 8,391	\$ 24,058
State aid and grants	5,589,665	650,947	
Federal aid, grants and reimbursements			
Total revenues	<u>5,610,499</u>	<u>659,338</u>	<u>24,058</u>
Expenditures:			
Current -			
Instruction	4,258,481	436,787	1,541
Support services - students and staff	53,293	196,166	3,517
Support services - administration			4,169
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			4,850
Total expenditures	<u>4,311,774</u>	<u>632,953</u>	<u>14,077</u>
Excess (deficiency) of revenues over expenditures	<u>1,298,725</u>	<u>26,385</u>	<u>9,981</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>1,298,725</u>	<u>26,385</u>	<u>9,981</u>
Fund balances, beginning of year	4,256,339	2,094,204	17,867
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 5,555,064</u>	<u>\$ 2,120,589</u>	<u>\$ 27,848</u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Limited English and Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>E-Rate</u>
\$	\$	\$	\$	\$	\$
1,350,605	309,710	49,665	105,274	2,863,058	316,656
<u>1,350,605</u>	<u>309,710</u>	<u>49,665</u>	<u>105,274</u>	<u>2,863,058</u>	<u>316,656</u>
482,298		42,619	40,406	1,809,965	213,793
698,089	221,932	5,500	63,840	374,701	
112,979	32,850	434	196	5,018	
4,045	45,821				102,863
13,476			832	589,221	
<u>1,310,887</u>	<u>300,603</u>	<u>48,553</u>	<u>105,274</u>	<u>2,778,905</u>	<u>316,656</u>
<u>39,718</u>	<u>9,107</u>	<u>1,112</u>		<u>84,153</u>	
(39,718)	(9,107)	(1,112)		(84,153)	
<u>(39,718)</u>	<u>(9,107)</u>	<u>(1,112)</u>		<u>(84,153)</u>	
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Other Federal Projects	Other State Projects	Food Service
Revenues:			
Other local	\$	\$	\$ 2,700,334
State aid and grants		638,634	
Federal aid, grants and reimbursements	22,928		2,960,070
Total revenues	<u>22,928</u>	<u>638,634</u>	<u>5,660,404</u>
Expenditures:			
Current -			
Instruction	8,104	35,855	
Support services - students and staff	5,201	602,779	
Support services - administration			59,612
Operation and maintenance of plant services			24,920
Student transportation services			
Operation of non-instructional services			5,019,092
Capital outlay	8,992		16,807
Total expenditures	<u>22,297</u>	<u>638,634</u>	<u>5,120,431</u>
Excess (deficiency) of revenues over expenditures	<u>631</u>		<u>539,973</u>
Other financing sources (uses):			
Transfer out	(631)		(392,000)
Total other financing sources (uses):	<u>(631)</u>		<u>(392,000)</u>
Changes in fund balances			<u>147,973</u>
Fund balances, beginning of year			661,315
Increase (decrease) in reserve for inventory			(24,422)
Fund balances, end of year	<u>\$</u>	<u>\$</u>	<u>\$ 784,866</u>

Civic Center	Community School	Auxiliary Operations	Extracurricular Activities Fees Tax Credit	Gifts and Donations	Fingerprint
\$ 467,973	\$ 7,992,135	\$ 1,502,460	\$ 1,026,552	\$ 341,532	\$ 7,338
<u>467,973</u>	<u>7,992,135</u>	<u>1,502,460</u>	<u>1,026,552</u>	<u>341,532</u>	<u>7,338</u>
10,350	476,302	1,398,548	838,069	186,337	
	379,659	41,579	2,432	48,916	
70	1,757,330	2,360		23,348	8,433
536,101	133,458	2,035		14,793	
116,160	39,859	31,504	132,033	2,890	
12,341	4,940,100	1,159		32	
7,900	61,732	28,677	2,836	23,844	
<u>682,922</u>	<u>7,788,440</u>	<u>1,505,862</u>	<u>975,370</u>	<u>300,160</u>	<u>8,433</u>
<u>(214,949)</u>	<u>203,695</u>	<u>(3,402)</u>	<u>51,182</u>	<u>41,372</u>	<u>(1,095)</u>
<u>(214,949)</u>	<u>203,695</u>	<u>(3,402)</u>	<u>51,182</u>	<u>41,372</u>	<u>(1,095)</u>
1,290,660	5,926,494	212,484	773,784	428,602	1,116
<u>\$ 1,075,711</u>	<u>\$ 6,130,189</u>	<u>\$ 209,082</u>	<u>\$ 824,966</u>	<u>\$ 469,974</u>	<u>\$ 21</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, 2015

	Textbooks	Grants and Gifts to Teachers	Totals
Revenues:			
Other local	\$ 13,722	\$ 520	\$ 14,105,849
State aid and grants			6,879,246
Federal aid, grants and reimbursements			7,977,966
Total revenues	<u>13,722</u>	<u>520</u>	<u>28,963,061</u>
Expenditures:			
Current -			
Instruction			10,239,455
Support services - students and staff	6,419	475	2,704,498
Support services - administration			2,006,799
Operation and maintenance of plant services			864,036
Student transportation services			925,975
Operation of non-instructional services			9,972,724
Capital outlay			155,638
Total expenditures	<u>6,419</u>	<u>475</u>	<u>26,869,125</u>
Excess (deficiency) of revenues over expenditures	<u>7,303</u>	<u>45</u>	<u>2,093,936</u>
Other financing sources (uses):			
Transfer out			(526,721)
Total other financing sources (uses):			<u>(526,721)</u>
Changes in fund balances	<u>7,303</u>	<u>45</u>	<u>1,567,215</u>
Fund balances, beginning of year	59,323	4,607	15,726,795
Increase (decrease) in reserve for inventory			(24,422)
Fund balances, end of year	<u>\$ 66,626</u>	<u>\$ 4,652</u>	<u>\$ 17,269,588</u>

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KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 20,834	\$ 20,834
State aid and grants		5,589,665	5,589,665
Federal aid, grants and reimbursements			
Total revenues		<u>5,610,499</u>	<u>5,610,499</u>
Expenditures:			
Current -			
Instruction	9,773,898	4,258,481	5,515,417
Support services - students and staff	72,095	53,293	18,802
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>9,845,993</u>	<u>4,311,774</u>	<u>5,534,219</u>
Excess (deficiency) of revenues over expenditures	<u>(9,845,993)</u>	<u>1,298,725</u>	<u>11,144,718</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>(9,845,993)</u>	<u>1,298,725</u>	<u>11,144,718</u>
Fund balances, beginning of year		4,256,339	4,256,339
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (9,845,993)</u>	<u>\$ 5,555,064</u>	<u>\$ 15,401,057</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 8,391 650,947	\$ 8,391 650,947	\$	\$ 24,058	\$ 24,058
	659,338	659,338		24,058	24,058
725,000	436,787 196,166	288,213 (196,166)		1,541 3,517 4,169	(1,541) (3,517) 25,831
			30,000		
725,000	632,953	92,047	30,000	4,850 14,077	(4,850) 15,923
(725,000)	26,385	751,385	(30,000)	9,981	39,981
(725,000)	26,385	751,385	(30,000)	9,981	39,981
	2,094,204	2,094,204		17,867	17,867
\$ (725,000)	\$ 2,120,589	\$ 2,845,589	\$ (30,000)	\$ 27,848	\$ 57,848

(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, 2015

	Student Success		
	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Other local	\$	\$ 574	\$ 574
State aid and grants		318,129	318,129
Federal aid, grants and reimbursements			
Total revenues		<u>318,703</u>	<u>318,703</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	319,154	318,703	451
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>319,154</u>	<u>318,703</u>	<u>451</u>
Excess (deficiency) of revenues over expenditures	<u>(319,154)</u>		<u>319,154</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>(319,154)</u>		<u>319,154</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (319,154)</u>	<u>\$</u>	<u>\$ 319,154</u>

Title I Grants			Professional Development and Technology Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,350,605	1,350,605		309,710	309,710
	1,350,605	1,350,605		309,710	309,710
855,000	482,298	372,702			
855,000	698,089	156,911	365,000	221,932	143,068
	112,979	(112,979)		32,850	(32,850)
	4,045	(4,045)		45,821	(45,821)
	13,476	(13,476)			
1,710,000	1,310,887	399,113	365,000	300,603	64,397
(1,710,000)	39,718	1,749,718	(365,000)	9,107	374,107
	(39,718)	(39,718)		(9,107)	(9,107)
	(39,718)	(39,718)		(9,107)	(9,107)
(1,710,000)		1,710,000	(365,000)		365,000
\$ (1,710,000)	\$	\$ 1,710,000	\$ (365,000)	\$	\$ 365,000

(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, 2015

	Limited English and Immigrant Students		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		49,665	49,665
Total revenues		<u>49,665</u>	<u>49,665</u>
Expenditures:			
Current -			
Instruction	105,000	42,619	62,381
Support services - students and staff		5,500	(5,500)
Support services - administration		434	(434)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>105,000</u>	<u>48,553</u>	<u>56,447</u>
Excess (deficiency) of revenues over expenditures	<u>(105,000)</u>	<u>1,112</u>	<u>106,112</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(1,112)	(1,112)
Proceeds from sale of capital assets			
Total other financing sources (uses):		<u>(1,112)</u>	<u>(1,112)</u>
Changes in fund balances	<u>(105,000)</u>		<u>105,000</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (105,000)</u>	<u>\$</u>	<u>\$ 105,000</u>

Indian Education			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
125,000	105,274	(19,726)		2,863,058	2,863,058
125,000	105,274	(19,726)		2,863,058	2,863,058
	40,406	(40,406)	3,010,000	1,809,965	1,200,035
125,000	63,840	61,160		374,701	(374,701)
	196	(196)		5,018	(5,018)
	832	(832)		589,221	(589,221)
125,000	105,274	19,726	3,010,000	2,778,905	231,095
			(3,010,000)	84,153	3,094,153
				(84,153)	(84,153)
				(84,153)	(84,153)
			(3,010,000)		3,010,000
\$	\$	\$	\$ (3,010,000)	\$	\$ 3,010,000

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, 2015

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 14,694	\$ 14,694
State aid and grants			
Federal aid, grants and reimbursements		426,271	426,271
Total revenues		<u>440,965</u>	<u>440,965</u>
Expenditures:			
Current -			
Instruction	2,000,000	102,625	1,897,375
Support services - students and staff		21,526	(21,526)
Support services - administration		44,107	(44,107)
Operation and maintenance of plant services			
Student transportation services		1,576	(1,576)
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>2,000,000</u>	<u>169,834</u>	<u>1,830,166</u>
Excess (deficiency) of revenues over expenditures	<u>(2,000,000)</u>	<u>271,131</u>	<u>2,271,131</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>271,131</u>	<u>2,271,131</u>
Fund balances, beginning of year		4,826,541	4,826,541
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (2,000,000)</u>	<u>\$ 5,097,672</u>	<u>\$ 7,097,672</u>

E-Rate			Other Federal Projects		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$	\$	\$	\$
	316,656	316,656		22,928	22,928
	316,656	316,656		22,928	22,928
225,000	213,793	11,207	225,000	8,104	216,896
125,000	102,863	22,137		5,201	(5,201)
				8,992	(8,992)
350,000	316,656	33,344	225,000	22,297	202,703
(350,000)		350,000	(225,000)	631	225,631
				(631)	(631)
				(631)	(631)
(350,000)		350,000	(225,000)		225,000
\$ (350,000)	\$	\$ 350,000	\$ (225,000)	\$	\$ 225,000

(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, 2015

	Academic Contests		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction	1,475		1,475
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	1,475		1,475
Excess (deficiency) of revenues over expenditures	(1,475)		1,475
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses):			
Changes in fund balances	(1,475)		1,475
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (1,475)	\$	\$ 1,475

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	638,634	638,634		102,244	102,244
	638,634	638,634		102,244	102,244
685,150	35,855 602,779	(35,855) 82,371			
			2,650,000		2,650,000
685,150	638,634	46,516	2,650,000		2,650,000
(685,150)		685,150	(2,650,000)	102,244	2,752,244
				4,140,832	4,140,832
				4,140,832	4,140,832
(685,150)		685,150	(2,650,000)	4,243,076	6,893,076
				710,070	710,070
\$ (685,150)	\$	\$ 685,150	\$ (2,650,000)	\$ 4,953,146	\$ 7,603,146

(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, 2015

	Food Service		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 2,700,334	\$ 2,700,334
State aid and grants			
Federal aid, grants and reimbursements		2,960,070	2,960,070
Total revenues		<u>5,660,404</u>	<u>5,660,404</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration		59,612	(59,612)
Operation and maintenance of plant services		24,920	(24,920)
Student transportation services			
Operation of non-instructional services	6,100,000	5,019,092	1,080,908
Capital outlay		16,807	(16,807)
Total expenditures	<u>6,100,000</u>	<u>5,120,431</u>	<u>979,569</u>
Excess (deficiency) of revenues over expenditures	<u>(6,100,000)</u>	<u>539,973</u>	<u>6,639,973</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(392,000)	(392,000)
Proceeds from sale of capital assets			
Total other financing sources (uses):		<u>(392,000)</u>	<u>(392,000)</u>
Changes in fund balances	<u>(6,100,000)</u>	<u>147,973</u>	<u>6,247,973</u>
Fund balances, beginning of year		661,315	661,315
Increase (decrease) in reserve for inventory		(24,422)	(24,422)
Fund balances (deficits), end of year	<u>\$ (6,100,000)</u>	<u>\$ 784,866</u>	<u>\$ 6,884,866</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 467,973	\$ 467,973	\$	\$ 7,992,135	\$ 7,992,135
	<u>467,973</u>	<u>467,973</u>		<u>7,992,135</u>	<u>7,992,135</u>
	10,350	(10,350)		476,302	(476,302)
	70	(70)		379,659	(379,659)
1,100,000	536,101	563,899		1,757,330	(1,757,330)
	116,160	(116,160)		133,458	(133,458)
	12,341	(12,341)	12,800,000	39,859	(39,859)
	7,900	(7,900)		4,940,100	7,859,900
<u>1,100,000</u>	<u>682,922</u>	<u>417,078</u>	<u>12,800,000</u>	<u>61,732</u>	<u>(61,732)</u>
<u>(1,100,000)</u>	<u>(214,949)</u>	<u>885,051</u>	<u>(12,800,000)</u>	<u>7,788,440</u>	<u>5,011,560</u>
<u>(1,100,000)</u>	<u>(214,949)</u>	<u>885,051</u>	<u>(12,800,000)</u>	<u>203,695</u>	<u>13,003,695</u>
	1,290,660	1,290,660		5,926,494	5,926,494
<u>\$ (1,100,000)</u>	<u>\$ 1,075,711</u>	<u>\$ 2,175,711</u>	<u>\$ (12,800,000)</u>	<u>\$ 6,130,189</u>	<u>\$ 18,930,189</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, 2015

	Auxiliary Operations		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 1,502,460	\$ 1,502,460
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>1,502,460</u>	<u>1,502,460</u>
Expenditures:			
Current -			
Instruction	1,700,000	1,398,548	301,452
Support services - students and staff		41,579	(41,579)
Support services - administration		2,360	(2,360)
Operation and maintenance of plant services		2,035	(2,035)
Student transportation services		31,504	(31,504)
Operation of non-instructional services		1,159	(1,159)
Capital outlay		28,677	(28,677)
Total expenditures	<u>1,700,000</u>	<u>1,505,862</u>	<u>194,138</u>
Excess (deficiency) of revenues over expenditures	<u>(1,700,000)</u>	<u>(3,402)</u>	<u>1,696,598</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>(1,700,000)</u>	<u>(3,402)</u>	<u>1,696,598</u>
Fund balances, beginning of year		212,484	212,484
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (1,700,000)</u>	<u>\$ 209,082</u>	<u>\$ 1,909,082</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,026,552	\$ 1,026,552	\$	\$ 341,532	\$ 341,532
	1,026,552	1,026,552		341,532	341,532
1,500,000	838,069	661,931	600,000	186,337	413,663
	2,432	(2,432)		48,916	(48,916)
				23,348	(23,348)
				14,793	(14,793)
	132,033	(132,033)		2,890	(2,890)
				32	(32)
	2,836	(2,836)		23,844	(23,844)
1,500,000	975,370	524,630	600,000	300,160	299,840
(1,500,000)	51,182	1,551,182	(600,000)	41,372	641,372
(1,500,000)	51,182	1,551,182	(600,000)	41,372	641,372
	773,784	773,784		428,602	428,602
\$ (1,500,000)	\$ 824,966	\$ 2,324,966	\$ (600,000)	\$ 469,974	\$ 1,069,974

(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, 2015

	Fingerprint		Variance - Positive (Negative)
	<u>Budget</u>	<u>Actual</u>	
Revenues:			
Other local	\$	\$ 7,338	\$ 7,338
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>7,338</u>	<u>7,338</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	10,000	8,433	1,567
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>10,000</u>	<u>8,433</u>	<u>1,567</u>
Excess (deficiency) of revenues over expenditures	<u>(10,000)</u>	<u>(1,095)</u>	<u>8,905</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>(10,000)</u>	<u>(1,095)</u>	<u>8,905</u>
Fund balances, beginning of year		1,116	1,116
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (10,000)</u>	<u>\$ 21</u>	<u>\$ 10,021</u>

Textbooks			Indirect Costs		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 13,722	\$ 13,722	\$	\$ 2,299	\$ 2,299
	13,722	13,722		2,299	2,299
70,000	6,419	63,581	1,050,000	108,121	(108,121)
				182,221	867,779
				296	(296)
				48	(48)
				281	(281)
				69	(69)
70,000	6,419	63,581	1,050,000	291,036	758,964
(70,000)	7,303	77,303	(1,050,000)	(288,737)	761,263
				526,721	526,721
				526,721	526,721
(70,000)	7,303	77,303	(1,050,000)	237,984	1,287,984
	59,323	59,323		671,791	671,791
\$ (70,000)	\$ 66,626	\$ 136,626	\$ (1,050,000)	\$ 909,775	\$ 1,959,775

(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, 2015

	Grants and Gifts to Teachers		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 520	\$ 520
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>520</u>	<u>520</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	700	475	225
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>700</u>	<u>475</u>	<u>225</u>
Excess (deficiency) of revenues over expenditures	<u>(700)</u>	<u>45</u>	<u>745</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>(700)</u>	<u>45</u>	<u>745</u>
Fund balances, beginning of year		4,607	4,607
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (700)</u>	<u>\$ 4,652</u>	<u>\$ 5,352</u>

Advertisement			Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 1,493	\$ 1,493	\$	\$ 14,227,153	\$ 14,227,153
				7,197,375	7,197,375
			125,000	8,404,237	8,279,237
	1,493	1,493	125,000	29,828,765	29,703,765
			20,720,373	10,342,080	10,378,293
			2,172,945	2,834,145	(661,200)
50,000	332	49,668	1,459,154	2,552,162	(1,093,008)
			1,225,000	864,332	360,668
				927,599	(927,599)
			18,900,000	9,973,005	8,926,995
			2,650,000	155,707	2,494,293
50,000	332	49,668	47,127,472	27,649,030	19,478,442
(50,000)	1,161	51,161	(47,002,472)	2,179,735	49,182,207
				526,721	526,721
				(526,721)	(526,721)
				4,140,832	4,140,832
				4,140,832	4,140,832
(50,000)	1,161	51,161	(47,002,472)	6,320,567	53,323,039
	4,157	4,157		21,939,354	21,939,354
				(24,422)	(24,422)
\$ (50,000)	\$ 5,318	\$ 55,318	\$ (47,002,472)	\$ 28,235,499	\$ 75,237,971

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DEBT SERVICE FUND

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2015

	Debt Service		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 27,734	\$ 27,734
Property taxes		14,040,503	14,040,503
Federal aid, grants and reimbursements		824,436	824,436
Total revenues		<u>14,892,673</u>	<u>14,892,673</u>
Expenditures:			
Debt service -			
Principal retirement	9,045,000	9,045,000	
Interest and fiscal charges	20,955,000	5,405,348	15,549,652
Bond issuance costs		267,312	(267,312)
Payment to refunded bond escrow agent		10,649,569	(10,649,569)
Total expenditures	<u>30,000,000</u>	<u>25,367,229</u>	<u>4,632,771</u>
Excess (deficiency) of revenues over expenditures	<u>(30,000,000)</u>	<u>(10,474,556)</u>	<u>19,525,444</u>
Other financing sources (uses):			
Transfer in		1,648,071	1,648,071
Issuance of refunding bonds		24,120,000	24,120,000
Premium on sale of bonds		2,120,974	2,120,974
Payment to refunded bond escrow agent		(16,371,855)	(16,371,855)
Total other financing sources (uses):		<u>11,517,190</u>	<u>11,517,190</u>
Changes in fund balances	<u>(30,000,000)</u>	<u>1,042,634</u>	<u>31,042,634</u>
Fund balances, beginning of year		2,190,264	2,190,264
Fund balances (deficits), end of year	<u>\$ (30,000,000)</u>	<u>\$ 3,232,898</u>	<u>\$ 33,232,898</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, 2015

	<u>Insurance Proceeds</u>	<u>Litigation Recovery</u>	<u>Unrestricted Capital Outlay</u>
<u>ASSETS</u>			
Cash and investments	\$ 228,271	\$ 93,645	\$ 2,373,849
Property taxes receivable			85,153
Due from governmental entities			6,995
Total assets	<u><u>\$ 228,271</u></u>	<u><u>\$ 93,645</u></u>	<u><u>\$ 2,465,997</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 444,039
Total liabilities	<u></u>	<u></u>	<u>444,039</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u></u>	<u></u>	<u>39,730</u>
Fund balances:			
Restricted	<u>228,271</u>	<u>93,645</u>	<u>1,982,228</u>
Total fund balances	<u><u>228,271</u></u>	<u><u>93,645</u></u>	<u><u>1,982,228</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 228,271</u></u>	<u><u>\$ 93,645</u></u>	<u><u>\$ 2,465,997</u></u>

<u>Adjacent Ways</u>	<u>Gifts and Donations - Capital</u>	<u>Condemnation</u>	<u>Energy and Water Savings</u>	<u>Totals</u>
\$ 790,242 88,164	\$ 42,588	\$ 2,386	\$ 9,552	\$ 3,540,533 173,317 6,995
<u>\$ 878,406</u>	<u>\$ 42,588</u>	<u>\$ 2,386</u>	<u>\$ 9,552</u>	<u>\$ 3,720,845</u>
\$ 172,454	\$	\$	\$	\$ 616,493
<u>172,454</u>				<u>616,493</u>
<u>84,162</u>				<u>123,892</u>
621,790	42,588	2,386	9,552	2,980,460
<u>621,790</u>	<u>42,588</u>	<u>2,386</u>	<u>9,552</u>	<u>2,980,460</u>
<u>\$ 878,406</u>	<u>\$ 42,588</u>	<u>\$ 2,386</u>	<u>\$ 9,552</u>	<u>\$ 3,720,845</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, 2015

	Insurance Proceeds	Litigation Recovery	Unrestricted Capital Outlay
Revenues:			
Other local	\$ 61,365	\$ 730	\$ 10,321
Property taxes			6,957,123
State aid and grants			21,759
Total revenues	<u>61,365</u>	<u>730</u>	<u>6,989,203</u>
Expenditures:			
Current -			
Support services - students and staff	100		
Support services - administration	15,000		
Operation and maintenance of plant services	39,196		
Student transportation services	2,895		
Capital outlay	5,552		8,851,155
Total expenditures	<u>62,743</u>	<u></u>	<u>8,851,155</u>
Changes in fund balances	<u>(1,378)</u>	<u>730</u>	<u>(1,861,952)</u>
Fund balances (deficits), beginning of year	229,649	92,915	3,844,180
Fund balances, end of year	<u>\$ 228,271</u>	<u>\$ 93,645</u>	<u>\$ 1,982,228</u>

<u>Adjacent Ways</u>	<u>Gifts and Donations - Capital</u>	<u>Condemnation</u>	<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$ 1,928	\$ 47,458	\$ 11	\$ 41	\$	\$ 121,854
625,496					7,582,619
				113,397	135,156
<u>627,424</u>	<u>47,458</u>	<u>11</u>	<u>41</u>	<u>113,397</u>	<u>7,839,629</u>
					100
					15,000
					39,196
					2,895
<u>180,289</u>	<u>34,959</u>	<u></u>	<u></u>	<u></u>	<u>9,071,955</u>
<u>180,289</u>	<u>34,959</u>	<u></u>	<u></u>	<u></u>	<u>9,129,146</u>
<u>447,135</u>	<u>12,499</u>	<u>11</u>	<u>41</u>	<u>113,397</u>	<u>(1,289,517)</u>
174,655	30,089	2,375	9,511	(113,397)	4,269,977
<u>\$ 621,790</u>	<u>\$ 42,588</u>	<u>\$ 2,386</u>	<u>\$ 9,552</u>	<u>\$</u>	<u>\$ 2,980,460</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, 2015

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 61,365	\$ 61,365
Property taxes			
State aid and grants			
Total revenues		<u>61,365</u>	<u>61,365</u>
Expenditures:			
Current -			
Support services - students and staff		100	(100)
Support services - administration		15,000	(15,000)
Operation and maintenance of plant services	370,000	39,196	330,804
Student transportation services		2,895	(2,895)
Capital outlay		5,552	(5,552)
Debt service -			
Bond issuance costs			
Total expenditures	<u>370,000</u>	<u>62,743</u>	<u>307,257</u>
Excess (deficiency) of revenues over expenditures	<u>(370,000)</u>	<u>(1,378)</u>	<u>368,622</u>
Other financing sources (uses):			
Transfer out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):			
Changes in fund balances	<u>(370,000)</u>	<u>(1,378)</u>	<u>368,622</u>
Fund balances (deficits), beginning of year		229,649	229,649
Fund balances (deficits), end of year	<u>\$ (370,000)</u>	<u>\$ 228,271</u>	<u>\$ 598,271</u>

Litigation Recovery			Unrestricted Capital Outlay		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 730	\$ 730	\$	\$ 10,321	\$ 10,321
				6,957,123	6,957,123
				21,759	21,759
	730	730		6,989,203	6,989,203
100,000		100,000			
			11,387,569	8,851,155	2,536,414
100,000		100,000	11,387,569	8,851,155	2,536,414
(100,000)	730	100,730	(11,387,569)	(1,861,952)	9,525,617
(100,000)	730	100,730	(11,387,569)	(1,861,952)	9,525,617
	92,915	92,915		3,844,180	3,844,180
\$ (100,000)	\$ 93,645	\$ 193,645	\$ (11,387,569)	\$ 1,982,228	\$ 13,369,797

(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, 2015

	Adjacent Ways		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 1,928	\$ 1,928
Property taxes		625,496	625,496
State aid and grants			
Total revenues		<u>627,424</u>	<u>627,424</u>
Expenditures:			
Current -			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay	800,000	180,289	619,711
Debt service -			
Bond issuance costs			
Total expenditures	<u>800,000</u>	<u>180,289</u>	<u>619,711</u>
Excess (deficiency) of revenues over expenditures	<u>(800,000)</u>	<u>447,135</u>	<u>1,247,135</u>
Other financing sources (uses):			
Transfer out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):			
Changes in fund balances	<u>(800,000)</u>	<u>447,135</u>	<u>1,247,135</u>
Fund balances (deficits), beginning of year		174,655	174,655
Fund balances (deficits), end of year	<u>\$ (800,000)</u>	<u>\$ 621,790</u>	<u>\$ 1,421,790</u>

Bond Building			Gifts and Donations - Capital		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 151,867	\$ 151,867	\$	\$ 47,458	\$ 47,458
	<u>151,867</u>	<u>151,867</u>		<u>47,458</u>	<u>47,458</u>
41,433,361	23,311,938	18,121,423	130,000	34,959	95,041
	402,617	(402,617)			
<u>41,433,361</u>	<u>23,714,555</u>	<u>17,718,806</u>	<u>130,000</u>	<u>34,959</u>	<u>95,041</u>
<u>(41,433,361)</u>	<u>(23,562,688)</u>	<u>17,870,673</u>	<u>(130,000)</u>	<u>12,499</u>	<u>142,499</u>
	(1,648,071)	(1,648,071)			
	40,000,000	40,000,000			
	1,865,504	1,865,504			
	<u>40,217,433</u>	<u>40,217,433</u>			
<u>(41,433,361)</u>	<u>16,654,745</u>	<u>58,088,106</u>	<u>(130,000)</u>	<u>12,499</u>	<u>142,499</u>
	41,377,697	41,377,697		30,089	30,089
<u>\$ (41,433,361)</u>	<u>\$ 58,032,442</u>	<u>\$ 99,465,803</u>	<u>\$ (130,000)</u>	<u>\$ 42,588</u>	<u>\$ 172,588</u>

(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, 2015

	Condemnation		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 11	\$ 11
Property taxes			
State aid and grants			
Total revenues		<u>11</u>	<u>11</u>
Expenditures:			
Current -			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay	2,385		2,385
Debt service -			
Bond issuance costs			
Total expenditures	<u>2,385</u>		<u>2,385</u>
Excess (deficiency) of revenues over expenditures	<u>(2,385)</u>	<u>11</u>	<u>2,396</u>
Other financing sources (uses):			
Transfer out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):			
Changes in fund balances	<u>(2,385)</u>	<u>11</u>	<u>2,396</u>
Fund balances (deficits), beginning of year		2,375	2,375
Fund balances (deficits), end of year	<u>\$ (2,385)</u>	<u>\$ 2,386</u>	<u>\$ 4,771</u>

Energy and Water Savings			Building Renewal Grant		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 41	\$ 41	\$	\$	\$
				113,397	113,397
	41	41		113,397	113,397
			150,000		150,000
			150,000		150,000
	41	41	(150,000)	113,397	263,397
	41	41	(150,000)	113,397	263,397
	9,511	9,511		(113,397)	(113,397)
\$	\$ 9,552	\$ 9,552	\$ (150,000)	\$	\$ 150,000

(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, 2015

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 273,721	\$ 273,721
Property taxes		7,582,619	7,582,619
State aid and grants		135,156	135,156
Total revenues		<u>7,991,496</u>	<u>7,991,496</u>
Expenditures:			
Current -			
Support services - students and staff		100	(100)
Support services - administration	100,000	15,000	85,000
Operation and maintenance of plant services	370,000	39,196	330,804
Student transportation services		2,895	(2,895)
Capital outlay	53,903,315	32,383,893	21,519,422
Debt service -			
Bond issuance costs		402,617	(402,617)
Total expenditures	<u>54,373,315</u>	<u>32,843,701</u>	<u>21,529,614</u>
Excess (deficiency) of revenues over expenditures	<u>(54,373,315)</u>	<u>(24,852,205)</u>	<u>29,521,110</u>
Other financing sources (uses):			
Transfer out		(1,648,071)	(1,648,071)
Issuance of school improvement bonds		40,000,000	40,000,000
Premium on sale of bonds		1,865,504	1,865,504
Total other financing sources (uses):		<u>40,217,433</u>	<u>40,217,433</u>
Changes in fund balances	<u>(54,373,315)</u>	<u>15,365,228</u>	<u>69,738,543</u>
Fund balances (deficits), beginning of year		45,647,674	45,647,674
Fund balances (deficits), end of year	<u>\$ (54,373,315)</u>	<u>\$ 61,012,902</u>	<u>\$ 115,386,217</u>

INTERNAL SERVICE FUNDS

District Services - to account for the operation of District functions that provide goods or services to other District 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, 2015

	<u>District Services</u>	<u>Intergovernmental Agreements</u>	<u>Employee Benefit Trust</u>
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 337,004	\$	\$ 14,330,299
Due from governmental entities		65,284	
Due from other funds	65,284		
Total current assets	<u>402,288</u>	<u>65,284</u>	<u>14,330,299</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	<u>321,415</u>		
Total noncurrent assets	<u>321,415</u>		
Total assets	<u>723,703</u>	<u>65,284</u>	<u>14,330,299</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable			21,978
Claims payable			1,132,000
Due to other funds		65,284	
Obligations under capital leases	39,585		
Total current liabilities	<u>39,585</u>	<u>65,284</u>	<u>1,153,978</u>
Noncurrent liabilities:			
Non-current portion of long-term obligations	<u>83,932</u>		
Total noncurrent liabilities	<u>83,932</u>		
Total liabilities	<u>123,517</u>	<u>65,284</u>	<u>1,153,978</u>
<u>NET POSITION</u>			
Net investment in capital assets	197,898		
Unrestricted	402,288		13,176,321
Total net position	<u>\$ 600,186</u>	<u>\$</u>	<u>\$ 13,176,321</u>

Workers Compensation	Totals
\$ 844,504	\$ 15,511,807
52,910	118,194
	65,284
<u>897,414</u>	<u>15,695,285</u>
	321,415
	<u>321,415</u>
<u>897,414</u>	<u>16,016,700</u>
72,112	94,090
	1,132,000
	65,284
	39,585
<u>72,112</u>	<u>1,330,959</u>
	83,932
	<u>83,932</u>
<u>72,112</u>	<u>1,414,891</u>
	197,898
825,302	14,403,911
<u>\$ 825,302</u>	<u>\$ 14,601,809</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>District Services</u>	<u>Intergovernment al Agreements</u>	<u>Employee Benefit Trust</u>
Operating revenues:			
Contributions	\$	\$	\$ 12,446,138
Charges for services	1,405,782	218,432	
Total operating revenues	<u>1,405,782</u>	<u>218,432</u>	<u>12,446,138</u>
Operating expenses:			
Depreciation	61,414		
Claims			10,878,665
Premiums			1,029,387
Administrative fees			1,220,627
Cost of services	1,241,299	218,432	
Total operating expenses	<u>1,302,713</u>	<u>218,432</u>	<u>13,128,679</u>
Operating income (loss)	<u>103,069</u>		<u>(682,541)</u>
Nonoperating revenues (expenses):			
Investment income	1,837		70,144
Interest and fiscal charges	(6,393)		
Total nonoperating revenues (expenses)	<u>(4,556)</u>		<u>70,144</u>
Changes in net position	<u>98,513</u>		<u>(612,397)</u>
Total net position, beginning of year	501,673		13,788,718
Total net position, end of year	<u>\$ 600,186</u>	<u>\$</u>	<u>\$ 13,176,321</u>

<u>Workers Compensation</u>	<u>Totals</u>
\$ 355,134	\$ 12,801,272
	1,624,214
<u>355,134</u>	<u>14,425,486</u>
	61,414
	10,878,665
400,168	1,429,555
	1,220,627
	1,459,731
<u>400,168</u>	<u>15,049,992</u>
<u>(45,034)</u>	<u>(624,506)</u>
2,729	74,710
	(6,393)
<u>2,729</u>	<u>68,317</u>
<u>(42,305)</u>	<u>(556,189)</u>
867,607	15,157,998
<u>\$ 825,302</u>	<u>\$ 14,601,809</u>

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>District Services</u>	<u>Inter- governmental Agreements</u>	<u>Employee Benefit Trust</u>
<u>Increase/(Decrease) in Cash and Cash Equivalents</u>			
Cash flows from operating activities:			
Cash received for services	\$ 1,544,065	\$ 218,432	\$ 12,446,138
Cash received from contributions			(10,723,665)
Cash payments for claims			(2,159,037)
Cash payments to suppliers for goods and services	<u>(1,333,587)</u>	<u>(218,432)</u>	<u>(2,159,037)</u>
Net cash provided by/(used for) operating activities	<u>210,478</u>	<u></u>	<u>(436,564)</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(97,501)		
Loss on sale of capital assets	14,348		
Principal paid on long-term debt	(38,079)		
Interest paid on long-term debt	<u>(6,393)</u>	<u></u>	<u></u>
Net cash used for capital and related financing activities	<u>(127,625)</u>	<u></u>	<u></u>
Cash flows from investing activities:			
Investment income	<u>1,837</u>	<u></u>	<u>70,144</u>
Net cash provided by investing activities	<u>1,837</u>	<u></u>	<u>70,144</u>
Net increase/(decrease) in cash and cash equivalents	<u>84,690</u>	<u></u>	<u>(366,420)</u>
Cash and cash equivalents, beginning of year	<u>252,314</u>	<u></u>	<u>14,696,719</u>
Cash and cash equivalents, end of year	<u>\$ 337,004</u>	<u>\$</u>	<u>\$ 14,330,299</u>
<u>Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities</u>			
Operating income/(loss)	\$ 103,069	\$	\$ (682,541)
Adjustments to reconcile operating income/(loss) to net cash provided by/(used for) operating activities:			
Depreciation expense	61,414		
Changes in assets and liabilities:			
(Increase)/decrease in due from governmental entities	122,338	29,926	
Decrease in due from other funds	17,062		
Decrease in deposits held by others			100,000
(Decrease) in accrued payroll and employee benefits	(1,117)	(12,864)	
Increase/(decrease) in accounts payable	(92,288)		(9,023)
(Decrease) in due to other funds		(17,062)	
Increase in claims payable	<u></u>	<u></u>	<u>155,000</u>
Total adjustments	<u>107,409</u>	<u></u>	<u>245,977</u>
Net cash provided by/(used for) operating activities	<u>\$ 210,478</u>	<u>\$</u>	<u>\$ (436,564)</u>

<u>Workers Compensation</u>	<u>Totals</u>
\$ 302,224	\$ 2,064,721
	12,446,138
	(10,723,665)
<u>(328,056)</u>	<u>(4,039,112)</u>
<u>(25,832)</u>	<u>(251,918)</u>
	(97,501)
	14,348
	(38,079)
	<u>(6,393)</u>
	<u>(127,625)</u>
<u>2,729</u>	<u>74,710</u>
<u>2,729</u>	<u>74,710</u>
<u>(23,103)</u>	<u>(304,833)</u>
<u>867,607</u>	<u>15,816,640</u>
<u>\$ 844,504</u>	<u>\$ 15,511,807</u>

\$ (45,034) \$ (624,506)

	61,414
(52,910)	99,354
	17,062
	100,000
	(13,981)
72,112	(29,199)
	(17,062)
	<u>155,000</u>
<u>19,202</u>	<u>372,588</u>
<u>\$ (25,832)</u>	<u>\$ (251,918)</u>

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AGENCY FUNDS

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

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KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2015

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ <u>209,413</u>	\$ <u>319,923</u>	\$ <u>318,025</u>	\$ <u>211,311</u>
Total assets	\$ <u><u>209,413</u></u>	\$ <u><u>319,923</u></u>	\$ <u><u>318,025</u></u>	\$ <u><u>211,311</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>209,413</u>	\$ <u>319,923</u>	\$ <u>318,025</u>	\$ <u>211,311</u>
Total liabilities	\$ <u><u>209,413</u></u>	\$ <u><u>319,923</u></u>	\$ <u><u>318,025</u></u>	\$ <u><u>211,311</u></u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u> (As Restated)	<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>
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net Position:					
Net investment in capital assets	\$ 117,577,633	\$ 124,571,387	\$ 115,964,872	\$ 112,704,781	\$ 111,099,987
Restricted	16,360,557	10,994,715	12,721,444	7,810,145	3,974,617
Unrestricted	37,063,410	29,221,504	34,750,729	32,757,029	27,373,916
Total net position	<u>\$ 171,001,600</u>	<u>\$ 164,787,606</u>	<u>\$ 163,437,045</u>	<u>\$ 153,271,955</u>	<u>\$ 142,448,520</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>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>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenses					
Instruction	\$ 82,012,893	\$ 91,090,275	\$ 89,803,441	\$ 89,270,018	\$ 84,221,135
Support services - students and staff	14,357,146	13,987,599	13,857,293	13,925,765	13,800,324
Support services - administration	11,227,344	12,103,661	11,630,797	10,132,227	9,088,886
Operation and maintenance of plant services	14,875,380	11,844,110	15,532,685	11,222,932	12,045,552
Student transportation services	6,728,599	6,729,587	8,211,921	7,115,503	5,098,919
Operation of non-instructional services	9,817,504	10,186,264	10,955,819	9,260,379	8,659,249
Interest on long-term debt	14,128,072	12,915,591	11,372,066	11,488,882	10,246,413
Total expenses	<u>153,146,938</u>	<u>158,857,087</u>	<u>161,364,022</u>	<u>152,415,706</u>	<u>143,160,478</u>
Program Revenues					
Charges for services:					
Instruction	5,518,636	6,019,615	5,667,559	5,691,166	8,013,225
Operation of non-instructional services	4,320,659	4,597,876	4,705,987	5,011,395	4,383,180
Other activities	708,837	917,234	805,606	1,229,365	959,985
Operating grants and contributions	10,869,456	10,939,698	10,029,200	9,768,988	9,234,191
Capital grants and contributions	74,597	62,349	84,254	155,257	140,090
Total program revenues	<u>21,492,185</u>	<u>22,536,772</u>	<u>21,292,606</u>	<u>21,856,171</u>	<u>22,730,671</u>
Net (Expense)/Revenue	<u>\$ (131,654,753)</u>	<u>\$ (136,320,315)</u>	<u>\$ (140,071,416)</u>	<u>\$ (130,559,535)</u>	<u>\$ (120,429,807)</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>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><u>\$ (4,011,748)</u></u>	<u><u>\$ 4,002,716</u></u>	<u><u>\$ 4,893,822</u></u>	<u><u>\$ 1,780,390</u></u>	<u><u>\$ (1,287,150)</u></u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net (Expense)/Revenue	\$ (131,654,753)	\$ (136,320,315)	\$ (140,071,416)	\$ (130,559,535)	\$ (120,429,807)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	40,830,154	42,537,458	42,849,524	40,237,137	39,310,410
Property taxes, levied for debt service	23,490,302	20,482,691	21,678,552	20,722,450	19,197,804
Property taxes, levied for capital outlay	10,210,997	7,870,415	11,413,014	10,550,195	5,186,442
Investment income	938,392	2,375,045	2,976,014	2,423,934	1,316,879
Unrestricted county aid	4,556,511			47,053	3,973,056
Unrestricted state aid	50,842,564	64,405,267	71,319,402	67,402,201	57,178,128
Total general revenues	<u>137,868,747</u>	<u>137,670,876</u>	<u>150,236,506</u>	<u>141,382,970</u>	<u>126,162,719</u>
Changes in Net Position	<u>\$ 6,213,994</u>	<u>\$ 1,350,561</u>	<u>\$ 10,165,090</u>	<u>\$ 10,823,435</u>	<u>\$ 5,732,912</u>

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

Note: The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>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
Restricted	4,953,146				
Unassigned	12,546,351	18,977,332	19,940,697	19,074,244	15,277,767
Reserved					
Unreserved					
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					
Unreserved, reported in:					
Special revenue funds					
Capital projects funds					
Debt service fund					
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>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:					
Reserved	\$ 3,931,322	\$ 2,071,948	\$ 886,813	\$ 601,283	\$ 709,264
Unreserved	3,140,587	2,811,084	8,023,547	6,526,860	4,087,229
Total General Fund	<u>\$ 7,071,909</u>	<u>\$ 4,883,032</u>	<u>\$ 8,910,360</u>	<u>\$ 7,128,143</u>	<u>\$ 4,796,493</u>
All Other Governmental Funds:					
Reserved	\$ 83,374	\$ 89,592	\$ 111,541	\$ 58,613	\$ 55,994
Unreserved, reported in:					
Special revenue funds	17,010,657	17,145,181	18,074,143	17,554,131	13,969,335
Capital projects funds	24,712,553	46,268,450	49,300,826	28,088,973	18,299,575
Debt service fund	1,804,249	1,860,279	3,152,073	1,750,583	762,462
Total all other governmental funds	<u>\$ 43,610,833</u>	<u>\$ 65,363,502</u>	<u>\$ 70,638,583</u>	<u>\$ 47,452,300</u>	<u>\$ 33,087,366</u>

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

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

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

	Fiscal Year Ended June 30				
	<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
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>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Federal sources:					
Federal grants	\$ 6,589,487	\$ 5,334,983	\$ 5,930,886	\$ 7,720,315	\$ 7,470,690
National School Lunch Program	2,386,286	1,847,377	1,664,110	1,480,183	1,275,143
Total federal sources	<u>15,975,600</u>	<u>7,182,360</u>	<u>7,594,996</u>	<u>9,200,498</u>	<u>8,745,833</u>
State sources:					
State equalization assistance	49,501,254	55,415,107	61,565,115	58,556,450	48,846,531
State grants	516,584	2,287,722	802,058	602,585	494,249
School Facilities Board			630,350	1,251,150	1,013,665
Other revenues	4,684,219	5,670,281	8,870,871	7,594,601	7,327,059
Total state sources	<u>54,702,057</u>	<u>63,373,110</u>	<u>71,868,394</u>	<u>68,004,786</u>	<u>57,681,504</u>
Local sources:					
Property taxes	72,102,382	68,618,997	76,365,297	72,129,888	63,460,826
County aid	4,556,511			47,053	3,973,056
Food service sales	3,681,319	4,063,460	4,143,347	4,195,829	4,027,902
Investment income	762,843	2,153,784	2,665,840	2,134,575	1,108,560
Other revenues	8,554,990	9,036,722	8,530,954	7,857,259	9,404,838
Total local sources	<u>89,658,045</u>	<u>83,872,963</u>	<u>91,705,438</u>	<u>86,364,604</u>	<u>81,975,182</u>
Total revenues	<u>\$ 160,335,702</u>	<u>\$ 154,428,433</u>	<u>\$ 171,168,828</u>	<u>\$ 163,569,888</u>	<u>\$ 148,402,519</u>

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

Note: The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>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 -					
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
Payment to refunded bond escrow agent	10,649,569				
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	10%	11%	10%	16%	16%

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenditures:					
Current -					
Instruction	\$ 71,193,039	\$ 77,507,708	\$ 76,717,422	\$ 73,733,849	\$ 71,561,754
Support services - students and staff	13,777,270	13,219,708	13,244,757	13,371,694	13,445,878
Support services - administration	10,037,818	10,019,450	9,661,140	9,150,251	8,288,821
Operation and maintenance of plant services	14,021,360	12,704,373	14,762,759	10,782,351	11,906,059
Student transportation services	5,574,038	5,360,906	5,127,271	4,087,208	3,670,095
Operation of non-instructional services	9,680,571	9,860,338	10,414,234	9,123,022	8,467,141
Capital outlay	33,209,090	37,734,774	25,018,078	21,668,789	8,937,274
Debt service -					
Claims and judgments		482,452			
Interest and fiscal charges	14,138,044	12,925,563	13,005,534	13,864,730	14,162,616
Principal retirement	10,121,420	10,078,756	8,845,565	9,045,754	7,444,052
Bond issuance costs		334,953	240,500	205,271	245,955
Total expenditures	<u><u>\$ 181,752,650</u></u>	<u><u>\$ 190,228,981</u></u>	<u><u>\$ 177,037,260</u></u>	<u><u>\$ 165,032,919</u></u>	<u><u>\$ 148,129,645</u></u>
Expenditures for capitalized assets	\$ 29,084,493	\$ 27,995,669	\$ 14,926,173	\$ 10,005,781	\$ 2,537,437
Debt service as a percentage of noncapital expenditures	16%	14%	13%	15%	15%

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>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)	
Proceeds from sale of capital assets	4,140,832				
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>
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Excess (deficiency) of revenues over expenditures	\$ (21,416,948)	\$ (35,800,548)	\$ (5,868,432)	\$ (1,463,031)	\$ 272,874
Other financing sources (uses):					
General obligation bonds issued		25,000,000	30,000,000	18,000,000	16,000,000
Premium on sale of bonds		334,953	471,297	237,800	353,705
Transfers in	373,695	1,161,843	1,084,200	1,034,990	600,246
Transfers out	(373,695)	(1,161,843)	(1,057,023)	(1,007,813)	(600,246)
Total other financing sources (uses)	<u></u>	<u>25,334,953</u>	<u>30,498,474</u>	<u>18,264,977</u>	<u>16,353,705</u>
Changes in fund balances	<u>\$ (21,416,948)</u>	<u>\$ (10,465,595)</u>	<u>\$ 24,630,042</u>	<u>\$ 16,801,946</u>	<u>\$ 16,626,579</u>

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

KYRENE ELEMENTARY SCHOOL DISTRICT NO. 28
PRIMARY ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<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>
Estimated Actual Value (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 Primary Assessed Value to Estimated Actual Value	11%	11%	11%	11%	11%
Total Direct Rate	4.04	4.28	6.06	3.71	3.20

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	\$ 1,017,161,203	\$ 1,111,161,951	\$ 876,767,884	\$ 824,154,310	\$ 786,675,887
Agricultural and Vacant	46,357,340	69,069,686	41,132,262	39,364,133	36,697,461
Residential (Owner Occupied)	1,255,199,155	1,522,868,054	1,016,086,297	864,011,412	849,661,414
Residential (Rental)	178,174,287	190,434,509	127,567,677	123,222,703	114,606,997
Railroad, Private Cars and Airlines	983,443	1,282,746	1,215,647	1,189,770	1,106,568
Historical Property	15,309	13,500	12,000	12,293	11,175
Certain Government Property Improvements					
Total	<u>\$ 2,497,890,737</u>	<u>\$ 2,894,830,446</u>	<u>\$ 2,062,781,767</u>	<u>\$ 1,851,954,621</u>	<u>\$ 1,788,759,502</u>
Estimated Actual Value (Full Cash Value)	\$ 24,607,576,458	\$ 24,422,238,451	\$ 22,161,674,713	\$ 15,665,270,012	\$ 14,986,864,173
Ratio of Primary Value to Estimated Actual Value	10%	12%	9%	12%	12%
Total Direct Rate	2.91	2.89	3.49	3.97	3.73

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

Note: The primary assessed value generates revenues for general District operations.

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

<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			
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>
Ratio of Secondary Assessed Value to Estimated Actual Value	11%	11%	11%	11%	12%
Total Direct Rate	4.04	4.28	6.06	3.71	3.20

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	\$ 1,198,234,974	\$ 1,111,161,951	\$ 966,577,654	\$ 894,179,000	\$ 839,014,849
Agricultural and Vacant	66,183,282	69,069,686	60,213,551	55,618,438	46,630,870
Residential (Owner Occupied)	1,373,643,110	1,522,868,054	1,413,447,143	870,720,535	873,104,215
Residential (Rental)	219,043,287	190,434,509	154,513,567	123,899,697	117,048,065
Railroad, Private Cars and Airlines	1,162,727	1,282,746	1,344,221	1,259,859	1,213,227
Historical Property	21,635	13,500	12,000	13,975	13,975
Total	<u>\$ 2,858,289,015</u>	<u>\$ 2,894,830,446</u>	<u>\$ 2,596,108,136</u>	<u>\$ 1,945,691,504</u>	<u>\$ 1,877,025,201</u>
Ratio of Secondary Assessed Value to Estimated Actual Value	12%	12%	12%	12%	13%
Total Direct Rate	2.91	2.89	3.49	3.97	3.73

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

Note: The secondary assessed value generates revenues to service District bonded debt requirements and other voter-approved overrides.

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

<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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	22 %	23 %	24 %	25 %	25 %
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	18	20	21	22	21

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

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

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

Fiscal Year Ended June 30	Overlapping Rates											District Direct Rates		
	State	County	County	Flood	Community	Fire	Central	City	City	City	Tempe	Primary	Secondary	Total
	Equalization		Free	Control	College	District	Arizona	of	of	of	Union High			
			Library	District	District	Assistance	Water	Phoenix	Tempe	Chandler	School District			
2015	0.51	1.32	0.06	0.14	1.28	0.01	0.14	0.60	2.44	1.18	3.06	2.25	1.78	4.03
2014	0.51	1.28	0.04	0.14	1.53	0.01	0.14	1.82	2.49	1.27	2.66	2.22	2.06	4.28
2013	0.47	1.24	0.05	0.18	1.37	0.01	0.10	1.82	2.14	1.27	2.57	4.27	1.79	6.06
2012	0.43	1.24	0.05	0.18	1.21	0.01	0.10	1.82	1.79	1.27	2.57	2.05	1.66	3.71
2011	0.36	1.05	0.04	0.15	0.97	0.01	0.10	1.82	1.40	1.18	2.30	1.53	1.67	3.20
2010	0.33	0.99	0.04	0.14	0.88	0.01	0.10	1.82	1.40	1.18	2.22	1.43	1.48	2.91
2009	N/A	1.03	0.04	0.14	0.94	0.01	0.10	1.82	1.40	1.18	2.28	1.52	1.37	2.89
2008	N/A	1.10	0.04	0.15	0.98	0.01	0.10	1.82	1.40	1.20	2.50	1.95	1.54	3.49
2007	N/A	1.18	0.05	0.20	1.06	0.01	0.12	1.82	1.40	1.25	2.63	1.89	2.08	3.97
2006	N/A	1.20	0.05	0.21	1.03	0.01	0.12	1.82	1.40	1.28	2.65	1.96	1.77	3.73

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

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

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

Taxpayer	2015			2006	
	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation		Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation
Intel Corporation	\$ 35,630,383	2.00 %		\$ 37,028,316	1.97 %
TWC-Chandler LLC	22,795,592	1.28		37,404,826	1.99
DDRA Awhwatukee Foothills LLC	12,321,092	0.69			
Honeywell International Inc.	10,386,103	0.58			
Target Corporation	9,304,662	0.52		12,930,979	0.69
Qwest Corporation	6,557,611	0.37			
Tempe Campus SPV LLC	6,104,338	0.34			
Park at San Tan LLC	6,084,541	0.34			
CARS-DB10 LP	5,218,711	0.29			
Elliot Business Park LLC	4,850,432	0.27			
Freescall Semiconductor, Inc				18,111,927	0.96
Allied Signal				16,190,282	0.86
Tempe I & II - OP&F Inc				7,598,041	0.40
G B Investment Co				7,515,324	0.40
Trinet Essential Facilities				7,317,471	0.39
Ikea Property				7,163,463	0.38
Temple Marketplace Commerce Associates				7,070,374	0.38
Propcor II Associates LLC				6,864,611	0.37
Total	<u>\$ 119,253,465</u>	<u>6.68 %</u>		<u>\$ 165,195,614</u>	<u>8.79 %</u>

Source: The source of this information is the City of Tempe Comprehensive Annual Financial Reports for fiscal year 2013-14 and the Maricopa County Assessor's records for fiscal year 2004-05.

Note: 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.

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
2015	\$ 70,501,784	\$ 67,643,277	95.95 %	\$	\$ 67,643,277	95.95 %
2014	70,368,581	67,354,447	95.72	2,990,146	70,344,593	99.97
2013	70,472,026	67,381,446	95.61	3,085,266	70,466,712	99.99
2012	76,119,935	72,904,655	95.78	2,644,685	75,549,340	99.25
2011	80,472,545	77,824,096	96.71	2,638,583	80,462,679	99.99
2010	72,354,037	66,757,879	92.27	3,503,709	70,261,588	97.11
2009	68,652,956	65,431,128	95.31	2,747,162	68,178,290	99.31
2008	74,097,893	72,437,425	97.76	1,650,738	74,088,163	99.99
2007	69,926,284	68,481,535	97.93	1,429,907	69,911,442	99.98
2006	67,540,561	65,569,332	97.08	1,971,229	67,540,561	100.00

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

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

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

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

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Certificates of Participation	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2015	\$ 185,795,000	\$ 3,274,923	\$ 182,520,077	1.15 %	\$ 1,175	\$	\$ 123,517	\$185,918,517	1.17 %	\$ 1,196	N/A %
2014	156,020,000	2,300,914	153,719,086	1.02	854		161,596	\$156,181,596	1.04	868	0.93
2013	123,885,000	808,411	123,076,589	0.77	684			\$123,885,000	0.78	688	0.84
2012	143,400,000	1,155,432	142,244,568	0.77	790		51,026	\$143,451,026	0.77	797	0.97
2011	137,260,000	1,928,320	135,331,680	0.62	752		99,524	\$137,359,524	0.63	763	0.92
2010	126,697,394	2,354,177	124,343,217	0.51	691		50,255	\$126,747,649	0.52	704	0.89
2009	136,460,380	2,212,598	134,247,782	0.55	880		195,873	\$136,656,253	0.56	896	0.96
2008	121,817,390	3,446,960	118,370,430	0.53	779			\$121,817,390	0.55	801	0.83
2007	101,051,490	1,982,130	99,069,360	0.63	664	870,000	25,985	\$101,947,475	0.65	683	0.73
2006	92,235,480	1,068,931	91,166,549	0.61	609	2,650,000	50,829	\$ 94,936,309	0.63	634	0.72

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, 2015

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Community College District	\$ 654,190,000	5.07 %	\$ 33,167,433
City of Phoenix	1,495,776,176	6.87	102,759,823
City of Tempe	443,216,554	31.73	140,632,613
City of Chandler	362,215,000	21.42	77,586,453
Tempe Union High School District No. 213	105,000,000	57.95	60,847,500
Subtotal, Overlapping Debt			<u>414,993,822</u>
Direct:			
Kyrene Elementary School District No. 28			<u>185,918,517</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 600,912,339</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Secondary Assessed Valuation	10.26	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,566	
As a Percentage of Net Secondary Assessed Valuation	13.68	%
As a Percentage of Estimated Actual Value (Full Cash Value)	1.53	%

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, 2013 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 2015:

Secondary assessed valuation	\$ 1,779,511,364
Debt limit (10% of assessed value)	177,951,136
Debt applicable to limit	165,190,000
Legal debt margin	<u><u>\$ 12,761,136</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2015:

Secondary assessed valuation	\$ 1,779,511,364
Debt limit (15% of assessed value)	266,926,705
Debt applicable to limit	185,795,000
Legal debt margin	<u><u>\$ 81,131,705</u></u>

Fiscal Year Ended June 30

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 266,926,705	\$ 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>\$ 81,131,705</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	70%	63%	46%	47%	36%

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt Limit	\$ 428,743,352	\$ 434,224,567	\$ 389,416,220	\$ 291,853,726	\$ 281,553,780
Total net debt applicable to limit	<u>126,697,394</u>	<u>136,460,380</u>	<u>121,817,390</u>	<u>101,051,490</u>	<u>92,235,480</u>
Legal debt margin	<u><u>\$ 302,045,958</u></u>	<u><u>\$ 297,764,187</u></u>	<u><u>\$ 267,598,830</u></u>	<u><u>\$ 190,802,236</u></u>	<u><u>\$ 189,318,300</u></u>
Total net debt applicable to the limit as a percentage of debt limit	30%	31%	31%	35%	33%

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 and the statutory debt limit on Class B bonds. The calculations of the debt margins are presented in detail for the current fiscal year only.

2) Bond premium is not subject to the statutory debt limit.

**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
2014	4,087,191	\$ 168,483,421	\$ 41,222	5.4 %	155,396
2013	4,009,412	147,700,000	27,552	6.2	180,000
2012	3,824,058	147,374,500	38,538	9.1	180,000
2011	3,843,370	148,593,801	38,411	8.2	180,000
2010	4,192,887	142,864,275	37,352	9.2	180,000
2009	4,379,634	142,091,618	35,319	8.5	180,000
2008	3,987,942	147,122,078	37,168	4.8	152,500
2007	3,778,598	139,665,253	36,135	3.3	152,000
2006	3,792,675	132,423,154	35,046	3.5	149,200
2005	3,648,545	120,716,738	33,178	4.1	149,789

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2005 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 and 2014, 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	2015			2006		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
State of Arizona	48,910	2.65	%	49,145	2.52	%
Wal-Mart Stores Inc.	32,440	1.76		19,510	1.00	
Banner Health Systems	30,270	1.64		14,480	0.74	
City of Phoenix	14,880	0.81		13,620	0.70	
Wells Fargo Company	14,130	0.77		11,000	0.57	
Maricopa County	13,340	0.72		15,215	0.78	
Arizona State University	12,230	0.66		10,530	0.54	
Intel Corp.	11,700	0.63				
Scottsdale Lincoln Health Network	10,500	0.57				
Honeywell	10,000	0.54		12,000	0.62	
JP Morgan Chase & Co	9,600	0.52				
Apollo Group Inc.	9,420	0.51				
U.S. Postal Service				11,405	0.59	
Bashas' Inc.				9,650	0.50	
Total	217,420	11.78	%	166,555	8.56	%
Total employment	1,846,500			1,946,530		

Source: The source of this information is the Business Journal Book of Lists.

Note: The information presented above is County-wide.

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

		Full-time Equivalent Employees as of June 30				
		<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Supervisory						
Superintendents/Principals		28	28	28	27	25
Assistant principals		12	12	14	14	14
Total supervisory		<u>40</u>	<u>40</u>	<u>42</u>	<u>41</u>	<u>39</u>
Instruction						
Teachers		954	940	943	949	990
Other professionals (instructional)		212	204	192	210	204
Total instruction		<u>1,166</u>	<u>1,144</u>	<u>1,135</u>	<u>1,159</u>	<u>1,194</u>
Student Services						
Librarians		27	25	24	21	25
Nurses/Technicians		30	20	19	18	14
Total student services		<u>57</u>	<u>45</u>	<u>43</u>	<u>39</u>	<u>39</u>
Support and Administration						
Service workers		212	212	209	198	96
Other classified		74	74	70	76	76
Total support and administration		<u>286</u>	<u>286</u>	<u>279</u>	<u>274</u>	<u>172</u>
Total		<u><u>1,549</u></u>	<u><u>1,515</u></u>	<u><u>1,499</u></u>	<u><u>1,513</u></u>	<u><u>1,444</u></u>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Supervisory					
Superintendents/Principals	25	25	24	26	25
Assistant principals	14	19	16	18	18
Total supervisory	<u>39</u>	<u>44</u>	<u>40</u>	<u>44</u>	<u>43</u>
Instruction					
Teachers	996	1,070	985	949	1,029
Other professionals (instructional)	191	238	216	207	180
Total instruction	<u>1,187</u>	<u>1,308</u>	<u>1,201</u>	<u>1,156</u>	<u>1,209</u>
Student Services					
Librarians	25	25	25	23	25
Nurses/Technicians	14	14	13	12	13
Total student services	<u>39</u>	<u>39</u>	<u>38</u>	<u>35</u>	<u>38</u>
Support and Administration					
Service workers	113	105	96	89	82
Other classified	79	82	80	88	105
Total support and administration	<u>192</u>	<u>187</u>	<u>176</u>	<u>177</u>	<u>187</u>
Total	<u>1,457</u>	<u>1,578</u>	<u>1,455</u>	<u>1,412</u>	<u>1,477</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
2015	16,402	\$ 128,062,147	\$ 7,808	5.53 %	\$ 154,336,824	\$ 9,410	5.28 %	954	17.2	31.0 %
2014	16,345	120,925,956	7,398	3.89	146,084,997	8,938	5.27	940	17.4	31.0
2013	16,811	119,713,442	7,121	(0.46)	142,727,898	8,490	(2.45)	943	17.8	28.5
2012	16,879	120,753,553	7,154	(1.20)	146,898,394	8,703	(3.96)	949	17.8	29.2
2011	16,850	122,014,494	7,241	(1.67)	152,691,913	9,062	(0.14)	990	17.0	26.9
2010	16,877	124,284,096	7,364	(2.75)	153,146,938	9,074	(2.93)	996	16.9	24.8
2009	16,993	128,672,483	7,572	(0.30)	158,857,087	9,348	(0.89)	1,070	15.9	20.3
2008	17,108	129,927,583	7,595	11.71	161,364,022	9,432	9.45	985	17.4	18.2
2007	17,687	120,248,375	6,799	6.53	152,415,706	8,617	10.68	949	18.6	15.5
2006	18,387	117,339,748	6,382	7.05	143,160,478	7,786	7.99	1,029	17.9	16.0

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

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

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

	Fiscal Year Ended June 30									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Schools</u>										
<u>Elementary</u>										
Buildings	48	48	48	48	48	48	65	69	69	69
Square feet	1,470,378	1,470,378	1,470,378	1,470,378	1,470,378	1,470,378	1,457,650	1,451,378	1,451,378	1,451,378
Capacity	16,174	16,174	16,174	16,174	16,174	16,174	16,069	16,000	16,000	16,000
Enrollment	11,705	11,749	11,681							
<u>Middle</u>										
Buildings	46	46	46	46	46	46	46	46	46	46
Square feet	915,260	915,260	915,260	915,260	915,260	915,260	915,260	915,260	915,260	915,260
Capacity	7,125	7,125	7,125	7,125	7,125	7,125	7,125	7,125	7,125	7,125
Enrollment	6,145	6,117	6,442	6,521						
<u>Administrative</u>										
Buildings	3	3	3	3	3	3	3	3	3	3
Square feet	70,947	70,947	70,947	70,947	70,947	70,947	70,947	70,947	70,947	70,947
<u>Transportation</u>										
Garages	7	7	7	7	7	7	7	7	7	7
<u>Athletics</u>										
Soccer fields	6	6	6	6	6	6	6	6	6	6
Running tracks	6	6	6	6	6	6	6	6	6	6
Baseball/softball	1	1	1	1	1	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.