


KENAI PENINSULA BOROUGH SCHOOL DISTRICT

148 North Binkley Street Soldotna, Alaska 99669-7553

Phone (907) 714-8888 Fax (907) 262-9132

www.kpbsd.k12.ak.us

SCHOOL BOARD COMMUNICATION

Title:	FY12 Comprehensive Annual Financial Report (CAFR) (REVISED) Pages 19 & 20 updated		
Date:	November 12, 2012	Item Number:	Worksession & 11b.
Administrator:	Dave Jones, Assistant Superintendent 		
Attachments:	FY12 CAFR and Single Audit		

Action Needed For Discussion Information Other: _____

BACKGROUND INFORMATION

We will discuss the FY12 Comprehensive Annual Financial Report (CAFR) at the 3:00 p.m. worksession on Monday, November 12, 2012. Alex Beckman, CPA, Vice-President of Mikunda, Cottrell & Co., Inc. will be at the worksession to review the CAFR and answer any questions you may have.

The District has received an unqualified opinion with no findings for the 2012 Fiscal Year.

The CAFR will be brought forward during the board meeting for acceptance by the Board.

ADMINISTRATIVE RECOMMENDATION

The administration recommends accepting the FY12 CAFR.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Comprehensive Annual Financial Report for the

Fiscal Year Ended

June 30, 2012



A Component Unit of the Kenai Peninsula Borough

Soldotna, Alaska

COMPREHENSIVE ANNUAL FINANCIAL REPORT

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**A Component Unit of the Kenai Peninsula Borough
Soldotna, Alaska**

**For the Fiscal Year Ended
June 30, 2012**

Dr. Steve Atwater, Superintendent of Schools

Prepared by Finance Department

**Dave Jones
Assistant Superintendent of Instructional Support**

**Laurie Olson
Director of Finance**

**Elizabeth Hayes
Accountant**

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Kenai Peninsula Borough School District

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INTRODUCTORY SECTION

INTRODUCTORY SECTION

School District Map

Letter of Transmittal

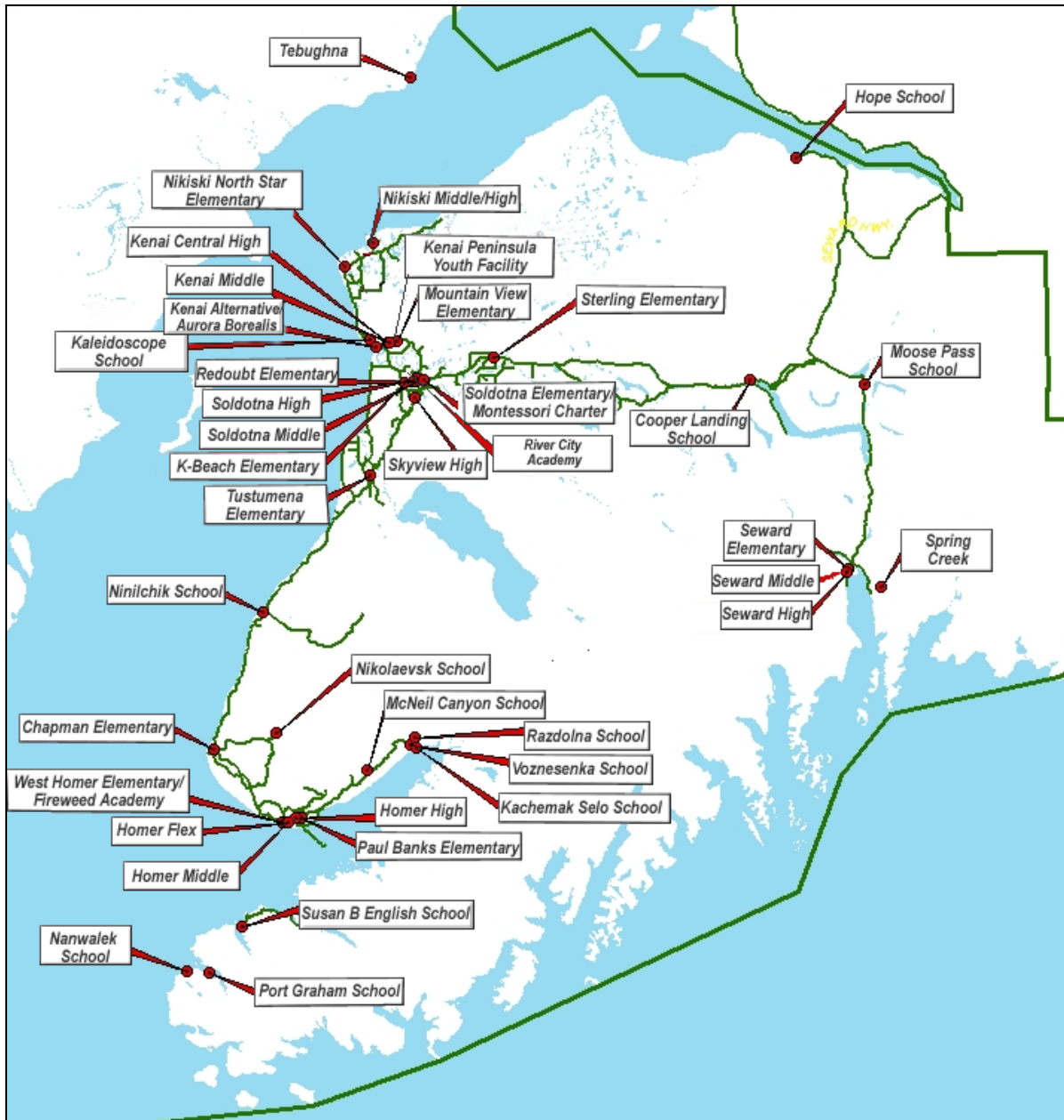
Certificate of Excellence, ASBO

Organizational Chart

Kenai Peninsula Borough School Board and Administration

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The Kenai Peninsula Borough School District Map



The Kenai Peninsula Borough School Board governs the Kenai Peninsula Borough School District and is comprised of nine members. The School Board generally meets at least once a month on Mondays. The meetings are held in the Assembly Chambers of the Borough Building located on Binkley Street in Soldotna, Alaska. In addition, special meetings and work sessions are scheduled throughout the year.

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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November 6, 2012

Members of the Board of Education and Residents of the School District
Kenai Peninsula Borough School District
Soldotna, Alaska

The Comprehensive Annual Financial Report (CAFR) of the Kenai Peninsula Borough School District (District), for the fiscal year ended June 30, 2012 is submitted herewith. This report was prepared by the School District's finance department following the guidelines recommended by the Association of School Business Officials International and generally accepted accounting principles (GAAP). The statutes of the State of Alaska require that the Board of Education provide for an audit of all school accounts within ninety days following the close of the fiscal year, by an independent certified public accountant.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the School District. We believe the data, as presented, is accurate in all material aspects and is presented in a manner designed to fairly set forth the financial position and results of operations of the School District as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the School District's financial affairs have been included.

The District's financial statements have been audited by Mikunda, Cottrell & Co., a firm of licensed certified public accountants; field work was completed September 6, 2012. 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, 2012 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2012 are fairly presented in conformity with GAAP. The 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, state and federally mandated "Single Audit" designed to meet the special needs of state and 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 audited school district's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of state and federal awards. These reports are available in the District's separately issued single-audit report.

GAAP 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.

Comprehensive Annual Financial Report (CAFR)

The District's CAFR consists of four parts:

1. The introductory section includes this transmittal letter, a list of the elected officials of the Board of Education and their offices held, a list of selected administration officials, the District's administrative organizational chart, and information on financial reporting achievements.
2. The financial section consists of the MD&A, the basic financial statements, required supplementary information, and combining and individual fund statements and schedules. The independent auditor's report is also a part of the financial section. Combining statements are presented when the District has at least one non-major fund of a given fund category. Various combining statements are also presented to demonstrate compliance with the Alaska Department of Education and Early Development's *Uniform Chart of Accounts and Account Code Descriptions for Public School Districts*.
3. The schedules section includes the schedules of state and federal financial assistance.
4. The statistical section provides mostly trend data and non-financial information useful in assessing a government's financial condition. It also includes demographic and other miscellaneous information of the District. Some tables present District data which has been combined with data provided by the Kenai Peninsula Borough (primary government) to give a consolidated overview of the District's financial status.

The Reporting Entity

This report includes all funds and account groups of the District. The Kenai Peninsula Borough School District is a dependent unit; therefore, the financial data is required to be reported in the Comprehensive Annual Financial Report (CAFR) of the Kenai Peninsula Borough. Audited financial statements for the Borough are available upon request from its administrative offices. The District CAFR provides greater detail as a special report in accordance with State regulations.

Relationship with Kenai Peninsula Borough

Pursuant to Alaska Statute 14.12.020(c), the Kenai Peninsula Borough Assembly provides the money which must be raised from local sources to maintain and operate the School District. Alaska Statute 14.14.060 states that a Borough can establish a centralized treasury and is responsible for major rehabilitation, all construction and major repair of school buildings. The Kenai Peninsula Borough provides for new construction, debt service, centralized treasury, building maintenance, and the cost of property, liability, and fire insurance for school facilities.

Therefore, such physical plant, bonded debt, capital improvement funds, for tax levies, tax collection, maintenance of buildings and insurance for buildings are accounted for by the Kenai Peninsula Borough and are reflected in their report. The maintenance of buildings and insurance of buildings is also required by the State of Alaska to be shown in the School District report as "in-kind revenue and expenditures." These amounts are shown in the report in the General Fund Schedules. In FY11, voters of the borough approved a bond for upgrades to roofs on school buildings.

Included in the Financial Report are numerous statistical tables presenting a financial and statistical history of the Kenai Peninsula Borough School District for the last ten years. Some tables present School District data that has been combined with data provided by the Kenai Peninsula Borough to give a consolidated overview of the School District's financial status.

Board of Education – Governance of the School District

Alaska Statute sections 12.12.010 – 115 provide for the creation of school districts in the State of Alaska and establish a school board as the governing body for each district. The nine voting members of the School District Board of Education (Board of Education) determine policy for operation and management of the District. Each member serves for three years, some elected each year for overlapping terms.

Profile of the District

The District encompasses 25,600 square miles. Approximately 9,083 students attend forty-four schools and the home school program in our district, in twenty-one communities. Our schools include a variety of configurations from K-12 schools in remote sites to more conventional configurations in our larger communities. The School District provides a full range of educational services on an area-wide basis within the Kenai Peninsula Borough. These services include elementary, secondary, bilingual and vocational instruction, education for exceptional students, correspondence study, pupil transportation, food service program, activity and athletic programs and instructional and general administrative services. Special needs are met with the assistance of programs and services such as English language education, gifted/talented, bilingual/bicultural, Chapter 1/Migrant Education and special education. Enrollments have generally been declining for the past ten years, but the rate of decline has lessened recently.

The mission of the District, in partnership with its richly diverse communities, is to develop creative, productive learners who demonstrate the skills, knowledge, and attitudes to meet life's challenges, by providing stimulating, integrated learning opportunities in a safe, supportive environment.

Adequate Yearly Progress (AYP) is the accountability function of the federal No Child Left Behind Act and is measured at the school level and at the district level. The majority of District schools made AYP in 2012. Overall, about 85% of the District's students proved proficient or above in language arts, and about 71% were proficient or above in math. In addition, the District's graduation rate increased from 73% to 79.2%.

AYP is the accountability function of the federal No Child Left Behind Act, requiring students to demonstrate competence in language arts and math through assessments given in grades three through ten. An additional requirement to report graduation rates for subgroups has been added for FY13.

The District as a whole did not make Adequate Yearly Progress (AYP) for 2011-2012, but 31 of our 44 schools did meet the requirements of AYP. Of the forty categories (up from 31 in FY11) measured by AYP, our District fell short in the following areas:

- District as a whole – math
- Economically disadvantaged – math
- Students with disabilities – graduation rate
- Students with disabilities – math
- Limited English proficient – math
- Alaska Native and American Indian – language arts
- Alaska Native and American Indian – math
- Two or more races – graduation rate

Our District continues to work to meet the challenges of helping all of our students grow in their academic abilities to meet the requirements of this Federal law.

Internal Control

In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal account controls. 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 GAAP. Because costs 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 from material misstatement. As management, we assert that, to the best of our knowledge and belief, the District's internal account controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls

The objective of the District's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Resources are allocated to and accounted for in individual funds, based upon the purposes for which those funds were created. Transfers of \$50,000 or more are authorized by the Board of Education. Therefore, the legal level of budgetary control (i.e., the level at which expenditures may not legally

exceed appropriation) is the fund level. All other transfers are authorized by the superintendent and reported quarterly to the Board of Education.

Factors Affecting Financial Condition

The District and Borough governments are largely dependent upon actions of the State government to finance their operating and capital programs. Projected declining levels of production indicate that State oil revenue, which comprises about half of the State's revenue budget, will likely not continue to fund local governments at the current level. State funding for municipal operations is limited to revenue sharing, PERS on-behalf payments, school debt reimbursement and fish tax. As the State government attempts to control its operating budget, it seems likely that more responsibilities will tend to be shifted down to the local level.

After experiencing consistent, gradual growth since the late 1980s, the borough's economy has experienced recent setbacks with the closure of Agrium, ConocoPhillips LNG plant and Lowe's. In recent years, taxable property values have increased at a rate faster than Borough expenditures. As a result, the Borough's tax rate has decreased. Borough wide, the general government tax rate has decreased from 8.59 mills in FY96 to 6.5 mills in FY07, 5.5 mills in FY08, and 4.5 mills from FY09 through FY12. The Borough's FY13 budget was also developed based on a mill rate of 4.5.

Sales tax continues to generate a large portion of the Borough's revenue. In FY98, sales tax revenue represented 21% of total general fund revenues; in FY12 budgeted sales tax revenue represents about 42% of general fund revenues. The oil and gas property is subject to significant fluctuations in value. Short-term, the Borough's property tax base will continue to be impacted. Recent activity would tend to indicate that Cook Inlet oil and gas exploration is on the upswing.

The FY12 base student allocation (BSA) used in the Public School Funding Program was \$5,680 per student. The District was able to keep abreast of structured salary and benefit increases, in addition to maintaining pupil/teacher ratios district-wide.

The financial condition of the School District is, and will continue to be, a pressing concern for the future. The State Public School Funding Program sets the amount of general school funding the School District receives from the State and it also sets the limit of the amount to be raised from local sources under an equalization section of the formula. The Kenai Peninsula Borough has not funded the School District to the maximum allowed under the foundation formula since FY10. Discussions about the budget will continue to evolve between the borough assembly and board of education.

The Alaska Legislature enacted HB273, which provided multi-year increases to the base student allocation, intensive needs factor and district cost factor with the final increase to the district cost factor to be implemented in FY13. Changes to funding in FY12 included an increase in the funding formula for Career and Technical Education (CTE) for grades 9-12, an increase of over \$750,000 in Pupil Transportation funding and one-time funding of over \$1M that was not tied to the funding formula.

Changes in enrollment have a dramatic impact on the District's Public School Funding Program revenue from the State. Enrollment appeared to be leveling after many years of on-going decline, which would provide financial stability for the District. However, initial FY13 enrollment numbers indicate a slight decline may be continuing. More information on this topic is included in the Management's Discussion and Analysis.

Cash Management

All cash funds of the District are maintained in the Borough's central treasury to maximize investment income while minimizing risk of loss of capital. The District is not authorized to secure direct investments. Borough ordinances describe the objectives, policies and procedures for the investment of Borough funds and apply to the investment of all Borough monies, unless provided expressly by ordinance. The Borough's investment policy is to minimize market risks, maintain sufficient liquidity and achieve reasonable rates of return.

The School District staff works closely with the Borough staff concerning cash management and projected cash flow. Interest income is allocated to the District based upon the cumulative, month-end cash equity balances.

Risk Management

The District, in conjunction with the Borough, has a limited self-insurance program which is administered by a risk management committee. As part of this program, resources are accumulated in an internal service fund of the Borough which is more fully described in the notes.

Pension and Other Post-employment Benefits

The District participates in two defined benefit pension plans. The Alaska Public Employees' Retirement System (PERS) was converted to a cost-sharing plan on July 1, 2008 by the Alaska Legislature and covers eligible State and local government employees. The Alaska Teachers' Retirement System (TRS) is a cost-sharing multiple employer plan that covers teachers and other eligible participants.

The plans were established and are administered by the State of Alaska to provide pension, post-employment healthcare, death, and disability benefits. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The State of Alaska Legislature also created the Public Employees' Retirement System (PERS) Tier IV and Teachers' Retirement System (TRS) Tier III, which are defined contribution retirement plans established for employees hired after July 1, 2006 or for employees converting from the PERS Tier I, II or III or TRS Tier I or II defined benefit plans. The plans are administered by the State of Alaska, Commissioner of the Department of Administration. Benefit and contribution provisions are established by State law and may only be amended by the State Legislature. The Alaska Retirement Management Board may also determine certain contribution requirements.

Further information about both plans is included in the notes to the financial statements.

Certificate of Excellence

The Association of School Business Officials (ASBO) International awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011.

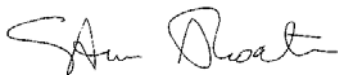
This was the twenty-second year the District has received this prestigious award. In order to be awarded a Certificate of Excellence, the school district must meet certain reporting criteria, and publish an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Excellence is valid for a period of one year only. We believe our current CAFR continues to meet the high standards of the Certificate of Excellence program and we are submitting it to ASBO International to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the District's Business Office and the cooperation of the Borough Finance Department. We would like to express our appreciation to all the people who assisted and contributed to the preparation of this report. We would also like to thank the members of the Board of Education for their unfailing support for maintaining the highest standards of professionalism in the management of the District's finances.

Respectfully submitted,



Dr. Steve Atwater
Superintendent



Dave Jones
Assistant Superintendent

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**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

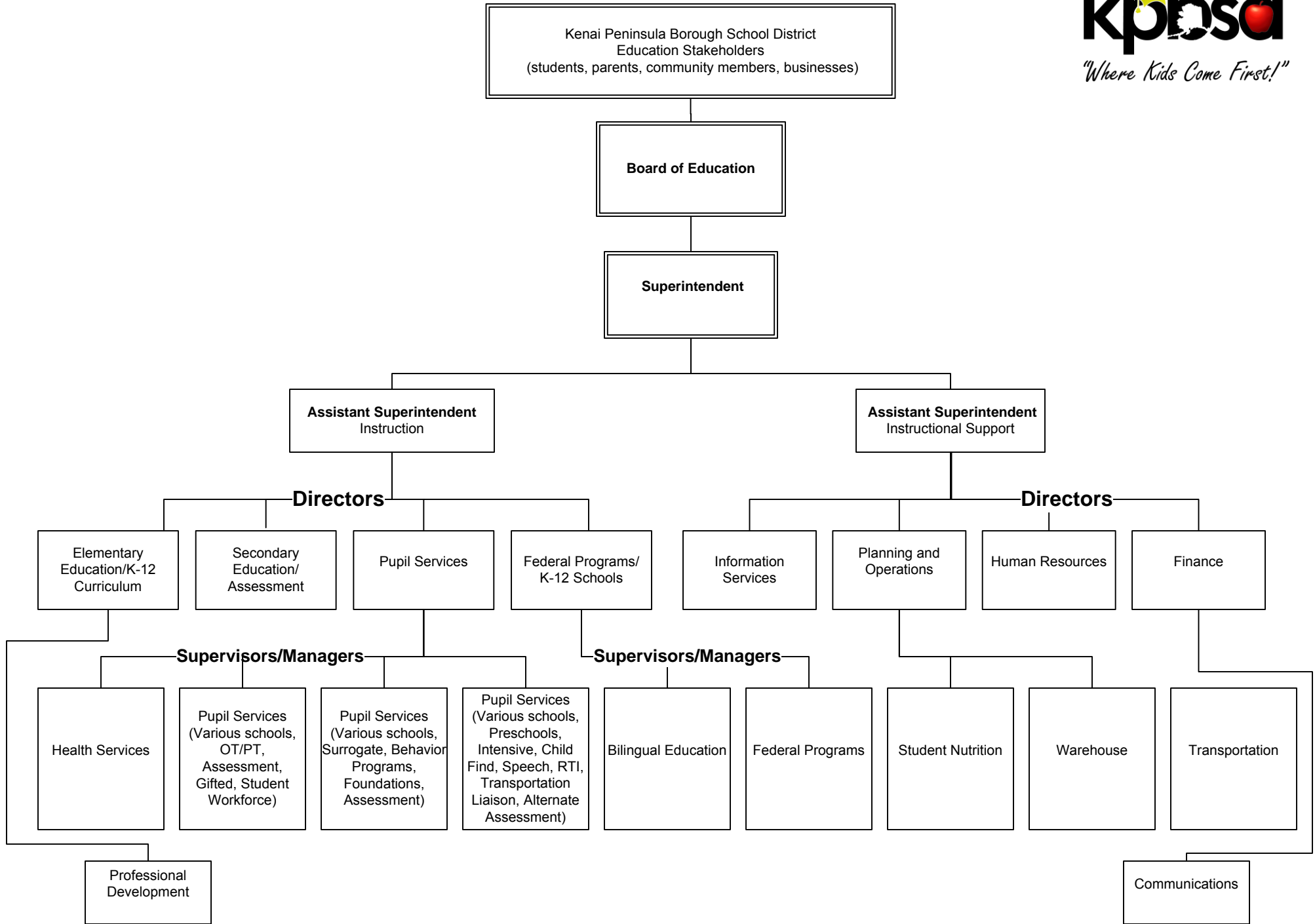
For the Fiscal Year Ended June 30, 2011

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
148 North Binkley Street
Soldotna, Alaska 99669

SCHOOL BOARD

Mr. Joe Arness, President
Mrs. Liz Downing, Vice President
Ms. Lynn Hohl, Treasurer
Ms. Penny Vadla, Clerk
Ms. Sammy Crawford, Member
Mr. Marty Anderson, Member
Mr. Bill Holt, Member
Ms. Sunni Hilts, Member
Mr. Tim Navarre, Member
Miss Annaleah Ernst, Student Representative

ADMINISTRATION

Dr. Steve Atwater, Superintendent of Schools
Mr. Sean Dusek, Assistant Superintendent of Instruction
Mr. Dave Jones, Assistant Superintendent of Instructional Support

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FINANCIAL SECTION

FINANCIAL SECTION

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

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Independent Auditor's Report

Members of the School Board
Kenai Peninsula Borough School District
(A Component Unit of the Kenai Peninsula Borough)
Soldotna, Alaska

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kenai Peninsula Borough School District (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 District, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2012 on our consideration of the District'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Members of the School Board
Kenai Peninsula Borough School District
(A Component Unit of the Kenai Peninsula Borough)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 23 through 29 and the budgetary comparison schedules on pages 63 through 66 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as additional supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements by us or other auditors, and accordingly, we do not express an opinion or provide any assurance on it.

Mikunda, Cottrell & Co.

Anchorage, Alaska
October 25, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Management's Discussion and Analysis

As management of the Kenai Peninsula Borough School District (District), we offer readers of the Kenai Peninsula Borough School District's financial statements this overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2012. 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 on pages 5-9 of this report.

Financial Highlights

- The assets of the Kenai Peninsula Borough School District exceeded its liabilities at the close of the most recent year by \$31,655,450. Of this amount, \$26,824,052 (unrestricted net assets) may be used to meet the District's ongoing obligations.
- As of June 30, 2012, the District's governmental funds reported combined ending fund balances of \$27,469,313, a decrease of \$3,916,395 in comparison to the prior year.
- In February 2009, The Governmental Accounting Standards Board (GASB) released Statement No. 54 regarding fund balance reporting. While Statement No. 54 does not change the total amount reported as Fund Balance, it substantially alters the terminology and focus used for fund balance reporting. The goal is to provide a nontechnical explanation of the various parts of fund balance reported as Nonspendable, Restricted, Committed, Assigned and Unassigned Fund Balance. Previously, the fund balance was divided into Reserved and Unreserved, with additional designations within Unreserved for Designated and Undesignated. These changes have been implemented and are noted in this document.
- At the end of the current fiscal year, non-exempt fund balance for the General Fund was \$11,761,352, which is 8.56% of current year expenditures, as compared to 9.78% at the end of FY11. This amount is in compliance with Alaska Statute, AS 14.17.505, which states a district may not accumulate in a fiscal year a non-exempt portion of its year-end fund balance greater than 10% of its expenditures for that fiscal year. Of this \$11,761,352, \$6,808,518 was unassigned and available for spending. The unassigned fund balance for the General Fund represented 4.95% of total General Fund expenditures.

Overview of the Financial Statements

The Management's Discussion and Analysis serves as an introduction to the District's basic financial statements, which are the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements report information about the overall finances of the District similar to a business enterprise. These statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations.

The Statement of Net Assets presents information on all of the District's assets less liabilities, which results in net assets. The statement is designed to display the financial position of the District. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities provides information which shows how the District's net assets changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting method used by private-sector business. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities distinguish functions of the District that are financed primarily by intergovernmental revenues and charges for services (governmental activities) from functions where user fees and charges to customers help to cover some of the cost of services (business-type activities). The District does not have any business-type activities.

The government-wide financial statements can be found on pages 33-34 of this report.

Fund financial statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate fiscal accountability. All of the funds of the District can be divided into three categories: governmental funds, internal service 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 funds financial statements focus on a short-term view of the District's operations. Because the focus of governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. 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.

The District maintains 30 individual governmental funds. Information is presented separately in the Balance Sheet – Governmental Funds and the Schedule of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds for the General Fund, Equipment Fund, State Fiscal Stabilization Fund (SFSF) and the Title I Fund, all of which are considered to be major funds. Data for the other 26 funds are combined into a single aggregated presentation. Data for each of these non-major governmental funds is provided in the Combining Balance Sheet and the individual funds section of the Special Revenue portion of the financial statements.

The District adopts an annual appropriated budget for the general fund and special revenue funds. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 35-38 of this report.

Internal Service Funds. Internal Service funds are an accounting device used to accumulate and allocate costs.

The District has used an Internal Service Fund to account for compensated leave balances since FY04. Additionally, an Internal Service Fund has been established in FY12 to account for the District Health Care Plan. Internal Service Fund data can be found on pages 39-41.

Fiduciary funds. Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the District cannot use these assets for its operations.

The basic fiduciary fund financial statement can be found on page 42 of this report.

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 on pages 45-59 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

The District completed a Selective Review Information Request regarding the 2011 eRate Application that was submitted to the Universal Service Administrative. The District was also successfully involved in the following reviews, audits, and/or examinations by the State of Alaska Department of Education and Early Development:

- Individuals with Disabilities in Education (IDEA) Part B Compliance Monitoring:
 - State Performance Plan
 - Annual Performance Report
- Intensive Needs Funding Claims Review
- Student Immunization Records

The combining and individual fund statements referred to earlier in connection with nonmajor governmental funds can be found on pages 94-139.

Governmental-wide Financial Analysis

In FY12, the District planned for and used a significant amount of fund balance. In fact, the budgeted amount was reduced late in the year due to action by the State Legislature in providing additional funding for Student Transportation. Because of that action, the planned transfer from the General Fund to the Student Transportation Fund was eliminated. Two factors affecting District revenues that will continue to be an issue are: 1. Implementation of the final increase to the District Cost Factor that will happen in FY13 and 2. Legislative action the past two years has provided one-time funding instead of adjusting the funding formula. The one-time funding limits the District's ability to plan for the future in a fiscally responsible manner. Indications are that the state will continue to contribute payments on behalf of the District to the Public Employee Retirement System (PERS) and the Teachers Retirement System (TRS) to help pay down the unfunded liabilities in those retirement accounts.

As noted earlier, the increase or decrease in net assets over time may serve as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$31,655,450, on June 30, 2012 compared to \$34,160,646 on June 30, 2011 which was a decrease in total net assets of \$2,505,196. Use of fund balance is part of the District's strategy to sustain current programs and staffing levels and provide the best possible educational experience for District students.

Net Assets		
Governmental Activities		
	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Current and other assets	\$46,117,183	\$48,204,722
Capital assets	<u>3,088,378</u>	<u>2,774,938</u>
Total Assets	<u>49,205,561</u>	<u>50,979,660</u>
Current and other liabilities	7,996,143	13,587,236
Long-term liabilities	<u>9,553,968</u>	<u>3,231,778</u>
Total Liabilities	<u>17,550,111</u>	<u>16,819,014</u>
Net Assets		
Invested in capital assets	3,088,378	2,774,938
Restricted	1,743,020	507,663
Unrestricted	<u>26,824,052</u>	<u>30,878,045</u>
Total Net Assets	<u><u>\$31,655,450</u></u>	<u><u>\$34,160,646</u></u>

Changes in net assets. The total revenues and expenses for governmental activities are reflected in the following chart:

Changes in Net Assets Governmental Activities		
	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Revenues:		
Program revenues		
Charges for Services	\$825,329	\$896,109
Operating Grants and Contributions	18,381,570	21,116,546
General Revenues		
Public School Funding Program	73,570,872	69,386,710
Retirement: On-Behalf Payments	17,803,814	13,615,283
Other State Funding	343,617	101,962
E-Rate Program	118,707	591,046
Borough Appropriation	43,251,135	42,588,135
Earnings on Investments	898,439	837,735
Other Local Revenue	<u>215,525</u>	<u>636,546</u>
Total Revenues	<u>155,409,008</u>	<u>149,770,072</u>
Expenses:		
Instruction	70,671,418	68,158,156
Special Education - Instruction	19,939,292	18,495,855
Special Education - Pupil	5,606,638	5,016,857
Support Services - Pupil	4,307,528	3,898,385
Support Services - Instruction	3,432,382	2,358,838
School Administration	6,666,723	6,673,392
School Administration - Support	4,585,996	4,178,505
District Administration	1,065,732	957,877
District Administration - Support	6,658,848	5,628,931
Operation and Maintenance of Plant	22,639,419	20,646,201
Student Activities	2,344,153	2,306,828
Student Transportation Services	6,116,707	5,514,495
Community Services	64,408	64,559
Student Nutrition Services	<u>3,814,960</u>	<u>3,283,102</u>
Total Expenses	<u>157,914,204</u>	<u>147,181,981</u>
Change in Net Assets	<u>(2,505,196)</u>	<u>2,588,091</u>
Beginning Net Assets as of July 1	<u>34,160,646</u>	<u>31,572,555</u>
Ending Net Assets as of June 30	<u><u>\$31,655,450</u></u>	<u><u>\$34,160,646</u></u>

In FY12, there was a decrease in total net assets in the amount of \$2,505,196 due to the planned use of fund balance to sustain programmatic staffing.

Financial Analysis of the Government'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, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Did the District generate enough revenue to pay for current obligations? What is available for spending at the end of the year?

The general fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance was \$20,364,278. Of that amount, nonspendable fund balance totaled \$1,978,610, restricted fund balance was \$983,984, assigned fund balance totaled \$10,593,166 and unassigned was \$6,808,518. The fund balance in the general fund decreased \$2,994,764 from the prior year. This decrease was a planned use of fund balance to sustain staffing levels and would have been larger if the legislature had not provided additional student transportation funding. The additional transportation funding eliminated a scheduled transfer of \$750,000 from the General Fund to the Student Transportation Fund. With recent federal changes in health care requirements and continued expected increases in health care costs putting pressure on the budget, all spending is evaluated for sustainability and need.

Major funds include Title I, the Equipment Fund and State Fiscal Stabilization Funds (SFSF). Over \$2.6 million or 69% of the Title I Fund expenditures was used for salaries and benefits of employees working to support students at Title I designated schools. This equates to about 20 FTE for certified employees and about 3.3 FTE for support employees paid for from the Title I grant funds. Equipment Fund expenditures in the amount of about \$1,189,992 were made for supplies and equipment such as desks, tables, chairs, and other equipment for schools. The final \$385,000 of SFSF was used primarily to purchase instructional supplies and equipment for schools.

General Fund Budgetary Highlights

Significant items in the FY12 original budget and final amended budget can be summarized as follows:

- Sustained programmatic staffing levels implemented in FY09 to continue to allow recovery of targeted elective offerings such as vocational education, credit recovery, creative/practical arts and foreign language. Continued staffing of secondary counselors and K-8 grade interventionists to address student needs district-wide.
- Continuation of student travel funds to assist schools traveling to state competitions. Additional funding for student activity travel to fund a part of the cost schools incur outside state competitions; remaining costs are covered by fund-raising and/or sponsorships.
- Continued funding for safety equipment related to High School Extra-Curricular Activities.
- Purchase of materials and equipment to bring Career and Technical Education (CTE) plan into district high schools.

FY12 Budget Revisions approved by the Board of Education included:

- An increase in state funding of over \$800,000 targeted for Career and Technical Education for students in grades 9 – 12.
- One-time funding from the state of over \$1M outside the foundation funding formula.
- Decrease in state funding due to lower actual enrollment than what was projected.

- Increase in FY12 funding late in the year for Pupil Transportation costs, which eliminated the need for an expected transfer from the General Fund
- Increase in the In-Kind Maintenance budget of \$200,000 for higher than anticipated snow removal costs, offset by a similar reduction in the direct appropriation from the Kenai Peninsula Borough.
- In addition to the budget revision approved by the Board, budget transfers were approved by administration and/or the Board of Education deemed appropriate for school and department operations in accordance with Board Policy.
- Variance between final budgets and actual expenditures in the General Fund were generally in the Employee Benefits category, due to higher than anticipated retirement system payments by the State on-behalf of the District for unfunded liabilities in the retirement system.

Details on all budget revisions may be found by accessing the Board of Education's section of the District's website (www.kpbsd.k12.ak.us) by selecting Board Meetings tab.

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2012 amounts to \$3,088,378 (net of accumulated depreciation) compared to \$2,774,938 as of June 30, 2011. The investment in capital assets includes furniture and equipment. Additional information on the District's capital assets can be found in note 4.

Economic Factors and the Next Year's General Fund Budget and Rates.

In setting the budgets for FY13, the District considered a number of issues with District-wide impact, among them:

Revenue Budget

- The Alaska Legislature passed HB273 in March 2008, enacting several changes to the school funding formula statute. The final District Cost Factor increase is scheduled for FY13. While the previous legislation provided known increases in revenue prior to the end of the legislative session, the district can no longer rely on having that information before the budgeting process begins. This difference has a significant impact on hiring personnel for the subsequent fiscal year. Additionally, the last 2 years have seen the legislature provide one-time funding, which is appreciated, but doesn't provide the stability of a change in the funding formula. One of the District's legislative priorities is to request forward funding so the budget can be built with more certainty and less disruption.
- With declining oil revenue and no forward funding mechanism currently in place, there are serious concerns about the future of education funding in the state. Therefore, the District continues to maintain a conservative approach to all budget matters, including a structured and planned use of fund balance to maintain current staffing formulas.
- Borough residents provided the highest level of local educational funding allowed per the funding formula for many years. The district has been funded at less than the maximum allowed since FY10. Meetings between the school board, administration and the assembly will be held to continue discussions about the funding issue. A change in the local support calculation of the state foundation formula from 4 mills to 2.65 mills will result in a shift in the funding from the borough to the state. After the state funding calculation changed, the borough decreased the FY13 budgeted contribution by \$250,000.
- Although it appeared in recent years that enrollment was leveling off, early enrollment indicators in the fall of 2012 indicate a slight decline may be continuing.

Expenditure Budget

- A fund balance allocation of \$ 2,762,120 is budgeted for FY13 operations. Continued use of fund balance is expected in the next few years to maintain current staffing formulas. The District's goal is to mitigate increased class sizes for as long as financially possible.
- Increasing Teachers Retirement System and Public Employee Retirement System required fund obligations are currently being partially funded for the District by the Alaska Legislature on a year by year basis. Payments made on-behalf of the district to the Public Employees Retirement System and the Teachers Retirement System are estimated at \$21,565,995 for FY13.
- All district programs were evaluated for continuation and all vacant positions were reviewed based on need before they were advertised. Maintaining staffing formulas including programmatic staffing implemented in FY09 is critical to manageable class size throughout the District.
- Changes to the expenditure budget in addition to the programmatic staffing implemented in FY09 includes:
 - Elementary assistant principals for schools housing over 400 students
 - Increased staffing of nurses to meet routine medical needs for all students and to address the exceptional needs of medically fragile students
 - Continued funding for safety equipment and state travel for school activity programs and additional funding for extra-curricular travel
- Continued reduction in the historical variance between budget and actual revenues and expenditures is actively pursued.
- A high quality operational maintenance program that ensures the continued use and economic value of borough facilities.

Request for information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's financial situation. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Assistant Superintendent of Instructional Support, Kenai Peninsula Borough School District, 148 N. Binkley Street, Soldotna, AK 99669.

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BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:

Statement of Net Assets

Statement of Activities

Fund Financial Statements:

Balance Sheet, Governmental Funds

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds

Reconciliation of the Governmental Funds, Statement of Revenues, Expenditures and Changes in
Fund Balance to the Statement of Activities

Statement of Net Assets – Internal Service Fund

Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Fund

Statement of Cash Flows – Internal Service Fund

Student Activity Agency Fund, Statement of Fiduciary Assets and Liabilities

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEMENT OF NET ASSETS
June 30, 2012

ASSETS

Current Assets:	
Cash	\$ 25,239
Equity in Central Treasury	36,506,171
Equity in Central Treasury - Restricted for Health Care	3,603,193
Accounts Receivable	222,907
Due from Other Governments	3,414,504
Prepaid	1,257,300
Inventories	1,087,869
	46,117,183
Total Current Assets	
Capital Assets:	
Furniture and Equipment	7,423,518
Less Accumulated Depreciation	(4,335,140)
	3,088,378
Capital Assets - Net of Accumulated Depreciation	
	49,205,561

LIABILITIES

Current Liabilities:	
Accounts Payable	792,280
Accrued Liabilities	7,203,863
Health Claims payable - IBNR	4,204,000
Other Health Care Liabilities	2,001,534
Compensated Absences	67,912
	14,269,589
Total Current Liabilities	
Noncurrent Liabilities:	
Noncurrent Portion of Long-Term Obligations:	
Compensated Absences Payable	3,280,522
	3,280,522
Total Noncurrent Liabilities	
Total Liabilities	
	17,550,111

NET ASSETS

Invested in Capital Assets	3,088,378
Restricted:	
Charter Schools	645,261
Unrestricted	27,921,811
	31,655,450
Total Net Assets	\$ 31,655,450

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	70,671,418	\$ -	\$ 5,896,062	\$ (64,775,356)
Special Education - Instruction	19,939,292	-	2,293,005	(17,646,287)
Special Education - Pupil	5,606,638	-	-	(5,606,638)
Support Services - Pupil	4,307,528	-	74,692	(4,232,836)
Support Services - Instruction	3,432,382	-	629,644	(2,802,738)
School Administration	6,666,723	-	451,336	(6,215,387)
School Administration - Support	4,585,996	-	32,468	(4,553,528)
District Administration	1,065,732	-	-	(1,065,732)
District Administration - Support	6,658,848	-	343,627	(6,315,221)
Operation & Maintenance of Plant	22,639,419	-	2,289	(22,637,130)
Pupil Activities	2,344,153	-	42,518	(2,301,635)
Community Services	64,408	44,030	-	(20,378)
Pupil Transportation	6,116,707	-	6,241,927	125,220
Food Service	3,814,960	781,299	2,374,002	(659,659)
Total governmental activities	<u>\$ 157,914,204</u>	<u>\$ 825,329</u>	<u>\$ 18,381,570</u>	<u>\$ (138,707,305)</u>

General revenues:

Grants and contributions not restricted to specific programs:

Borough direct appropriation	43,251,135
Public School Funding Program	73,570,872
Retirement: On-behalf Payments	17,803,814
Earnings on Investments	898,439
E-Rate Program	118,707
Medicaid Reimbursement	343,617
Other Local Revenue	215,525
Total general revenues	<u>136,202,109</u>
Change in net assets	<u>(2,505,196)</u>
Net assets, beginning of year	<u>34,160,646</u>
Net assets, end of year	<u>\$ 31,655,450</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

	General	Equipment	Title I	Other Governmental	Total Governmental Funds
<u>ASSETS</u>					
Assets:					
Cash	\$ 25,239	\$ -	\$ -	\$ -	\$ 25,239
Equity in Central Treasury	22,665,467	5,506,507	-	1,285,663	29,457,637
Accounts Receivable	216,832	-	-	6,075	222,907
Prepaid Items	1,257,300	-	-	-	1,257,300
Due from Other Governments	-	-	1,589,223	1,825,281	3,414,504
Due from Special Revenue Funds	3,459,466	-	-	-	3,459,466
Inventories	721,310	-	-	366,559	1,087,869
Total Assets	\$ 28,345,614	\$ 5,506,507	\$ 1,589,223	\$ 3,483,578	\$ 38,924,922
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	\$ 777,473	\$ -	\$ (407)	\$ 15,214	\$ 792,280
Accrued Liabilities	7,203,863	-	-	-	7,203,863
Due to General Fund	-	-	1,589,630	1,869,836	3,459,466
Total Liabilities	7,981,336	-	1,589,223	1,885,050	11,455,609
Fund Balances:					
Nonspendable:					
Inventories	721,310	-	-	366,559	1,087,869
Prepaid Items	1,257,300	-	-	-	1,257,300
Restricted for:					
Facilities Maintenance	983,984	-	-	-	983,984
Assigned to:					
Charter Schools	645,261	-	-	-	645,261
School Incentive Purchases	561,469	-	-	-	561,469
Self-Insurance Health Care	5,994,173	-	-	-	5,994,173
Professional - Technical Services	2,974	-	-	-	2,974
Staff Travel	2,852	-	-	-	2,852
Purchased Services	189,931	-	-	-	189,931
Supplies	280,919	25,580	-	-	306,499
Equipment	153,467	41,267	-	6,721	201,455
Subsequent Year Operations	2,762,120	5,439,660	-	1,270,224	9,472,004
Unassigned	6,808,518	-	-	(44,976)	6,763,542
Total Fund Balances	20,364,278	5,506,507	-	1,598,528	27,469,313
Total Liabilities and Fund Balances	\$ 28,345,614	\$ 5,506,507	\$ 1,589,223	\$ 3,483,578	\$ 38,924,922

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 June 30, 2012

Fund balances – total governmental funds		\$ 27,469,313
Amounts reported for governmental activities in the statement of net assets are different because:		
<p>The cost of capital assets (furniture and equipment) purchased is reported as an expenditure in governmental funds. The statement of net assets includes those capital assets among the assets of the School District as a whole. The cost of those capital assets is allocated over their useful lives (as depreciation expense) to the various functions reported as governmental activities in the statement of activities.</p>		
Cost of capital assets	7,423,518	
Accumulated depreciation to date	<u>(4,335,140)</u>	3,088,378
<p>Internal service funds are used by the school district to charge the cost of certain activities, such as health care, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets.</p>		
		<u>1,097,759</u>
Net assets		<u>\$31,655,450</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012

	General	Equipment	SFSF	Title I	Other Governmental	Total Governmental Funds
Revenues:						
Local	\$ 43,251,135	\$ -	\$ -	\$ -	\$ -	\$ 43,251,135
State	91,374,686	-	-	-	7,076,188	98,450,874
Federal-Direct	-	-	-	-	424,110	424,110
Federal-Through the State	343,617	-	385,097	3,776,208	6,494,210	10,999,132
Earnings on Investments	697,556	200,883	-	-	-	898,439
E-Rate	118,707	-	-	-	-	118,707
Food Sales	-	-	-	-	781,299	781,299
Corporate Grants and User Fees	-	-	-	-	117,033	117,033
Other Local Revenues	215,525	-	-	-	152,754	368,279
Total Revenues	136,001,226	200,883	385,097	3,776,208	15,045,594	155,409,008
Expenditures - Current:						
Instruction	64,656,242	146,338	370,579	3,604,058	1,928,434	70,705,651
Special Education - Instruction	17,676,414	-	-	-	2,293,005	19,969,419
Special Education Services - Pupil	5,614,026	-	-	-	-	5,614,026
Support Services - Pupil	4,238,512	-	-	-	74,692	4,313,204
Support Services - Instruction	2,874,235	-	-	8,507	621,137	3,503,879
School Administration	6,223,151	-	-	-	451,336	6,674,487
School Administration - Support	4,546,846	-	-	-	32,468	4,579,314
District Administration	1,060,774	-	-	-	-	1,060,774
District Administration - Support	6,610,646	-	14,518	161,354	167,755	6,954,273
Operation & Maintenance of Plant	21,793,286	1,043,654	-	2,289	-	22,839,229
Pupil Activities	2,137,608	-	-	-	57,000	2,194,608
Community Services	-	-	-	-	64,493	64,493
Pupil Transportation	-	-	-	-	6,092,404	6,092,404
Food Service	-	-	-	-	3,870,392	3,870,392
Total Expenditures	137,431,740	1,189,992	385,097	3,776,208	15,653,116	158,436,153
Excess (Deficiency) of Revenues Over Expenditures						
	(1,430,514)	(989,109)	-	-	(607,522)	(3,027,145)
Other Financing Sources (Uses):						
Transfers In	-	-	-	-	675,000	675,000
Transfers Out	(1,564,250)	-	-	-	-	(1,564,250)
Total Other Financing Sources (Uses)	(1,564,250)	-	-	-	675,000	(889,250)
Net Change in Fund Balances	(2,994,764)	(989,109)	-	-	67,478	(3,916,395)
Fund Balances, Beginning of Year	23,359,042	6,495,616	-	-	1,531,050	31,385,708
Fund Balances, End of Year	\$ 20,364,278	\$ 5,506,507	\$ -	\$ -	\$ 1,598,528	\$ 27,469,313

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2012

Net change in fund balances – total governmental funds		\$ (3,916,395)
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report equipment purchases as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which equipment purchases exceeded depreciation in the current period.</p>		
Equipment purchases	\$ 833,972	
Current depreciation expense	<u>(515,250)</u>	318,722
Loss on retirement of assets		(5,282)
<p>Internal service funds are used by management to charge the costs of health care to individual funds. Net income of these activities is reported with governmental activities.</p>		
		<u>1,097,759</u>
Change in net assets		<u>\$ (2,505,196)</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF NET ASSETS
For the Year Ended June 30, 2012

	<u>Internal Service Funds</u>
<u>ASSETS</u>	
Equity in Central Treasury	\$ 7,048,534
Equity in Central Treasury - Restricted for Healthcare	<u>3,603,193</u>
 Total assets	 <u><u>\$ 10,651,727</u></u>
<u>LIABILITIES</u>	
Health Claims Payable (IBNR)	\$ 4,204,000
Contributions Collected from Employees in Excess of Negotiated Agreement	2,001,534
Compensated Absences Payable:	
Amounts Due Within One Year	67,912
Non-Current Portion	<u>3,280,522</u>
Total Compensated Absences Payable	<u>3,348,434</u>
 Total Liabilities	 <u><u>\$ 9,553,968</u></u>
<u>NET ASSETS</u>	
Unrestricted Net Assets	<u>1,097,759</u>
 Total Net Assets	 <u><u>\$ 1,097,759</u></u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
For the Year Ended June 30, 2012

	<u>Internal Service Funds</u>
Operating Revenues:	
Charges to Other Funds	\$ 3,261,695
Employer Contributions	16,595,327
Employee Contributions, Net of Excess Contributions of \$493,274	<u>4,783,927</u>
 Total Operating Revenues	 <u>24,640,949</u>
Operating Expenses:	
Administrative services	3,261,695
Healthcare Claims and Administrative Fees, Net of Decrease in IBNR of \$19,888	<u>21,227,588</u>
 Total operating expenses	 <u>24,489,283</u>
 Operating income	 <u>151,666</u>
 Nonoperating Revenues - Interest Income	 <u>56,843</u>
 Transfer in	 <u>889,250</u>
 Increase in net assets	 1,097,759
 Total net assets, beginning of year	 <u>-</u>
 Total net assets, end of year	 <u><u>\$ 1,097,759</u></u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2012

	<u>Internal Service Funds</u>
Cash flows from operating activities:	
Payments for interfund services provided	\$ 3,261,695
Payments to employees	(3,286,347)
Receipts from employer - current year contributions	16,595,327
Receipts from employer - prior year IBNR	4,223,888
Receipts from employees - current year contributions	5,277,201
Receipts from employees - prior year reserves	1,508,260
Payments for claims and services	(21,247,476)
Net cash flow from operating activities	<u>6,332,548</u>
Cash flows from financing activities - transfer in	<u>889,250</u>
Cash flows from investing activities - interest income earned	<u>56,843</u>
Net increase (decrease) in cash and cash equivalents	<u>7,278,641</u>
Cash and cash equivalents, beginning of year	<u>3,373,086</u>
Cash and cash equivalents, end of year	<u>\$ 10,651,727</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,097,759
Non-operating revenues	(946,093)
Decrease in compensated absences payable	(24,652)
Increase in health care payable	4,204,000
Increase in contributions collected from employees in excess of negotiated agreement	2,001,534
Net cash (used) provided by operating activities	<u>\$ 6,332,548</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 STUDENT ACTIVITY AGENCY FUND
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 June 30, 2012

	Student Activity Agency Fund
Assets:	
Equity in Central Treasury	\$ 2,735,527
Cash	36,352
Total Assets	\$ 2,771,879
Liabilities:	
Accounts Payable	\$ -
Amounts Due to Student Groups	2,771,879
Total Liabilities	\$ 2,771,879

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

NOTES TO THE FINANCIAL STATEMENTS

The notes to the Financial Statements include a summary of significant accounting policies and other information that is judged to be appropriate for full disclosure regarding the School District's financial position and operating results.

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Kenai Peninsula Borough School District (the "School District") have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

Reporting Entity

Pursuant to Alaska Statute, AS 29.35.160, the Kenai Peninsula Borough (the "Borough") has the responsibility of establishing, maintaining and operating a system of public schools. The Borough has delegated the administrative responsibilities for compliance with the statutes to the School Board of the Kenai Peninsula Borough School District, while retaining the responsibility for the physical plant except furniture and equipment. School District financial data is discretely presented in the Kenai Peninsula Borough Comprehensive Annual Financial Report.

Complete financial statements of the Borough may be obtained from the Borough Clerk's Office at 144 N. Binkley Street, Soldotna, Alaska 99669; phone number 907-714-2160.

These financial statements include all funds of the School District. The operational services provided directly by the Borough have been included in the General Fund as Intergovernmental-Local revenue and expenditures.

During the year ended June 30, 2012, the School District recorded in-kind services provided by the Borough for school operations as follows:

Custodial	\$ 120,501
Utilities	79,771
Maintenance	6,668,656
Insurance	2,567,925
Audit	<u>55,884</u>
	<u>\$9,492,737</u>

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund reports only assets and liabilities and as such cannot be said to have a measurement focus. Agency funds do, however, use the accrual basis of accounting to recognize receivables and payables. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide 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 School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. 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, health care reserve and claims and judgments, are recorded only when payment is due. Prepaid expenditures are reported on the consumption method, meaning an expenditure is reported during the period it is consumed.

All major revenue sources including revenues from the State of Alaska, the Kenai Peninsula Borough, and the United States government are considered susceptible to accrual. Entitlements and shared revenues are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenue for expenditure-driven grants is recognized when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds based on the required quantitative criteria:

General Fund – The School District’s primary operating fund. Major revenue sources include the State of Alaska public school foundation program, the local government’s contribution to education, and other state and federal revenues. Expenditures are authorized in the annual budget and are made for such activities as student instruction, support services, administration, operations and maintenance, and student activities.

Equipment Special Revenue Fund – The Equipment fund was established by the Board of Education in recognition of the need to plan for the cyclical replacement of capital assets, furniture and other equipment and the impact such replacement has on the operating budget. This fund is dedicated to the orderly and planned acquisition and/or replacement of such items.

Title I Special Revenue Fund – The Title I fund primarily provides supplemental reading support to struggling learners. Another focus of this fund addresses the needs of students struggling with mathematics concepts. In addition to direct services to students, Title I programs provide staff development opportunities and parent involvement support at each school.

In addition, the District has elected to report the following fund as a major fund for reasons of public interest:

State Fiscal Stabilization Fund (SFSF) – The SFSF fund was a new one-time appropriation under the American Recovery and Reinvestment Act. This grant was used to advance essential education reforms to benefit students from early learning through post-secondary education.

Additionally, the School District reports the following fund types:

Agency Fund – The pupil activities agency fund accounts for the assets held by the School District as an agent for various student and school-related organizations.

Internal Service Fund – These funds account for the assets needed to pay for accrued employee compensated leave and the self-funded health care plan.

Fund Accounting

The accounts of the School District are organized on the basis of funds. A fund is considered a separate set of self-balancing accounts comprised of assets, liabilities, fund balance, revenues and expenditures for transactions related to certain district functions or activities. Fund balance represents the excess of assets over liabilities.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate fund types.

Governmental Funds Governmental fund operations are focused on the measurement of the sources and flow of current financial resources. This measurement is unique in that generally only current expendable financial resources are accounted for in this group. Governmental funds consist of the following fund types:

General Fund - The general School District activities are recorded in the General Fund. The revenues of the General Fund are derived primarily from allocations received from the State of Alaska, the Kenai

Peninsula Borough, and the United States government. Primary expenditures in the general fund are made for student instruction, operation of plant and administration.

The State Board of Education and Early Development adopted a revision to the Uniform Chart of Accounts and Account Code Descriptions for Public School Districts effective July 1, 2001. The School District implemented this revision early, with a separate function to account for school administrators being the most significant change.

Special Revenue Funds - These funds account for revenues from specific revenue sources including food service sales, transportation, grants from the State of Alaska and United States government, and other sources. Special Revenue funds are a revenue stream that is legally restricted or committed to a specific purpose.

Proprietary Funds Proprietary funds are focused on the measurement of the economic resources required for a particular purpose and limitations on the use of net assets rather than on the source of those assets. Proprietary funds report a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets, and a Statement of Cash Flows. Proprietary funds distinguish operating revenues and expenses from non-operating 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. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Internal Service Funds – The employee compensated leave fund was established effective FY04 to account for the assets required to pay for sick, personal, and annual leave accrued by employees. The health care plan internal service fund was established in FY12 to account for the contributions and other income collected to pay health care plan expenditures for employee and dependent health services and administration.

Governmental Accounting Standards Board (GASB) Statement 34 requires Net Assets of an Internal Service Fund be reported as unrestricted unless there are restrictions placed by an external source, such as a creditor, grantor or enabling legislation of other governments. Although the net assets of the Internal Service Fund for Health Care are restricted for Health Care costs as stated in negotiated agreements between the district and employee groups, the District is required to present them in this document as Unrestricted Net Assets.

Fiduciary Funds This fund category is used to account for those assets which the School District holds on behalf of others as their agent.

Student Activity Fund - The Student Activity Fund accounts for each Kenai Peninsula Borough school's individual activity account which sponsors student activities within the school such as athletics and student clubs.

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the reporting entity as a whole. Fiduciary funds are not included in the district-wide financial statements. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers, parents, or students who purchase, use, or directly benefit from goods or services provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. The State of Alaska public school foundation program revenue, local government's contribution to education, and other items not properly included among program revenues are reported instead as general revenues.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets (net of related debt) consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use, either through the enabling

legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws, or regulations of other governments.

Budgets

The budgetary data presented in the financial statements is reflective of the following procedures:

The Kenai Peninsula Borough School District Board of Education is required by Alaska law to adopt and submit their annual budget to the Kenai Peninsula Borough Assembly by May 1 of each year for approval by the Borough Assembly. Within 30 days after receipt of the School District budget, the Borough Assembly must determine the total amount of funds to be made available from local sources for school purposes, and must furnish the Board of Education with a statement of this amount. Subsequent changes in the School District budget must be authorized by the Borough Assembly, as well as the Board of Education.

Subsequent to formal budget adoption, the Board of Education may, by motion, transfer appropriations between major budget classifications or departments. The Superintendent may transfer amounts between line items within a major budget classification. Appropriations on annual budgets lapse at year-end.

Activities of the general fund and the special revenue funds are included in the annual appropriating budget. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.

The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Kenai Peninsula Borough School District Board of Education. Resources are allocated to, and accounted for, in individual funds, based upon the purposes for which those funds were created. The legal level of control (that is, the level at which expenditures cannot legally exceed the appropriation) is at the fund level.

The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Open encumbrance amounts at year-end are automatically re-appropriated by Board Policy as part of the subsequent year's budget, since payment will occur in the subsequent year.

The District prepares its budget on the basis of generally accepted accounting principles (GAAP).

HB273 was enacted in 2008 and will be completely implemented in FY13. The bill progressively increased three components of the State Foundation funding formula; the Intensive Multiplier and Base Student Allocation for three years and the District Cost Factor for five years. Changes from FY12 to FY13 that are known at this point are the final scheduled increase to the District Cost Factor, additional funding for transportation and recent formula increases for Career and Technical Education (CTE). With no additional plan for forward funding beyond FY12, funding for FY13 is uncertain.

The FY12 budget was developed and approved with an estimated enrollment of 9,083 students. The Kenai Peninsula Borough funding for the district was less than the maximum allowed by state statute (the cap) and it appears that trend will continue.

The budget amendments are detailed as follows:

Kenai Peninsula Borough School District
FY12 Revenue Budget Change - General Fund

Revenue Source	4/4/2011 KPBSD Original Budget	7/11/2011 KPBSD Budget Revision	12/5/2011 KPBSD Budget Revision	4/2/2012 KPBSD Budget Revision	6/4/2012 KPBSD Budget Revision	KPBSD Final Budget
Borough In-Kind	\$ 9,394,362	\$ (10,109)	\$ -	\$ -	\$ 200,000	\$ 9,584,253
Borough Appropriation	33,856,773	10,109	-	-	(200,000)	33,666,882
Earnings on Investments	1,000,000	-	-	-	-	1,000,000
E-Rate	646,000	-	-	-	-	646,000
Miscellaneous	80,000	-	-	-	-	80,000
Allocation of Fund Balance	<u>3,524,030</u>	<u>(1,404,575)</u>	<u>286,453</u>	<u>(1,334,009)</u>	<u>(550,000)</u>	<u>521,899</u>
Total Local Revenue	<u>48,501,165</u>	<u>(1,404,575)</u>	<u>286,453</u>	<u>(1,334,009)</u>	<u>(550,000)</u>	<u>45,499,034</u>
Foundation Program	71,884,803	2,235,964	(1,137,030)	316,745	-	73,300,482
TRS On-Behalf Payment	14,767,184	-	-	-	-	14,767,184
PERS On-Behalf Payment	1,437,762	-	-	-	-	1,437,762
Quality Schools	<u>270,312</u>	<u>-</u>	<u>-</u>	<u>77</u>	<u>-</u>	<u>270,389</u>
Total State Revenue	<u>88,360,061</u>	<u>2,235,964</u>	<u>(1,137,030)</u>	<u>316,822</u>	<u>-</u>	<u>89,775,817</u>
Medicaid	<u>450,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>450,000</u>
Total Federal Revenue	<u>450,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>450,000</u>
General Fund Revenue	<u>\$137,311,226</u>	<u>\$ 831,389</u>	<u>\$ (850,577)</u>	<u>\$(1,017,187)</u>	<u>\$ (550,000)</u>	<u>\$135,724,851</u>

Cash and Investments

The School District participates in a Central Treasury managed by the Kenai Peninsula Borough. The Central Treasury concept permits investment of combined funds. Each fund has an account titled, "Equity in Central Treasury" which is that fund's share of the Equity in Central Treasury, and represents the monies of that fund that are deposited in the Central Treasury.

Borough ordinance authorizes the Borough to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, bankers' acceptances of the fifty largest banks, highest rated commercial paper, repurchase agreements, fully collateralized certificates of deposit, money market mutual funds, highest rated bonds and notes issued by a state or political subdivision thereof, and the Alaska Municipal League Investment Pool, Inc. Borough ordinance places limitations on maturity of investments, and Borough investment procedures limit the level of investment by type. School District investments are insured or registered or are securities which are held by the Borough or its agent in the Borough's name.

Cash is used to account for cash held in bank accounts for the Student Activity Agency Fund and to account for petty cash and other cash not classified elsewhere. All deposits are collateralized by federal deposit insurance or by securities held by the Borough's agent in the Borough's name.

Investments are stated at fair market value.

Short Term Interfund Receivables/Payables

During the course of operations, individual funds may overdraw their share of the pooled cash in the Central Treasury. Such advances are classified as "due to other funds" while the offsetting interfund receivable is classified as "due from other funds" in the General Fund on the balance sheet.

Inventories

Inventories are recorded at average cost on a first-in, first-out basis. General fund inventory consists of expendable supplies held at the central warehouse for issuance to schools or other School District locations. Food Service Fund inventory consists primarily of foodstuffs. The cost of inventory items in the School Operating Fund and Food Service Fund is included in expenditures when issued to schools from the central warehouse or issued for consumption. Land acquired for the Building Trades Project (see Note 7) is recorded at cost. Inventory is reported as Nonspendable to indicate that inventory does not represent available, spendable resources, even though it is a component of assets.

School Maintenance Supply inventory is maintained and accounted for by the Kenai Peninsula Borough. The cost of these inventory items is included in Borough In-Kind Services.

Capital Assets

The Borough owns and accounts for all land, school buildings, and improvements other than buildings, which are provided to School District schools without charge. General capital assets, which consist of furniture and equipment, are reported in the governmental activities column in the district-wide financial statements. General capital assets are defined by the School District as assets with an initial, individual cost of \$5,000 or more, and an estimated useful life in excess of one year. Additional information may be found in Note 4. General capital assets are valued at cost or estimated historical cost when the original cost is not available and depreciated/ amortized over their estimated useful lives. Donated capital assets are valued at their estimated fair market value on the date received. The District owns land to be used for furthering vocational instruction. Additional information may be found in Note 7. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on estimated useful lives of 5 to 20 years for furniture and equipment.

Compensated Absences

It is the School District's policy to allow employees to accumulate leave benefits which vary by employee groups. Leave benefits include annual leave, certain sick leave balances that are paid at retirement, and personal leave which may be cashed in under certain conditions. The School District accumulates the resources to pay compensated absences and records its liability for these compensated absences in an Internal Service Fund.

Sick leave that is not payable upon retirement is recorded as an expenditure/expense when used. Compensated absences historically are expenditures of the general fund, food service fund, Title I fund and transportation fund.

Health Care

Since the School District is self-insured, covered employees and the District both contribute monthly to the pool from which claims and administrative fees are paid. The contributions and other income not used in a fiscal year are carried over to subsequent years to provide for shortfalls or unexpected increases in costs and are accounted for in an Internal Service Fund.

Fund Balance

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form—prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the school board—the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the school board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - This classification reflects the amounts constrained by the District’s “intent” to be used for specific purposes, but are neither restricted nor committed. The school board and Director of Finance have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable and are neither restricted nor committed. These include portions of fund balances assigned to the charter schools, school incentive purchases and for subsequent year’s operations.

Unassigned fund balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the school board’s policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the School Operating Fund and Special Revenue Funds. Encumbrances, if any, outstanding at year-end are reported as appropriate constraints of fund balance if they meet the criteria and definitions outlined later in these notes. Encumbrances are included as reductions to fund balance for the purpose of calculating fund balance limits in accordance with state regulations.

Grants

Reimbursable grant revenues are recognized in the respective grant fund at the time eligible expenditures are made.

In-Kind Contributions

The Kenai Peninsula Borough pays for certain expenditures of the school district. The School District records these amounts as in-kind contributions at their actual cost.

Interfund Transactions

Interfund services provided and used are accounted for as revenues and expenditures between the participating funds. Transactions that constitute reimbursement to a fund for expenditures initially made from it and that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund being reimbursed.

Except for interfund services and reimbursements, all other interfund transfers are reported as transfers.

NOTE 2 - EQUITY IN CENTRAL TREASURY

The carrying value of the equity in the Central Treasury varies from the balances reported on the balance sheet by the amount that individual funds have overdrawn their share of the pooled cash. The district does not have a policy regarding custodial credit risk, interest rate risk or foreign currency risk. A reconciliation of the carrying value to the reported value as of June 30, 2012 is as follows:

	Carrying Value of Equity in Central Treasury	Due to (from) other funds	Reported Equity in Central Treasury
General Fund	\$ 22,665,467	\$ (3,459,466)	\$ 19,206,001
Equipment Fund	5,506,507	-	5,506,507
Title I Fund	-	1,589,630	1,589,630
Other Governmental Funds	1,285,663	1,869,836	3,155,499
Internal Service Fund	<u>10,651,727</u>	<u>-</u>	<u>10,651,727</u>
Governmental Fund Total	<u>\$ 40,109,364</u>	<u>\$ -</u>	<u>\$ 40,109,364</u>
Agency Fund	<u>\$ 2,735,527</u>	<u>\$ -</u>	<u>\$ 2,735,527</u>

NOTE 3 - RECEIVABLES

Receivables at June 30, 2012, consist of the following:

	General Fund	Special Revenue Funds	Total
Accounts Receivable	\$ 216,832	\$ 6,075	\$ 222,907
Intergovernmental:			
Major Special Revenue:			
Federal – Through the State	-	1,589,223	1,589,223
Non-Major Special Revenue:			
Local	-	63,005	63,005
State	-	189,119	189,119
Federal – Through the State	-	1,391,336	1,391,336
Federal – Direct	-	181,821	181,821
Total Receivables	<u>\$ 216,832</u>	<u>\$ 3,420,579</u>	<u>\$ 3,637,411</u>

All receivables are considered collectible based upon the terms and nature of the grants and receivables; therefore, no allowance for uncollectible receivables has been provided.

NOTE 4 - CAPITAL ASSETS

The Borough owns and accounts for all land, school buildings and improvements other than buildings, which are provided to School District schools without charge. Capital assets, as recorded in the School District's financial records, consist of furniture and equipment. The changes in capital assets by major class for year ended June 30, 2012, were as follows:

Governmental activities:	July 1, 2011 Balance	Additions	Deletions	June 30, 2012 Balance
Furniture and equipment	\$ 6,787,489	\$ 833,972	\$ (197,943)	\$ 7,423,518
Less accumulated depreciation for furniture and equipment	<u>(4,012,551)</u>	<u>(515,250)</u>	<u>192,661</u>	<u>(4,335,140)</u>
Governmental activities capital assets, net	<u>\$ 2,774,938</u>	<u>\$ 318,722</u>	<u>\$ (5,282)</u>	<u>\$ 3,088,378</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 148,544
Special Education - Instruction	2,533
Special Education - Pupil	-
Support services - Instruction	5,567
School administration	1,020
School administration - Support	12,709
District administration	6,354
District administration - Support	78,463
Operation and maintenance of plant	37,248
Pupil activities	178,064
Pupil transportation	32,321
Food services	<u>12,427</u>
Total depreciation expense	<u>\$ 515,250</u>

Schedule of Capital Assets
Depreciation Classes by Useful Life

<u>Useful Life (years)</u>	<u>Description</u>
5	Computers, software, printers, and library equipment.
7	Audio video and business equipment and vehicles
10	Buses, musical instruments, athletic, food service, and medical equipment.
15	Classroom, communication, custodial, shop, grounds and playground equipment.
20	Furniture

NOTE 5 - LONG TERM DEBT

The School District's long-term debt as of June 30, 2012 is comprised of the following:

Long-term contracts payable

The district currently has no long-term contracts payable.

Compensated absences payable

As discussed in Note 1, the School District established an employee compensated leave fund in FY04 to account for the assets required to pay for sick, personal, and annual leave accrued by employees.

	<u>Total June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Total June 30, 2012</u>	<u>Amount due in one year</u>
Compensated Absences	\$ 3,373,086	\$ 3,261,695	\$ 3,286,347	\$ 3,348,434	\$ 67,912
Total Long -Term Debt	<u>\$ 3,373,086</u>	<u>\$ 3,261,695</u>	<u>\$ 3,286,347</u>	<u>\$ 3,348,434</u>	<u>\$ 67,912</u>

NOTE 6 – PENSION PLANS

Defined Benefit Pension Plan

The District participates in two defined benefit pension plans. The Teachers' Retirement System (TRS) is a cost-sharing multiple employer plan which covers teachers and other eligible participants. The Public Employees' Retirement System (PERS) is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. Both plans were established and are administered by the State of Alaska to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The plans are included in comprehensive annual financial reports that include financial statements and other required supplemental information. The reports are available at the following address:

Department of Administration
Division of Retirement and Benefits
P.O. Box 110203
Juneau, Alaska 99811-0203

PERS Conversion to Cost Sharing

In April 2008, the Alaska Legislature passed Senate Bill (SB) 125 which converted the existing Public Employees' Retirement System (PERS) from an agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. Under the cost-sharing arrangement, the State of Alaska Division of Retirement and Benefits no longer tracks individual employer assets and liabilities. Rather, all plan costs and past service liabilities are shared among all participating employers. The cost-sharing plan requires a uniform employer contribution rate of 22% of active member wages, subject to a wage floor.

Legislation provides for State contributions in the event that the annually calculated and board adopted rate, which includes a provision to pay down the past-service liability, exceeds 22%. Any such additional contributions are recognized by each employer as an on-behalf payment.

In addition, in fiscal year 2008, the State of Alaska passed legislation (SB 123) which requires that the employer contribution be calculated on all PERS eligible wages, including wages attributable to the defined contribution plan described later in these footnotes.

Funding Policy

Regular employees are required to contribute 6.75% of their annual covered salary (3.21% for pension and 3.54% for healthcare) for PERS and 8.65% (5.40% for pension and 3.25% for healthcare) for TRS. The funding policy provides for periodic employer contributions based on actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate assets to pay both pension and postemployment healthcare benefits when due.

The employer contribution rate is statutorily capped at 22% and 12.56% for PERS and TRS respectively, although State legislation currently provides that the State of Alaska will contribute any amount over the statutory limit such that the total contribution equals the Alaska Retirement Management Board adopted rates. The Board adopted rate will generally be consistent with the actuarially determined rate.

The District's contribution rates for 2012 were determined as part of the June 30, 2008 actuarial valuations and are as follows:

<u>PERS</u>	<u>Contractual Rate</u>	<u>ARM Board Adopted Rate</u>	<u>GASB 45* Rate</u>
Defined Benefit Pension	9.92%	14.65%	13.72%
Defined Contribution Pension	0.00%	2.73%	
Postemployment healthcare	<u>12.08%</u>	<u>16.11%</u>	<u>49.98%</u>
Total contribution rate	<u>22.00%</u>	<u>33.49%</u>	<u>63.70%</u>
<u>TRS</u>	<u>Contractual Rate</u>	<u>ARM Board Adopted Rate</u>	<u>GASB 45* Rate</u>
Defined Benefit Pension	6.44%	26.61%	28.61%
Defined Contribution Pension	0.00%	2.94%	
Postemployment healthcare	<u>6.12%</u>	<u>16.00%</u>	<u>52.42%</u>
Total contribution rate	<u>12.56%</u>	<u>45.55%</u>	<u>81.03%</u>

*This rate uses a 4.7% OPEB discount rate for PERS and a 4.5% OPEB discount rate for TRS. Both rates also disregard future Medicare Part D payments.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the School District and the plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial values of assets.

Projected benefits for financial reporting purposes do not incorporate any potential effects of legal or contractual funding limitations.

Annual Pension and Postemployment Healthcare Cost – PERS

The District is required to contribute 22% of covered payroll, subject to a wage floor. In addition, the State of Alaska contributed approximately 11.49% of covered payroll to the Plan. In accordance with the provisions of GASB Statement Number 24, the District has recorded the State on-behalf amount of \$2,386,773 as revenue and expenditures. This includes \$333,193 on-behalf payments received by the Kenai Peninsula Borough for maintenance in-kind services, and \$2,053,580 for the School District. However, because the District is not statutorily obligated for these payments, this amount is excluded from pension and OPEB cost as described here.

<u>Year Ended June 30</u>	<u>Annual Pension Cost</u>	<u>Annual OPEB Cost</u>	<u>Total Benefit Cost (TBC)</u>	<u>School District Contributions</u>	<u>% of TBC Contributed</u>
2012	1,230,731	1,353,210	2,583,941	2,583,941	100%
2011	935,591	1,663,272	2,598,863	2,598,863	100%
2010	850,342	1,893,728	2,744,070	2,744,070	100%

Annual Pension and Postemployment Healthcare Cost – TRS

The District is required to contribute 12.56% of covered payroll, subject to a wage floor. In addition, the State of Alaska contributed approximately 32.99% of covered payroll to the Plan. In accordance with the provisions of GASB Statement Number 24, the District has recorded the State on-behalf amount of \$15,417,040 as revenue and expenditures. However, because the District is not statutorily obligated for these payments, this amount is excluded from pension and OPEB cost as described here.

<u>Year Ended June 30</u>	<u>Annual Pension Cost</u>	<u>Annual OPEB Cost</u>	<u>Benefit Cost (TBC)</u>	<u>School District Contributions</u>	<u>% of TBC Contributed</u>
2012	2,928,606	1,760,915	4,689,521	4,689,521	100%
2011	2,563,965	2,273,705	4,837,670	4,837,670	100%
2010	2,269,208	2,611,144	4,880,352	4,880,352	100%

Defined Contribution Pension Plan

The State of Alaska Legislature approved Senate Bill 141 to create the Public Employees’ Retirement System (PERS) Tier IV and Teachers’ Retirement System (TRS) Tier III Defined Contribution Retirement Plan for employees hired after July 1, 2006 or for employees converting from the PERS Tier I, II or III or TRS Tier I and II defined benefit plans. The plan is administered by the State of Alaska, Department of Administration, and benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the plan are individual pension accounts, retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. Employees are required to contribute 8.0% of their annual covered salary and the District is required to make the following contributions:

	<u>PERS TIER IV</u>	<u>TRS TIER III</u>
Individual account	5.00 %	7.00 %
Health reimbursement arrangement (HRA) *	3.00	3.00
Retiree medical plan	0.51	0.58
Occupational death and disability benefits	<u>0.11</u>	<u>0.00</u>
	<u>8.62 %</u>	<u>10.58 %</u>

*Health Reimbursement Arrangement – AS 39.30.370 requires that the employer contribute “an amount equal to three percent of the employer’s average annual employee compensation.” For actual remittance, this amount is calculated as a flat rate for each full time or part-time employee per pay period.

Employees are immediately vested in their own contributions and 25% per year in employer contributions. The District and employee contributions to PERS including the HRA contribution for the year ended June 30, 2012 were \$1,142,411 and \$451,026, respectively. The District and employee contributions to TRS for the year ended June 30, 2012 were \$1,578,259 and \$997,564, respectively.

NOTE 7 - BUILDING TRADES PROJECT

The School District has acquired various parcels of land on which vocational education classes of Kenai Central High School constructed houses. Periodically these houses are sold and the proceeds used to recover the School District's costs. These projects are supervised by the Kenai Peninsula Building Authority, a nonprofit organization established by the School District in October, 1969, for the specific purpose of administering and overseeing this "Building Trades Project." Remaining property is currently valued at \$60,618.

NOTE 8 - FOOD SERVICE SPECIAL REVENUE FUND

The United States Department of Agriculture provided \$118,288 of food, milk and supplies during the year without charge to the School District. These in-kind contributions have been reflected as revenue and expenditures within the Food Service Special Revenue Fund.

NOTE 9 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payables resulting from short-term operating advances at June 30, 2012 are as follows:

	<u>Receivable</u>	<u>Payable</u>
Major Fund - General Fund	\$ 3,459,466	\$ -
Major Fund – Title IA	-	1,589,630
Non-major governmental funds	-	1,869,836
	<u>\$ 3,459,466</u>	<u>\$ 3,459,466</u>

Interfund Transfers

Transfers between funds for the year ended June 30, 2012 were as follows:

	<u>Transfer In:</u>		
	<u>Non-Major Governmental Funds</u>	<u>Internal Service Fund - Healthcare</u>	<u>Total</u>
Transfer Out: General Fund	<u>\$675,000</u>	<u>\$889,250</u>	<u>\$1,564,250</u>

NOTE 10 - RISK MANAGEMENT

The Kenai Peninsula Borough has established an office of Risk Management and a limited self-insurance program which is codified by Borough ordinance and administered by a risk management committee. It is the responsibility of the risk management committee to insure, self-insure or select appropriate retention levels and deductibles for the risks confronting the Kenai Peninsula Borough, its service areas, and the School District. All losses and claims are reported to the Risk Management office and are handled internally within the retention and deductible level. New claims and outstanding claims are reviewed monthly by the Borough Attorney, and the Risk Manager. There were no significant changes in the amount of coverage during the current fiscal year.

The greatest exposure to financial loss confronting the Kenai Peninsula Borough and School District would be in the areas of pollution liability, auto liability and general liability due to the ownership of landfills, the fleet of vehicles operated and the number of properties owned and operated by the Borough and School District. The Borough is self-insured for pollution liability due to limited availability of coverage and the associated cost. Based on this historical evidence of claim value and the increasing ability to fund a greater level of retention, the risk management committee chose to retain the first \$250,000 of each occurrence at the beginning of fiscal year 1992.

Insurers provide annual aggregate limits up to \$11,750,000 in excess of our retention level for the exposures of general liability, auto liability, public officials' liability, educational errors and omissions, ambulance attendants' professional liability and landfill liability. Insurance coverage for these various types of liability exposure are being provided by insurers in a single package policy format. Building and contents are insured in excess of a \$100,000 deductible per occurrence, and data processing equipment and vehicles are insured in excess of a \$500 deductible per occurrence. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Borough continues to fully insure the non-owned aircraft liability risks.

The Borough is self-insured for workers compensation cost, with a retention level of \$250,000.

The Kenai Peninsula Borough Insurance and Litigation Fund annually allocates the costs for insurance coverage on a proportionate share basis to the Borough, its service areas and the School District. In addition, an appropriate sum is charged for anticipated losses and claims that will be paid within the self-insured retention and deductible levels. The net assets of the fund are designated for future catastrophic losses.

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claim Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal Year Liability</u>
2009 – 2010	\$1,146,775	\$674,988	\$(2,471,076)	\$649,313
2010 – 2011	649,313	1,509,841	(942,489)	1,216,665
2011 – 2012	1,216,665	845,692	(762,052)	1,300,305

Included above is a liability for incurred but not reported (IBNR) claims of \$50,000. Experience indicates those losses or claims do not go unreported for any significant length of time, therefore, the exposure to IBNR losses or claims is minimal.

The School District maintains a health and medical benefit program which covers permanent employees working more than half time. Starting July 1, The School District retains a major portion of the risk of this plan, and, accordingly, is liable for any employee health claims that are approved for payment. Stop-loss limits are \$200,000 for individual claims and 125% above projected annual cost for aggregate claims. Health and medical claims totaled approximately \$21,247,476 for the year ended June 30, 2012 and consisted of paid claims, stop-loss premiums and administrative fees. Accruals were made based on estimates of health claims at year end, including claims incurred but not reported. Such accruals are accounted for in the Internal Service Fund. A schedule of the changes in the health care claims liability for the three years ended June 30, 2010, 2011 and 2012 follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claim Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal Year Liability</u>
2009 – 2010	\$3,010,768	\$18,285,633	\$(18,041,118)	\$3,255,283
2010 – 2011	3,255,283	17,491,630	(16,523,025)	4,223,888
2011 – 2012	4,223,888	20,804,838	(20,824,726)	4,204,000

NOTE 11 - CONTINGENCIES

From time to time, the District may be a participant in legal proceedings related to the conduct of its business. In the normal course of business, it also has various commitments and contingent liabilities, which are not reflected in the accompanying financial statements. In the opinion of management, any current legal proceedings, commitments or contingent liabilities will not materially affect the financial position of the District.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, would become a liability of the General Fund. In the opinion of management, any disallowed claims will not have a material effect on any fund type of the School District included in the financial statements, as of and for the year ended June 30, 2012.

Unemployment Insurance

The School District finances its participation in the Unemployment Insurance program by reimbursing the program for the actual benefits paid to former employees. As of June 30, 2012, the School District had not recorded a liability for unemployment benefits for persons employed prior to that time as the amount is not currently subject to reasonable estimation. However, in the opinion of management, any unemployment insurance reimbursement claims based on wages paid prior to June 30, 2012, will not have a material effect on the financial statements as of and for the year ended June 30, 2012.

NOTE 12 - SUBSEQUENT EVENTS

The district has no subsequent events to report.

NOTE 13 – NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Of the numerous statements, the following are expected to have some effect on the District's financial reporting. Actual impacts have not yet been determined.

GASB 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position – Effective for year end June 30, 2013 – This statement will result in a change to the government's presentation of proprietary fund statements and government-wide statements from a traditional "Balance Sheet" format to a new "Statement of Net Position" format which will segregate deferred inflows and deferred outflows from assets and liabilities respectively.

GASB 65 – Items Previously Reported as Assets and Liabilities – Effective for year end June 30, 2014 – This statement is a companion to GASB Statement 63 and establishes accounts to be reclassified as deferred inflows and outflows. In addition, certain items previously reported as assets or liabilities will be moved to the income statement. For example, debt issuance costs will no longer be capitalized and amortized but will be expensed as incurred, and certain regulatory assets and liabilities will be reclassified to deferred inflows and outflows.

GASB 68 – Accounting and Financial Reporting for Pensions – Effective for year end June 30, 2015 – This statement will require all governments that participate in defined benefit pension plans to report any "net pension liability" (as newly defined). An additional GASB statement provides guidance for the Plan reporting with a one year earlier implementation.

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REQUIRED SUPPLEMENTARY INFORMATION

MAJOR FUNDS:

Major Governmental Funds – General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance

Major Governmental Funds – Equipment – Schedule of Revenues, Expenditures and Changes in Fund Balance

Major Governmental Funds – State Fiscal Stabilization Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance

Major Governmental Funds – Title I – Schedule of Revenues, Expenditures and Changes in Fund Balance

ADDITIONAL SUPPLEMENTARY INFORMATION

GENERAL FUND:

General Fund Balance Sheet

General Fund Schedule of Changes in Fund Balance

General Fund Schedule of Revenues – Budget (GAAP Basis) and Actual

General Fund Schedule of Expenditures – Budget (GAAP Basis) and Actual

Schedule of Compliance – AS 14.17.505

Schedule of Compliance – AS 14.17.520

EQUIPMENT FUND – SPECIAL REVENUE:

Balance Sheet – Major Fund – Equipment

Major Fund - Equipment - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual

STATE FISCAL STABILIZATION FUND (SFSF) – SPECIAL REVENUE:

Balance Sheet – Major Fund – State Fiscal Stabilization Fund

Major Fund – State Fiscal Stabilization Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual

TITLE I FUND – SPECIAL REVENUE:

Balance Sheet – Major Fund – Title I

Major Fund – Title I - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MAJOR GOVERNMENTAL FUNDS - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Local	\$ 43,251,135	\$ 43,251,135	\$ 43,251,135	\$ -
State	88,360,061	89,775,817	91,374,686	1,598,869
Federal-Through the State	450,000	450,000	343,617	(106,383)
Earnings on Investments	1,000,000	1,000,000	697,556	(302,444)
E-Rate	646,000	646,000	118,707	(527,293)
Other Local Revenues	80,000	80,000	215,525	135,525
Fund Balance Appropriation	3,524,030	521,899	-	(521,899)
Total Revenues	137,311,226	135,724,851	136,001,226	276,375
Expenditures:				
Instruction	66,466,587	64,630,517	64,656,242	(25,725)
Special Education - Instruction	17,240,482	17,676,084	17,676,414	(330)
Special Education Services - Pupil	5,610,091	5,707,676	5,614,026	93,650
Support Services - Pupil	4,263,353	4,120,898	4,238,512	(117,614)
Support Services - Instruction	2,573,574	2,783,320	2,874,235	(90,915)
School Administration	6,784,636	6,255,849	6,223,151	32,698
School Administration - Support	4,321,138	4,505,609	4,546,846	(41,237)
District Administration	1,111,410	1,108,872	1,060,774	48,098
District Administration - Support	5,910,020	7,121,207	6,610,646	510,561
Operations & Maintenance of Plant	20,090,334	21,508,543	21,793,286	(284,743)
Pupil Activities	2,339,601	2,269,517	2,137,608	131,909
Total Expenditures	136,711,226	137,688,092	137,431,740	256,352
Excess (Deficiency) of Revenues over Expenditures	600,000	(1,963,241)	(1,430,514)	532,727
Other Financing Uses:				
Transfers Out - Internal Service Fund	-	-	(889,250)	(889,250)
Transfers Out - Special Revenue Fund	(600,000)	(675,000)	(675,000)	-
Total Other Financing Uses:	(600,000)	(675,000)	(1,564,250)	(889,250)
Net Changes in Fund Balances	\$ -	\$ (2,638,241)	(2,994,764)	\$ (356,523)
Fund Balance, Beginning of Year			23,359,042	
Fund Balance, End of Year			\$ 20,364,278	

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 MAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS - EQUIPMENT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Earnings on Investment	\$ -	\$ -	\$ 200,883	\$ 200,883
Expenditures:				
Instruction	6,124,381	6,151,081	146,338	6,004,743
Operations & Maintenance of Plant	-	344,535	1,043,654	(699,119)
Total Expenditures	<u>6,124,381</u>	<u>6,495,616</u>	<u>1,189,992</u>	<u>5,305,624</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (6,124,381)</u>	<u>\$ (6,495,616)</u>	\$ (989,109)	<u>\$ 5,506,507</u>
Fund Balances, Beginning of Year			<u>6,495,616</u>	
Fund Balances, End of Year			<u>\$ 5,506,507</u>	

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS - STATE FISCAL STABILIZATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal-Through the State	385,097	385,097	385,097	-
Expenditures:				
Instruction	366,969	370,579	370,579	-
District Administration - Support	18,128	14,518	14,518	-
Total Expenditures	385,097	385,097	385,097	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances, Beginning of Year			-	
Fund Balances, End of Year			<u>\$ -</u>	

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS - TITLE I
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal-Through the State	4,303,618	4,341,772	3,776,208	(565,564)
Expenditures:				
Instruction	4,219,268	4,161,283	3,604,058	557,225
Support Services - Instruction	-	-	8,507	(8,507)
District Administration - Support	84,350	180,489	161,354	19,135
Operations & Maintenance of Plant	-	-	2,289	(2,289)
Total Expenditures	4,303,618	4,341,772	3,776,208	565,564
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	\$ -	<u>\$ -</u>
Fund Balances, Beginning of Year			-	
Fund Balances, End of Year			<u>\$ -</u>	

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
BALANCE SHEET
For the Years Ended June 30, 2012 and 2011

<u>ASSETS</u>	<u>2012</u>	<u>2011</u>
Cash on hand	\$ 25,239	\$ 25,239
Equity in Central Treasury	22,665,467	26,994,021
Equity in Central Treasury - Restricted for Health Care	-	2,921,298
Accounts receivable	216,832	277,987
Prepaid Items	1,257,300	1,435,699
Due from Special Revenue Funds	3,459,466	4,384,590
Inventory	<u>721,310</u>	<u>724,976</u>
Total Assets	<u>\$ 28,345,614</u>	<u>\$ 36,763,810</u>
 <u>LIABILITIES AND FUND BALANCE</u> 		
Liabilities:		
Accounts payable	<u>\$ 777,473</u>	<u>\$ 674,091</u>
Accrued liabilities:		
Payroll	5,140,332	4,959,812
Retirement	102,662	129,476
Payroll taxes	1,920,202	1,871,781
Payroll deductions	40,667	37,460
Health	<u>-</u>	<u>5,732,148</u>
Total Accrued Liabilities	<u>7,203,863</u>	<u>12,730,677</u>
Total Liabilities	<u>7,981,336</u>	<u>13,404,768</u>
Fund Balance:		
Nonspendable	1,978,610	2,160,675
Restricted	983,984	892,467
Assigned	10,593,166	14,513,862
Unassigned	<u>6,808,518</u>	<u>5,792,038</u>
Total Fund Balance	<u>20,364,278</u>	<u>23,359,042</u>
Total Liabilities and Fund Balance	<u>\$ 28,345,614</u>	<u>\$ 36,763,810</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF CHANGES IN FUND BALANCE
For the Years Ended June 30, 2012 and 2011

	2012	2011
Fund Balance, Beginning of Year	\$ 23,359,042	\$ 21,001,365
Add Revenues and Other Financing Sources	136,001,226	127,298,598
Deduct Expenditures and Other Financing Uses	(138,995,990)	(124,940,921)
Fund Balance, End of Year	\$ 20,364,278	\$ 23,359,042

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance Positive (Negative)	
Revenues:					
Local:					
Kenai Peninsula Borough - Direct Appropriation	\$ 33,856,773	\$ 33,666,882	\$ 33,666,882	\$ -	\$ 33,193,773
Kenai Peninsula Borough - In-Kind Services	9,394,362	9,584,253	9,584,253	-	9,394,362
Total Local	\$ 43,251,135	43,251,135	43,251,135	-	42,588,135
State:					
Public School Funding	71,884,803	73,300,482	73,300,483	1	69,123,351
LOG/Quality Schools	270,312	270,389	270,389	-	263,359
Retirement: TRS On-Behalf	14,767,184	14,767,184	15,417,040	649,856	12,261,269
Retirement: PERS On-Behalf	1,437,762	1,437,762	2,053,581	615,819	1,354,014
Retirement: PERS On-Behalf Passed Through KPB	-	-	333,193	333,193	-
Total State	88,360,061	89,775,817	91,374,686	1,598,869	83,001,993
Federal - Through the State:					
Medicaid - Direct Reimbursement	450,000	450,000	337,928	(112,072)	536,913
Medicaid - Allowance: State of Alaska	-	-	5,689	5,689	56,583
Total Federal - Through the State	450,000	450,000	343,617	(106,383)	593,496
Earnings on Investments	1,000,000	1,000,000	697,556	(302,444)	378,916
E-Rate	646,000	646,000	118,707	(527,293)	591,046
Other Local Revenues:					
Facilities Rental	30,000	30,000	35,000	5,000	43,050
Miscellaneous	50,000	50,000	180,525	130,525	101,962
Total Other Local Revenues:	80,000	80,000	215,525	135,525	145,012
Total Revenues	133,787,196	135,202,952	136,001,226	798,274	127,298,598
Other Financing Sources:					
Fund Balance Appropriation	3,524,030	521,899	-	(521,899)	-
Total Revenues and Other Financing Sources	\$ 137,311,226	\$ 135,724,851	\$ 136,001,226	\$ 276,375	\$ 127,298,598

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Regular Instruction:					
Certified Salaries	\$ 32,930,285	\$ 31,982,406	\$ 31,855,952	\$ 126,454	\$ 31,023,409
Non-Certified Salaries	2,410,343	2,371,482	2,417,882	(46,400)	2,256,307
Employee Benefits	23,696,414	22,901,903	23,458,351	(556,448)	21,201,586
Professional-Technical Services	152,465	243,730	212,795	30,935	194,546
Travel	217,334	205,967	159,777	46,190	131,557
Student Travel	19,627	38,882	33,452	5,430	25,684
Utility Services	18,248	251,798	250,312	1,486	67,272
Purchased Services	1,047,371	552,182	467,745	84,437	564,645
Supplies and Materials	3,498,658	4,681,994	4,561,902	120,092	2,942,978
Other Expenses	1,161,542	341,121	129,003	212,118	108,211
Equipment	1,314,300	1,059,052	1,109,071	(50,019)	1,267,535
	<u>66,466,587</u>	<u>64,630,517</u>	<u>64,656,242</u>	<u>(25,725)</u>	<u>59,783,730</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Special Education Instruction:					
Certified Salaries	\$ 6,503,240	\$ 6,232,043	\$ 6,211,968	\$ 20,075	\$ 5,932,144
Non-Certified Salaries	3,411,367	3,636,695	3,616,764	19,931	2,568,383
Employee Benefits	7,040,019	7,056,156	7,337,970	(281,814)	5,669,934
Professional-Technical Services	9,568	25,724	22,750	2,974	9,483
Travel	41,396	42,647	39,818	2,829	27,189
Student Travel	8,501	2,225	1,905	320	1,745
Utility Services	-	537	626	(89)	1,219
Purchased Services	2,811	292	288	4	3,120
Supplies and Materials	82,967	475,750	290,964	184,786	78,260
Other Expenses	140,613	136,032	136,031	1	202,471
Equipment	-	67,983	17,330	50,653	817
	<u>17,240,482</u>	<u>17,676,084</u>	<u>17,676,414</u>	<u>(330)</u>	<u>14,494,765</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Special Education Services - Pupil:					
Certified Salaries	\$ 2,644,642	\$ 2,732,320	\$ 2,715,805	\$ 16,515	\$ 2,430,847
Non-Certified Salaries	331,584	292,745	293,878	(1,133)	297,198
Employee Benefits	1,913,317	1,921,117	1,964,901	(43,784)	1,606,115
Professional-Technical Services	587,186	562,424	463,945	98,479	552,041
Travel	80,627	91,647	91,235	412	79,399
Utility Services	4,938	4,883	4,189	694	3,868
Purchased Services	8,871	2,022	2,021	1	6,844
Supplies and Materials	35,714	60,929	38,463	22,466	39,510
Other Expenses	3,212	1,816	1,816	-	535
Equipment	-	37,773	37,773	-	500
	<u>5,610,091</u>	<u>5,707,676</u>	<u>5,614,026</u>	<u>93,650</u>	<u>5,016,857</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2012
 With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Support Services - Pupil:					
Certified Salaries	\$ 996,260	\$ 1,026,583	\$ 1,024,441	\$ 2,142	\$ 1,008,673
Non-Certified Salaries	1,436,103	1,338,340	1,335,136	3,204	1,264,872
Employee Benefits	1,718,041	1,634,793	1,775,179	(140,386)	1,507,153
Professional-Technical Services	4,000	400	100	300	100
Travel	56,272	55,599	51,043	4,556	49,754
Student Travel	-	1,700	1,201	499	-
Utility Services	2,622	634	630	4	603
Purchased Services	8,240	10,503	3,194	7,309	2,906
Supplies and Materials	33,967	49,745	46,029	3,716	47,380
Other Expenses	7,848	1,548	506	1,042	6,481
Equipment	-	1,053	1,053	-	5,071
	<u>4,263,353</u>	<u>4,120,898</u>	<u>4,238,512</u>	<u>(117,614)</u>	<u>3,892,993</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Support Services - Instruction:					
Certified Salaries	\$ 894,025	\$ 908,622	\$ 909,659	\$ (1,037)	\$ 895,492
Non-Certified Salaries	483,835	502,231	504,231	(2,000)	447,698
Employee Benefits	894,650	880,319	1,046,600	(166,281)	801,145
Professional-Technical Services	28,212	60,568	51,997	8,571	7,655
Travel	37,579	91,585	77,692	13,893	46,190
Student Travel	500	500	183	317	1,811
Utility Services	9,064	10,658	10,105	553	6,568
Purchased Services	42,004	86,206	56,673	29,533	31,922
Supplies and Materials	174,855	147,551	136,831	10,720	94,273
Other Expenses	6,850	3,425	1,629	1,796	3,050
Equipment	2,000	91,655	78,635	13,020	5,866
	<u>2,573,574</u>	<u>2,783,320</u>	<u>2,874,235</u>	<u>(90,915)</u>	<u>2,341,670</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
School Administration:					
Certified Salaries	\$ 4,342,571	\$ 3,874,913	\$ 3,867,947	\$ 6,966	\$ 4,110,131
Non-Certified Salaries	14,724	11,777	11,772	5	13,543
Employee Benefits	2,301,421	2,234,843	2,219,357	15,486	1,979,393
Professional - Technical Services	650	651	416	235	300
Travel	65,375	88,803	82,008	6,795	73,122
Utility Services	500	500	51	449	-
Supplies and Materials	13,540	9,667	6,955	2,712	7,258
Other Expenses	32,855	32,555	31,806	749	31,878
Equipment	13,000	2,140	2,839	(699)	1,283
	<u>6,784,636</u>	<u>6,255,849</u>	<u>6,223,151</u>	<u>32,698</u>	<u>6,216,908</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012			Variance- Positive (Negative)	2011 Actual
	Original Budget	Current Budget	Actual		
School Administration - Support:					
Certified Salaries	\$ -	\$ 137,954	\$ 137,954	-	\$ -
Non-Certified Salaries	2,086,948	2,062,571	2,048,522	14,049	2,029,019
Employee Benefits	1,608,855	1,605,215	1,678,091	(72,876)	1,499,654
Professional - Technical Services	-	182	182	-	-
Travel	6,275	13,236	11,853	1,383	10,407
Utility Services	514,820	535,559	527,183	8,376	479,148
Purchased Services	12,090	20,516	17,867	2,649	14,720
Supplies And Materials	64,486	85,586	85,742	(156)	68,807
Other Expenses	19,864	23,149	18,841	4,308	22,300
Equipment	7,800	21,641	20,611	1,030	6,350
	<u>4,321,138</u>	<u>4,505,609</u>	<u>4,546,846</u>	<u>(41,237)</u>	<u>4,130,405</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
District Administration:					
Certified Salaries	\$ 271,069	\$ 266,272	\$ 266,272	\$ -	\$ 255,931
Non-Certified Salaries	202,036	181,611	213,251	(31,640)	191,199
Employee Benefits	324,647	314,526	320,362	(5,836)	286,814
Professional-Technical Services	104,130	134,766	77,483	57,283	54,537
Travel	76,773	79,213	72,542	6,671	58,769
Utility Services	19,483	20,056	17,441	2,615	14,242
Purchased Services	13,470	18,428	7,009	11,419	5,755
Supplies and Materials	20,675	26,664	18,347	8,317	20,381
Tuition and Stipends	42,000	33,800	33,600	200	33,600
Other Expenses	37,127	33,536	33,483	53	29,341
Equipment	-	-	984	(984)	27,352
	<u>1,111,410</u>	<u>1,108,872</u>	<u>1,060,774</u>	<u>48,098</u>	<u>977,921</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
District Administrative Support Services:					
Certified Salaries	\$ 252,680	\$ 285,758	\$ 285,759	\$ (1)	\$ 267,152
Non-Certified Salaries	2,225,447	2,151,107	2,214,441	(63,334)	2,132,725
Employee Benefits	1,443,125	1,383,272	1,442,568	(59,296)	1,295,028
Professional-Technical Services	128,384	169,419	161,240	8,179	142,197
Travel	97,038	123,016	108,413	14,603	82,244
Utility Services	44,778	35,439	32,594	2,845	172,851
Purchased Services	302,838	1,088,221	940,336	147,885	290,138
Insurance Premiums	851,996	888,165	902,163	(13,998)	851,996
Supplies and Materials	211,069	307,864	318,364	(10,500)	324,658
Other Expenses	121,466	33,936	27,724	6,212	31,745
Indirect Costs	125,575	125,575	(343,629)	469,204	(481,665)
Equipment	105,624	529,435	520,673	8,762	282,398
	<u>5,910,020</u>	<u>7,121,207</u>	<u>6,610,646</u>	<u>510,561</u>	<u>5,391,467</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Operation and Maintenance of Plant:					
Certified Salaries	\$ -	\$ 60	\$ 60	\$ -	\$ 60
Non-Certified Salaries	3,300,931	3,014,099	3,041,191	(27,092)	3,040,824
Employee Benefits	2,419,770	2,315,568	2,739,907	(424,339)	2,169,703
Professional-Technical Services	-	-	1,229	(1,229)	-
Travel	15,400	6,709	5,244	1,465	3,948
Utility Services	396,498	345,714	356,853	(11,139)	328,229
Energy	5,643,834	5,889,504	5,929,922	(40,418)	5,593,378
Purchased Services	7,144,423	8,182,512	8,006,420	176,092	7,166,476
Insurance Premiums	805,969	970,747	956,749	13,998	1,026,438
Supplies and Materials	322,927	480,568	485,895	(5,327)	409,526
Other Expenses	40,582	1,000	1,735	(735)	(2,659)
Equipment	-	302,062	268,081	33,981	479,201
	<u>20,090,334</u>	<u>21,508,543</u>	<u>21,793,286</u>	<u>(284,743)</u>	<u>20,215,124</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2012
 With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Pupil Activity:					
Certified Salaries	\$ 1,139,306	\$ 776,358	\$ 775,614	\$ 744	\$ 825,624
Non-Certified Salaries	204,685	430,434	433,133	(2,699)	462,267
Employee Benefits	546,655	502,189	412,664	89,525	390,810
Professional - Technical Services	750	750	-	750	10,000
Travel	3,800	11,300	10,512	788	9,036
Student Travel	301,834	358,343	342,849	15,494	297,164
Utility Services	83	83	-	83	-
Purchased Services	90,800	45,409	42,631	2,778	24,293
Supplies and Materials	11,123	88,525	68,008	20,517	53,343
Other Expenses	40,565	39,532	35,605	3,927	37,659
Equipment	-	16,594	16,592	2	6,781
	<u>2,339,601</u>	<u>2,269,517</u>	<u>2,137,608</u>	<u>131,909</u>	<u>2,116,977</u>
 Total Expenditures	 <u>136,711,226</u>	 <u>137,688,092</u>	 <u>137,431,740</u>	 <u>256,352</u>	 <u>124,578,817</u>
Other Financing Uses:					
Transfer To Internal Health Care Fund	-	-	889,250	(889,250)	-
Transfer To Community Theater Fund	-	75,000	75,000	-	22,104
Transfer To Food Service Fund	600,000	600,000	600,000	-	140,000
Transfer To Pupil Transportation Fund	-	-	-	-	200,000
Total Other Financing Uses	<u>600,000</u>	<u>675,000</u>	<u>1,564,250</u>	<u>(889,250)</u>	<u>362,104</u>
 Total Expenditures and Other Financing Uses	 <u>\$ 137,311,226</u>	 <u>\$ 138,363,092</u>	 <u>\$ 138,995,990</u>	 <u>\$ (632,898)</u>	 <u>\$ 124,940,921</u>

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 SCHEDULE OF COMPLIANCE - AS 14.17.505
 Year Ended June 30, 2012

Total fund balance - School Operating Fund		\$ 20,364,278
less exemptions per 4 ACC 09.160(a)		
Encumbrances		630,143
Inventory		721,310
Prepaid items		1,257,300
Self insurance		<u>5,994,173</u>
Total exemptions		8,602,926
Fund balance subject to 10% limitation		<u><u>\$ 11,761,352</u></u>

Nonexempt fund balance as a percentage of current year expenditures:

Fund balance subject to limitation		11,761,352			
	=		=	<u>8.56%</u>	
Current year expenditures		137,431,740			

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 SCHEDULE OF COMPLIANCE - AS 14.17.520
 Year Ended June 30, 2012

Instruction:

Regular Instruction	\$ 64,656,242	
Special Education Instruction	17,676,414	
Special Education Services - Pupil	5,614,026	
Support Services - Pupil	4,238,512	
Support Services - Instruction	2,874,235	
School Administration	<u>6,223,151</u>	
Total Instruction	<u>101,282,580</u>	73.70%

Non-Instruction:

School Administration - Support	4,546,846	
District Administration	1,060,774	
District Administration - Support Services	6,610,646	
Operation of Plant	21,793,286	
Pupil Activities	<u>2,137,608</u>	
Total Non-Instruction	<u>36,149,160</u>	26.30%
Total Expenditures	<u>137,431,740</u>	

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 BALANCE SHEET - MAJOR FUND - EQUIPMENT
 June 30, 2012

With Comparative Totals as of June 30, 2011

	2012	2011
ASSETS		
Equity in Central Treasury	\$ 5,506,507	\$ 6,495,654
Total Assets	\$ 5,506,507	\$ 6,495,654
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ -	\$ 38
Due to General Fund	-	-
Total Liabilities	-	38
Assigned	5,506,507	6,495,616
Total Fund Balance:	5,506,507	6,495,616
 Total Liabilities and Fund Balances	 \$ 5,506,507	 \$ 6,495,654

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MAJOR FUND - EQUIPMENT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Earnings on Investments	\$ -	\$ -	\$ 200,883	\$ 200,883	\$ 458,819
Expenditures					
Regular Instruction:					
Supplies and Materials	-	11,166	23,190	(12,024)	20,547
Equipment	6,124,381	6,139,915	123,148	6,016,767	79,277
Total Regular Instruction	6,124,381	6,151,081	146,338	6,004,743	99,824
Support Services - Instruction:					
Supplies	-	-	-	-	12,464
Operation and Maintenance of Plant:					
Professional - Technical Service	-	-	-	-	363,775
Purchased Services	-	33,967	33,217	750	51,671
Supplies and Materials	-	116,402	304,697	(188,295)	10,819
Equipment	-	194,166	705,740	(511,574)	21,635
Total Operation and Maintenance of Plant	-	344,535	1,043,654	(699,119)	447,900
Total Expenditures	6,124,381	6,495,616	1,189,992	5,305,624	560,188
Excess (Deficiency) of Revenues Over Expenditures	\$ (6,124,381)	\$ (6,495,616)	(989,109)	\$ (5,104,741)	(101,369)
Fund Balance, Beginning of Year			6,495,616		6,596,985
Fund Balance, End of Year			\$ 5,506,507		\$ 6,495,616

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 BALANCE SHEET - MAJOR FUND - STATE FISCAL STABILIZATION FUND
 June 30, 2012

With Comparative Totals as of June 30, 2011

	2012	2011
ASSETS		
Assets:		
Due from other Governments	\$ -	\$ 721,753
Total Assets	\$ -	\$ 721,753
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ -	\$ 848
Due to General Fund	-	720,905
Total Liabilities	-	721,753
Fund Balance:	-	-
Total Liabilities and Fund Balances	\$ -	\$ 721,753

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MAJOR FUND - STATE FISCAL STABILIZATION FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 385,097	\$ 385,097	\$ 385,097	\$ -	\$ 2,572,579
Expenditures:					
Regular Instruction					
Certified Salaries	-	29,695	29,695	-	302,432
Non-Certified Salaries	-	13,112	13,112	-	34,260
Employee Benefits	-	14,887	14,886	1	81,784
Professional - Technical Service	-	20,500	20,500	-	94,019
Staff Travel	-	72,383	72,383	-	167,855
Utility Services	-	-	-	-	20
Purchased Services	-	13,880	13,880	-	43,361
Supplies and Materials	-	129,437	129,438	(1)	510,220
Other Expenses	366,969	-	-	-	-
Equipment	-	76,685	76,685	-	1,280,879
Total Regular Instruction	366,969	370,579	370,579	-	2,514,830
District Administration Support Services					
Indirect Costs	18,128	14,518	14,518	-	57,749
Total Expenditures	385,097	385,097	385,097	-	2,572,579
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
BALANCE SHEET - MAJOR FUND - TITLE I
June 30, 2012

With Comparative Totals as of June 30, 2011

	2012	2011
ASSETS		
Assets:		
Accounts Receivable	\$ -	\$ 1,680
Due from other Governments	1,589,223	1,511,236
Total Assets	\$ 1,589,223	\$ 1,512,916
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ (407)	\$ 355
Due to General Fund	1,589,630	1,512,561
Total Liabilities	1,589,223	1,512,916
Fund Balance:	-	-
Total Liabilities and Fund Balances	\$ 1,589,223	\$ 1,512,916

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 MAJOR FUND - TITLE I
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2012
 With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 4,303,618	\$ 4,341,772	\$ 3,776,208	\$ (565,564)	\$ 3,716,084
Expenditures:					
Regular Instruction					
Certified Salaries	1,453,282	1,747,317	1,719,331	27,986	1,882,706
Non-Certified Salaries	244,200	238,939	228,244	10,695	215,647
Employee Benefits	613,482	693,097	672,488	20,609	762,190
Professional - Technical Service	605,975	753,501	339,719	413,782	296,818
Staff Travel	79,097	328,921	275,697	53,224	146,874
Student Travel	25,360	2,429	2,420	9	1,065
Utility Services	6,500	3,861	3,857	4	2,860
Purchased Services	6,500	138,400	119,459	18,941	92,885
Supplies and Materials	77,188	193,438	183,153	10,285	99,192
Other Expenses	1,099,684	17,530	17,484	46	19,919
Equipment	8,000	43,850	42,206	1,644	38,194
Total Regular Instruction	4,219,268	4,161,283	3,604,058	557,225	3,558,350
Support Services - Pupil					
Non-Certified Salaries	-	-	-	-	4,996
Employee Benefits	-	-	-	-	396
Total Support Services - Pupil	-	-	-	-	5,392
Support Services - Instruction					
Non-Certified Salaries	-	-	7,783	(7,783)	-
Employee Benefits	-	-	724	(724)	-
Total Support Services - Instruction	-	-	8,507	(8,507)	-
District Administration Support Services					
Indirect Costs	84,350	180,489	161,354	19,135	152,342
Operation and Maintenance of Plant					
Non-Certified Salaries	-	-	2,126	(2,126)	-
Employee Benefits	-	-	163	(163)	-
Total Operation and Maintenance of Plant	-	-	2,289	(2,289)	-
Total Expenditures	4,303,618	4,341,772	3,776,208	565,564	3,716,084
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

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NON-MAJOR FUNDS – SPECIAL REVENUE FUNDS

Special Revenue Funds

Combining Balance Sheet Non-Major Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Special Revenue Funds

These funds account for revenues from specific revenue sources including food sales, grants from the State of Alaska and the United States government, and transfers from the general fund which are designated to finance particular functions and activities.

Funds included in the special revenue category are:

Alaska Works - CEF	Migrant Education
Artist in Schools	Principal Coach
ASDN Leadership	Pupil Transportation
AASB Artist Tops	School Improvement
Building Trades	Staff Development Mini-Grants
Career and Technical Education	Statewide Alaska Mentorship
Carl Perkins – Basic	Title I-A, ARRA
Community Theater	Title I-D, Delinquent
Corporate & Miscellaneous Grants	Title II-D, ARRA
Education Jobs	Title VI-B, IDEA
Food Service	Title VI-B, IDEA, ARRA
Food Service - FFVP	Title VII, Indian Education
Gear Up Kenai Peninsula	Upward Bound
Governor's Alternative Schools	Youth First
Legislative Equipment Fund	Youth in Detention
McKinney – Vento Homeless	Youth Risk Behavior Survey
McKinney – Vento Homeless, ARRA	

SPECIAL REVENUE FUNDS

Alaska Works – Construction Education Foundation (CEF) grant is an Alaska Department of Labor funded project that supports our District's after school construction academies.

Artists in Schools is an Alaska State Council on the Arts grant that supports bringing Artists into our schools.

Alaska Staff Development Network (ASDN) - Leadership is a grant that supports the Rural Alaska Principal Preparation and Support project throughout Rural Alaska.

Association of Alaska School Boards (AASB) - Artist Tops is a grant that engages young people through the arts.

Building Trades was established as a vocational education program to teach students the vocational skills required for constructing houses.

Career and Technical Education grant is an Alaska Department of Labor and Workforce development project to assure students have opportunities for quality vocational training and education.

Carl Perkins - Basic programs provide improved vocational education for economically disadvantaged, physically challenged, English language learners, seasonal migrant families, at-risk students, parenting and/or pregnant youth, and students of under-represented minorities and gender.

Community Theater fund was established to account for community use of three theaters in the Central Peninsula area.

Corporate and Miscellaneous Grants encompass funds received from private businesses and State organizations and are most commonly grant awards for teacher-written grants for the classroom.

Education Jobs grant is a Federal Program that provides assistance to School Districts to save or create education jobs.

Food Service programs provide for daily lunches to students and staff.

Food Service – Fresh Fruit & Vegetable Program (FFVP) is designed to provide additional support to the daily breakfast and lunch program at two locations in our District.

Gear Up Kenai Peninsula provides academic and career support for students who are not achieving at their true potential and are economically disadvantaged. Students receive academic and career support and families receive information on post secondary planning within their means.

Governor's Alternative Schools grant will promote the health, fitness and nutritional needs of students for healthier lifestyles.

Legislative Equipment Fund through SB46 awarded direct funding for schools to be used for equipment, curriculum, critical incident supplies and other items needed for school programs.

McKinney-Vento Homeless grant funds are used to facilitate the enrollment, attendance, retention and educational success of homeless students throughout the district.

McKinney-Vento Homeless, American Recovery and Reinvestment Act (ARRA) grant funds are used to facilitate the enrollment, attendance, retention and educational success of homeless students throughout the district

Migrant Education grant provides additional resources to Migrant eligible students.

Principal Coach is a program funded by the State of Alaska Department of Education and Early Development for superintendents and school-site administrators new to the profession or new to the state with less than two years experience in Alaska.

Pupil Transportation programs provide for transporting students to and from school.

School Improvement grants are designed to help turn around low performing schools.

Staff Development Mini-Grants provide funding for travel costs of employees attending meetings and conferences sponsored by the State Department of Education.

Statewide Alaska Mentorship is a program funded by EED, providing three full-time positions for teacher mentors in our district. By mentoring new teachers, Alaska can improve the quality of instruction, increase teacher retention and improve student achievement.

Title I-A, American Recovery and Reinvestment Act (ARRA) grant provides for a supplemental academic program to children who are not on target to meet the state's content performance standard.

Title I-D, Delinquent grant provides funds for transition services to incarcerated and adjudicated youth. Program activities include personal support as they re-enter public school, and career exploration support as well as training in healthy leisure time activities.

Title II-D, American Recovery and Reinvestment Act (ARRA) grants purpose is to increase technological literacy of students, and to increase the capacity of teachers to integrate technology into teaching and learning.

Title VI-B, Individuals with Disabilities Education Act (IDEA) grant provides funds for the overall improvement of service for students receiving Special Education.

Title VI-B, Individuals with Disabilities Education Act (IDEA), ARRA grant provides funds for the overall improvement of service for students receiving Special Education.

Title VII, Indian Education programs provide math, reading, writing, and study skills tutorials to eligible Alaska Native and/or Native American students.

Upward Bound is a program designed to assist students with college potential who need additional academic preparation, advisement, and encouragement to succeed in high school and later, in college.

Youth First is a grant funded by Alaska Department of Labor to support vocational courses provided through the Workforce Development Center.

Youth in Detention grant provides the additional funding for the extended instructional, administrative, and operational activities associated with a year-round school program for incarcerated students.

Youth Risk Behavior Survey provides incentive funds to schools to encourage the participation in a statewide survey.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
 June 30, 2012
 With Comparative Totals as of June 30, 2011

	Alaska Works CEF	ASDN Leadership	Building Trades	Carl Perkins Basic
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other Governments	63,005	2,242	-	104,503
Inventory	-	-	60,618	-
Total Assets	\$ 63,005	\$ 2,242	\$ 60,618	\$ 104,503
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ 421
Due to General Fund	63,005	2,242	44,976	104,082
Total Liabilities	63,005	2,242	44,976	104,503
Fund Balances:				
Nonspendable	-	-	60,618	-
Assigned	-	-	-	-
Unassigned	-	-	(44,976)	-
Total Fund Balances	-	-	15,642	-
Total Liabilities and Fund Balances	\$ 63,005	\$ 2,242	\$ 60,618	\$ 104,503

Continued

	Community Theater	Corporate & Miscellaneous Grants	Education Jobs	Food Service
ASSETS				
Equity in Central Treasury	\$ 48,962	\$ 2,891	\$ -	\$ 125,094
Accounts receivable	5,575	500	-	-
Due from other Governments	-	-	477,502	-
Inventory	-	-	-	305,941
Total Assets	<u>\$ 54,537</u>	<u>\$ 3,391</u>	<u>\$ 477,502</u>	<u>\$ 431,035</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ 350	\$ -	\$ -
Due to General Fund	-	-	477,502	-
Total Liabilities	<u>-</u>	<u>350</u>	<u>477,502</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	305,941
Assigned	54,537	3,041	-	125,094
Unassigned	-	-	-	-
Total Fund Balances	<u>54,537</u>	<u>3,041</u>	<u>-</u>	<u>431,035</u>
Total Liabilities and Fund Balances	<u>\$ 54,537</u>	<u>\$ 3,391</u>	<u>\$ 477,502</u>	<u>\$ 431,035</u>

Continued

	Gear - Up Kenai	Governor's Alternative	McKinney-Vento Homeless	Migrant Education
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other Governments	45,093	17,292	767	3,101
Inventory	-	-	-	-
Total Assets	\$ 45,093	\$ 17,292	\$ 767	\$ 3,101
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to General Fund	45,093	17,292	767	3,101
Total Liabilities	45,093	17,292	767	3,101
Fund Balances:				
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	\$ 45,093	\$ 17,292	\$ 767	\$ 3,101

Continued

	Principal Coach	Pupil Transportaion	School Improvement	Staff Development Mini-Grants
ASSETS				
Equity in Central Treasury	\$ -	\$ 1,107,453	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other Governments	168,801	-	1,238	1,652
Inventory	-	-	-	-
Total Assets	<u>\$ 168,801</u>	<u>\$ 1,107,453</u>	<u>\$ 1,238</u>	<u>\$ 1,652</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ 13,180	\$ -	\$ -
Due to General Fund	168,801	-	1,238	1,652
Total Liabilities	<u>168,801</u>	<u>13,180</u>	<u>1,238</u>	<u>1,652</u>
Fund Balances:				
Nonspendable	-	-	-	-
Assigned	-	1,094,273	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>1,094,273</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 168,801</u>	<u>\$ 1,107,453</u>	<u>\$ 1,238</u>	<u>\$ 1,652</u>

Continued

	Title I-D Delinquent	Title VI-B IDEA	Title VII Indian Education	Youth First
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other Governments	15,683	769,008	136,728	18,666
Inventory	-	-	-	-
Total Assets	\$ 15,683	\$ 769,008	\$ 136,728	\$ 18,666
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to General Fund	15,683	769,008	136,728	18,666
Total Liabilities	15,683	769,008	136,728	18,666
Fund Balances:				
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	\$ 15,683	\$ 769,008	\$ 136,728	\$ 18,666

Concluded

	<u>Youth in Detention</u>	<u>Total June 30, 2012</u>	<u>Total June 30, 2011</u>
ASSETS			
Equity in Central Treasury	\$ 1,263	\$ 1,285,663	\$ 1,331,304
Accounts receivable	-	6,075	3,230
Due from other Governments	-	1,825,281	2,103,162
Inventory	-	366,559	284,397
	<u>1,263</u>	<u>3,483,578</u>	<u>3,722,093</u>
Total Assets	<u>\$ 1,263</u>	<u>\$ 3,483,578</u>	<u>\$ 3,722,093</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 1,263	\$ 15,214	\$ 39,919
Due to General Fund	-	1,869,836	2,151,124
	<u>1,263</u>	<u>1,885,050</u>	<u>2,191,043</u>
Total Liabilities	<u>1,263</u>	<u>1,885,050</u>	<u>2,191,043</u>
Fund Balances:			
Nonspendable	-	366,559	239,421
Assigned	-	1,276,945	1,291,629
Unassigned	-	(44,976)	-
	<u>-</u>	<u>1,598,528</u>	<u>1,531,050</u>
Total Fund Balances	<u>-</u>	<u>1,598,528</u>	<u>1,531,050</u>
Total Liabilities and Fund Balances	<u>\$ 1,263</u>	<u>\$ 3,483,578</u>	<u>\$ 3,722,093</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2012

With Comparative Totals for Year Ended June 30, 2011

	Alaska Works CEF	Artist in Schools	ASDN Leadership	AASB Artist Tops
Revenues:				
Local	\$ -	\$ -	\$ -	\$ -
State	-	335	-	-
Federal-Direct	-	-	-	-
Federal-Through the State	-	335	26,524	6,795
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	147,290	1,638	-	-
Total Revenues	<u>147,290</u>	<u>2,308</u>	<u>26,524</u>	<u>6,795</u>
Expenditures:				
Current:				
Regular Instruction	140,380	2,308	-	6,795
Special Education - Instruction	-	-	-	-
Support Services - Pupil	-	-	-	-
Support Services - Instruction	-	-	-	-
School Administration	-	-	26,524	-
School Administration - Support	-	-	-	-
Operation of plant	-	-	-	-
Pupil Activity	-	-	-	-
Community services	-	-	-	-
District Administration Support Services	6,910	-	-	-
Pupil transportation	-	-	-	-
Food services	-	-	-	-
Total Expenditures	<u>147,290</u>	<u>2,308</u>	<u>26,524</u>	<u>6,795</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes In Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Continued

	Building Trades	Career & Technical Education	Carl Perkins - Basic	Community Theater
Revenues:				
Local	\$ -	\$ -	\$ -	\$ -
State	-	25,562	-	-
Federal-Direct	-	-	-	-
Federal-Through the State	-	-	250,081	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	44,030
Other Local	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	25,562	250,081	44,030
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
Regular Instruction	-	-	239,042	-
Special Education - Instruction	-	-	-	-
Support Services - Pupil	-	-	-	-
Support Services - Instruction	-	25,562	-	-
School Administration	-	-	-	-
School Administration - Support	-	-	-	-
Operation of plant	-	-	-	-
Pupil Activity	-	-	-	-
Community services	-	-	-	64,493
District Administration Support Services	-	-	11,039	-
Pupil transportation	-	-	-	-
Food services	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	25,562	250,081	64,493
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues over Expenditures	-	-	-	(20,463)
	<hr/>	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses):				
Transfers in	-	-	-	75,000
Transfers Out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses):	-	-	-	75,000
	<hr/>	<hr/>	<hr/>	<hr/>
Net Changes In Fund Balances	-	-	-	54,537
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances, Beginning of Year	15,642	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances, End of Year	\$ 15,642	\$ -	\$ -	\$ 54,537
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Continued

	Corporate & Miscellaneous Grants	Education Jobs	Food Service	Food Service FFVP
Revenues:				
Local	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-
Federal-Direct	-	-	-	-
Federal-Through the State	-	1,368,815	2,230,241	139,935
Food sales	-	-	781,299	-
Corporate grants and user fees	73,003	-	-	-
Other Local	-	-	3,826	-
Total Revenues	73,003	1,368,815	3,015,366	139,935
Expenditures:				
Current:				
Regular Instruction	37,494	676,757	-	-
Special Education - Instruction	-	-	-	-
Support Services - Pupil	-	74,692	-	-
Support Services - Instruction	-	595,575	-	-
School Administration	-	21,791	-	-
School Administration - Support	-	-	-	-
Operation of plant	-	-	-	-
Pupil Activity	42,518	-	-	-
Community services	-	-	-	-
District Administration Support Services	-	-	-	-
Pupil transportation	-	-	-	-
Food services	-	-	3,730,457	139,935
Total Expenditures	80,012	1,368,815	3,730,457	139,935
Excess (Deficiency) of Revenues over Expenditures	(7,009)	-	(715,091)	-
Other Financing Sources (Uses):				
Transfers in	-	-	600,000	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	-	-	600,000	-
Net Changes In Fund Balances	(7,009)	-	(115,091)	-
Fund Balances, Beginning of Year	10,050	-	546,126	-
Fund Balances, End of Year	\$ 3,041	\$ -	\$ 431,035	\$ -

Continued

	Gear Up Kenai Peninsula	Governor's Alternative Schools	McKinney - Vento Homeless	Migrant Education
Revenues:				
Local	\$ -	\$ -	\$ -	\$ -
State	-	26,300	-	-
Federal-Direct	107,127	-	-	-
Federal-Through the State	-	-	14,991	3,101
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	-	-
Total Revenues	107,127	26,300	14,991	3,101
Expenditures:				
Current:				
Regular Instruction	102,084	25,205	14,285	3,080
Special Education - Instruction	-	-	-	-
Support Services - Pupil	-	-	-	-
Support Services - Instruction	-	-	-	-
School Administration	-	-	-	-
School Administration - Support	-	-	-	-
Operation of plant	-	-	-	-
Pupil Activity	-	-	-	-
Community services	-	-	-	-
District Administration Support Services	5,043	1,095	706	21
Pupil transportation	-	-	-	-
Food services	-	-	-	-
Total Expenditures	107,127	26,300	14,991	3,101
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes In Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -

Continued

	Principal Coach	Pupil Transportation	School Improvement	Staff Development Mini-Grants
Revenues:				
Local	\$ -	\$ -	\$ -	\$ -
State	435,489	6,241,927	-	41,027
Federal-Direct	-	-	-	-
Federal-Through the State	-	-	6,291	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	-	-
Total Revenues	435,489	6,241,927	6,291	41,027
Expenditures:				
Current:				
Regular Instruction	-	-	6,291	41,027
Special Education - Instruction	-	-	-	-
Support Services - Pupil	-	-	-	-
Support Services - Instruction	-	-	-	-
School Administration	403,021	-	-	-
School Administration - Support	32,468	-	-	-
Operation of plant	-	-	-	-
Pupil Activity	-	14,482	-	-
Community services	-	-	-	-
District Administration Support Services	-	-	-	-
Pupil transportation	-	6,092,404	-	-
Food services	-	-	-	-
Total Expenditures	435,489	6,106,886	6,291	41,027
Excess (Deficiency) of Revenues over Expenditures	-	135,041	-	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes In Fund Balances	-	135,041	-	-
Fund Balances, Beginning of Year	-	959,232	-	-
Fund Balances, End of Year	\$ -	\$ 1,094,273	\$ -	\$ -

Continued

	Title I-D Delinquent	Title VI-B IDEA	Title VII Indian Education	Upward Bound
Revenues:				
Local	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-
Federal-Direct	-	-	316,983	-
Federal-Through the State	21,707	2,405,687	-	19,707
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	-	-
Total Revenues	21,707	2,405,687	316,983	19,707
Expenditures:				
Current:				
Regular Instruction	20,753	-	302,061	19,707
Special Education - Instruction	-	2,293,005	-	-
Support Services - Pupil	-	-	-	-
Support Services - Instruction	-	-	-	-
School Administration	-	-	-	-
School Administration - Support	-	-	-	-
Operation of plant	-	-	-	-
Pupil Activity	-	-	-	-
Community services	-	-	-	-
District Administration Support Services	954	112,682	14,922	-
Pupil transportation	-	-	-	-
Food services	-	-	-	-
Total Expenditures	21,707	2,405,687	316,983	19,707
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes In Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -

Concluded

	Youth First	Youth In Detention	Total June 30, 2012	Total June 30, 2011
Revenues:				
Local	\$ -	\$ -	\$ -	\$ 189,045
State	80,858	224,690	7,076,188	6,542,513
Federal-Direct	-	-	424,110	377,756
Federal-Through the State	-	-	6,494,210	7,665,331
Food sales	-	-	781,299	853,654
Corporate grants and user fees	-	-	117,033	84,059
Other Local	-	-	152,754	11,634
Total Revenues	80,858	224,690	15,045,594	15,723,992
Expenditures:				
Current:				
Regular Instruction	77,052	214,113	1,928,434	2,291,959
Special Education - Instruction	-	-	2,293,005	3,998,785
Support Services - Pupil	-	-	74,692	-
Support Services - Instruction	-	-	621,137	-
School Administration	-	-	451,336	455,465
School Administration - Support	-	-	32,468	32,402
Operation of plant	-	-	-	29,984
Pupil Activity	-	-	57,000	44,237
Community services	-	-	64,493	64,559
District Administration Support Services	3,806	10,577	167,755	271,574
Pupil transportation	-	-	6,092,404	5,498,915
Food services	-	-	3,870,392	3,433,810
Total Expenditures	80,858	224,690	15,653,116	16,121,690
Excess (Deficiency) of Revenues over Expenditures	-	-	(607,522)	(397,698)
Other Financing Sources (Uses):				
Transfers in	-	-	675,000	362,104
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	-	-	675,000	362,104
Net Changes In Fund Balances	-	-	67,478	(35,594)
Fund Balances, Beginning of Year	-	-	1,531,050	1,566,644
Fund Balances, End of Year	\$ -	\$ -	\$ 1,598,528	\$ 1,531,050

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
ALASKA WORKS - CONSTRUCTION EDUCATION FOUNDATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Other Local	\$ 154,822	\$ 154,822	\$ 147,290	\$ (7,532)	\$ 186,507
Expenditures:					
Regular Instruction					
Certified Salaries	30,000	17,770	17,770	-	29,400
Non-Certified Salaries	32,900	35,100	35,853	(753)	29,005
Employee Benefits	26,373	24,846	24,765	81	25,333
Professional - Technical Services	-	-	-	-	15,268
Staff Travel	2,750	2,230	2,197	33	2,876
Student Travel	1,250	-	-	-	3,800
Purchased Services	-	150	150	-	457
Supplies and Materials	46,804	66,962	59,147	7,815	72,030
Equipment	7,825	499	498	1	-
Total Regular Instruction	<u>147,902</u>	<u>147,557</u>	<u>140,380</u>	<u>7,177</u>	<u>178,169</u>
District Administration Support Services					
Indirect Costs	<u>6,920</u>	<u>7,265</u>	<u>6,910</u>	<u>355</u>	<u>8,338</u>
Total Expenditures	<u>154,822</u>	<u>154,822</u>	<u>147,290</u>	<u>7,532</u>	<u>186,507</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance, Beginning of Year			<u>-</u>		<u>-</u>
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
ARTISTS IN SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 335	\$ 335	\$ 335	\$ -	\$ 3,017
Federal - Through the State	335	335	335	-	360
Other Local	<u>487</u>	<u>1,638</u>	<u>1,638</u>	<u>-</u>	<u>2,538</u>
Total Revenues	<u>1,157</u>	<u>2,308</u>	<u>2,308</u>	<u>-</u>	<u>5,915</u>
Expenditures:					
Regular Instruction					
Certified Salaries	-	-	-	-	90
Employee Benefits	-	-	-	-	7
Professional - Technical Services	1,157	2,308	2,308	-	4,872
Utility Services	-	-	-	-	32
Supplies and Materials	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>914</u>
Total Expenditures	<u>1,157</u>	<u>2,308</u>	<u>2,308</u>	<u>-</u>	<u>5,915</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance, Beginning of Year			<u>-</u>		<u>-</u>
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
ALASKA STAFF DEVELOPMENT NETWORK - LEADERSHIP
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012			Variance- Positive (Negative)	2011 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal - Through the State	\$ 28,560	\$ 28,560	\$ 26,524	\$ (2,036)	\$ 43,773
Expenditures:					
School Administration					
Professional - Technical Services	-	-	-	-	15,000
Staff Travel	24,060	24,060	23,014	1,046	23,949
Supplies and Materials	4,500	4,500	3,510	990	4,824
Total Expenditures	28,560	28,560	26,524	2,036	43,773
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
ASSOCIATION OF ALASKA SCHOOL BOARDS - ARTIST TOPS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal - Through the State	\$ -	\$ 6,795	\$ 6,795	\$ -	\$ -
Expenditures:					
Regular Instruction					
Supplies and Materials	-	6,795	6,795	-	-
Total Expenditures	-	6,795	6,795	-	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 BUILDING TRADES
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2012
 With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenue:	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:	-	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balance, Beginning of Year			<u>15,642</u>		<u>15,642</u>
Fund Balance, End of Year			<u>\$ 15,642</u>		<u>\$ 15,642</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 CAREER AND TECHNICAL EDUCATION
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2012
 With Comparative Actual Totals for Year Ended June 30, 2011

	2012			Variance- Positive (Negative)	2011 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ 26,000	\$ 26,000	\$ 25,562	\$ (438)	\$ -
Expenditures:					
Support Services - Instruction					
Professional - Technical Service	26,000	26,000	25,562	438	-
Total Expenditures	26,000	26,000	25,562	438	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 CARL PERKINS - BASIC
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2012
 With Comparative Actual Totals for Year Ended June 30, 2011

	2012			Variance- Positive (Negative)	2011 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal - Through the State	\$ 196,928	\$ 261,594	\$ 250,081	\$ (11,513)	\$ 241,542
Expenditures:					
Regular Instruction					
Certified Salaries	53,700	74,617	70,416	4,201	57,102
Non-Certified Salaries	7,845	9,800	9,800	-	6,503
Employee Benefits	15,043	19,589	16,716	2,873	14,849
Professional - Technical Service	44,422	31,848	31,848	-	39,684
Staff Travel	23,214	26,760	25,719	1,041	19,171
Student Travel	5,035	9,494	8,091	1,403	8,089
Purchased Services	1,000	1,000	950	50	3,911
Supplies and Materials	34,662	59,802	59,786	16	72,223
Other Expenses	-	140	140	-	-
Equipment	2,872	17,031	15,576	1,455	9,642
Total Regular Instruction	187,793	250,081	239,042	11,039	231,174
District Administration Support Services					
Indirect Costs	9,135	11,513	11,039	474	10,368
Total Expenditures	196,928	261,594	250,081	11,513	241,542
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
COMMUNITY THEATER
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Corporate Grants and User Fees	\$ -	\$ -	\$ 44,030	\$ 44,030	\$ 42,455
Expenditures:					
Community Services:					
Non-Certified Salaries	-	-	43,025	(43,025)	45,019
Employee Benefits	-	-	11,539	(11,539)	12,475
Staff Travel	-	-	2,503	(2,503)	2,371
Utility Services	-	-	1,433	(1,433)	1,403
Purchased Services	-	-	432	(432)	650
Supplies and Materials	-	-	5,561	(5,561)	2,303
Equipment	-	-	-	-	338
Total Expenditures	-	-	64,493	(64,493)	64,559
Excess (Deficiency) of Revenue over Expenditures	-	-	(20,463)	108,523	(22,104)
Other Financing Sources:					
Operating Transfers In	\$ -	\$ -	75,000	\$ 75,000	22,104
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ 54,537		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
CORPORATE AND MISCELLANEOUS GRANTS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Corporate Grants and User Fees	6,000	76,295	73,003	3,292	41,604
Expenditures:					
Regular Instruction:					
Certified Salaries	3,936	3,936	2,788	1,148	1,575
Non-Certified Salaries	-	-	771	(771)	387
Employee Benefits	570	570	446	124	249
Professional - Technical Service	1,200	3,245	3,245	-	1,000
Student Travel	2,700	5,605	4,010	1,595	2,391
Utility Services	-	140	53	87	
Purchased Services	-	3,883	3,763	120	
Supplies and Materials	1,575	23,397	19,318	4,079	1,602
Equipment	1,000	3,100	3,100	-	-
Total Regular Instruction	10,981	43,876	37,494	6,382	7,204
Pupil Activity:					
Student Travel	-	7,466	7,466	-	6,756
Purchased Services	-	7,459	7,458	1	4,500
Supplies and Material	2,819	16,452	16,002	450	5,843
Other Expenses	2,250	200	200	-	8,650
Equipment	-	11,392	11,392	-	4,500
Total Pupil Activity	5,069	42,969	42,518	451	30,249
Total Expenditures	16,050	86,845	80,012	6,833	37,453
Excess (Deficiency) of Revenues Over Expenditures	\$ (10,050)	\$ (10,550)	(7,009)	\$ 3,541	4,151
Fund Balance, Beginning of Year			10,050		5,899
Fund Balance, End of Year			\$ 3,041		\$ 10,050

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
EDUCATION JOBS GRANT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal - Through the State	\$ 1,368,815	\$ 1,368,815	\$ 1,368,815	\$ -	\$ -
Expenditures:					
Regular Instruction:					
Certified Salaries	898,487	973,654	461,578	512,076	-
Non-Certified Salaries	29,800	28,607	28,607	-	-
Employee Benefits	363,388	360,549	184,607	175,942	-
Staff Travel	6,319	280	280	-	-
Supplies and Materials	3,600	2,580	1,325	1,255	-
Other Expenses	64,436	360	360	-	-
Total Regular Instruction	<u>1,366,030</u>	<u>1,366,030</u>	<u>676,757</u>	<u>689,273</u>	<u>-</u>
Support Services - Pupil:					
Certified Salaries	-	-	53,645	(53,645)	-
Employee Benefits	-	-	21,047	(21,047)	-
Total Support Services - Pupil	<u>-</u>	<u>-</u>	<u>74,692</u>	<u>(74,692)</u>	<u>-</u>
Support Services - Instruction:					
Certified Salaries	-	-	439,358	(439,358)	-
Employee Benefits	-	-	154,962	(154,962)	-
Supplies and Material	-	-	1,255	(1,255)	-
Total Support Services - Instruction	<u>-</u>	<u>-</u>	<u>595,575</u>	<u>(595,575)</u>	<u>-</u>
School Administration:					
Certified Salaries	-	-	19,073	(19,073)	-
Employee Benefits	2,785	2,785	2,718	67	-
Total School Administration	<u>2,785</u>	<u>2,785</u>	<u>21,791</u>	<u>(19,006)</u>	<u>-</u>
Total Expenditures	<u>1,368,815</u>	<u>1,368,815</u>	<u>1,368,815</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance, Beginning of Year			<u>-</u>		<u>-</u>
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
FOOD SERVICE
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 2,203,135	\$ 2,203,135	\$ 2,111,953	\$ (91,182)	\$ 2,034,669
Food Sales	980,000	980,000	781,299	(198,701)	853,654
Commodities	110,000	110,000	118,288	8,288	130,804
Other Local Revenues	-	-	3,826	3,826	11,634
Total Revenues	<u>3,293,135</u>	<u>3,293,135</u>	<u>3,015,366</u>	<u>(277,769)</u>	<u>3,030,761</u>
Expenditures:					
Food Services					
Non-Certified Salaries	1,264,542	1,264,542	1,316,556	(52,014)	1,203,265
Employee Benefits	843,956	843,956	842,492	1,464	762,137
Staff Travel	21,750	25,638	19,365	6,273	17,597
Utility Services	4,550	4,550	2,471	2,079	2,673
Purchased Services	50,150	56,596	50,426	6,170	44,039
Supplies and Materials	1,675,687	1,590,847	1,363,140	227,707	1,353,148
Other Expenses	4,900	5,028	3,703	1,325	3,974
Equipment	27,600	159,297	132,304	26,993	3,333
Total Expenditures	<u>3,893,135</u>	<u>3,950,454</u>	<u>3,730,457</u>	<u>219,997</u>	<u>3,390,166</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(600,000)</u>	<u>(657,319)</u>	<u>(715,091)</u>	<u>(57,772)</u>	<u>(359,405)</u>
Other Financing Sources:					
Operating Transfers In	<u>\$ 600,000</u>	<u>\$ 600,000</u>	600,000	<u>\$ -</u>	140,000
Fund Balance, Beginning of Year			<u>546,126</u>		<u>765,531</u>
Fund Balance, End of Year			<u>\$ 431,035</u>		<u>\$ 546,126</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 FOOD SERVICE - FRESH FRUIT & VEGETABLE PROGRAM
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2012
 With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 36,553	\$ 139,935	\$ 139,935	\$ -	\$ 43,644
Expenditures:					
Food Service					
Non-Certified Salaries	-	-	3,130	(3,130)	1,560
Employee Benefits	-	-	939	(939)	119
Supplies and Materials	36,553	139,935	135,866	4,069	41,965
Total Expenditures	36,553	139,935	139,935	-	43,644
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 GEAR UP KENAI PENINSULA
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2012
 With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Direct	\$ 170,215	\$ 170,215	\$ 107,127	\$ (63,088)	\$ 109,566
Expenditures:					
Regular Instruction					
Professional - Technical Service	162,202	162,202	102,084	60,118	104,667
District Administration Support Services					
Indirect Costs	8,013	8,013	5,043	2,970	4,899
Total Expenditures	170,215	170,215	107,127	63,088	109,566
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GOVERNOR'S ALTERNATIVE SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012			Variance- Positive (Negative)	2011 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 26,300	\$ 26,300	\$ 26,300	\$ -	\$ 10,597
Expenditures:					
Regular Instruction:					
Non-Certified Salaries	-	355	355		
Employee Benefits	-	27	27		
Staff Travel	-	464	464		
Professional - Technical	-	2,500	2,500	-	6,381
Supplies	-	18,834	18,834		
Other Expenses	25,062	-	-	-	-
Equipment	-	3,025	3,025	-	3,918
Total Regular Instruction	<u>25,062</u>	<u>25,205</u>	<u>25,205</u>	-	<u>10,299</u>
District Administration Support Services:					
Indirect Costs	<u>1,238</u>	<u>1,095</u>	<u>1,095</u>	-	<u>298</u>
Total Expenditures	<u>26,300</u>	<u>26,300</u>	<u>26,300</u>	-	<u>10,597</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance, Beginning of Year			<u>-</u>		<u>-</u>
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 LEGISLATIVE EQUIPMENT
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2012

With Comparative Actual Totals for Year Ended June 30, 2011

	2012			Variance- Positive (Negative)	2011 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ -	\$ -	\$ -	\$ -	\$ 172,508
Expenditures:					
Regular Instruction:					
Supplies and Materials	-	-	-	-	85,096
Equipment	-	-	-	-	62,041
Total Regular Instruction	-	-	-	-	147,137
School Administration:					
Supplies and Materials	-	-	-	-	500
School Administration - Support:					
Purchased Services	-	-	-	-	594
Operation of Plant:					
Supplies and Materials	-	-	-	-	14,589
Equipment	-	-	-	-	9,688
Total Operation of Plant	-	-	-	-	24,277
Total Expenditures	-	-	-	-	172,508
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MCKINNEY-VENTO HOMELESS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 15,000	\$ 15,000	\$ 14,991	\$ (9)	\$ 13,580
Expenditures:					
Regular Instruction					
Certified Salaries	500	-	-	-	-
Non-Certified Salaries	1,993	-	-	-	-
Employee Benefits	597	-	-	-	-
Staff Travel	500	380	380	-	3,279
Student Travel	3,000	1,000	1,000	-	4,156
Utility Services	-	18	18	-	-
Purchased Services	600	340	340	-	-
Supplies and Materials	7,069	12,556	12,547	9	5,538
Other Expenses	35	-	-	-	-
Total Regular Instruction	<u>14,294</u>	<u>14,294</u>	<u>14,285</u>	<u>9</u>	<u>12,973</u>
District Administration Support Services					
Indirect Costs	<u>706</u>	<u>706</u>	<u>706</u>	<u>-</u>	<u>607</u>
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>14,991</u>	<u>9</u>	<u>13,580</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance, Beginning of Year			<u>-</u>		<u>-</u>
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MCKINNEY-VENTO HOMELESS/AMERICAN RECOVERY AND REINVESTMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ -	\$ -	\$ -	\$ -	\$ 21,109
Expenditures:					
Regular Instruction					
Student Travel	-	-	-	-	3,282
Purchased Services	-	-	-	-	3,723
Supplies and Materials	-	-	-	-	13,160
Total Regular Instruction	-	-	-	-	20,165
District Administration Support Services					
Indirect Costs	-	-	-	-	944
Total Expenditures	-	-	-	-	21,109
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MIGRANT EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 7,648	\$ 7,648	\$ 3,101	\$ (4,547)	\$ 3,242
Expenditures:					
Regular Instruction					
Staff Travel	4,765	4,765	432	4,333	382
Supplies and Materials	<u>2,648</u>	<u>2,648</u>	<u>2,648</u>	-	<u>2,842</u>
Total Regular Instruction	<u>7,413</u>	<u>7,413</u>	<u>3,080</u>	<u>4,333</u>	<u>3,224</u>
District Administration Support Services					
Indirect Costs	<u>235</u>	<u>235</u>	<u>21</u>	<u>214</u>	<u>18</u>
Total Expenditures	<u>7,648</u>	<u>7,648</u>	<u>3,101</u>	<u>4,547</u>	<u>3,242</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 PRINCIPAL COACH
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2012
 With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 445,000	\$ 445,000	\$ 435,489	\$ (9,511)	\$ 443,000
Expenditures:					
School Administration					
Professional - Technical Service	54,262	43,720	43,720	-	53,087
Staff Travel	330,601	340,784	335,241	5,543	331,460
Utility Services	3,600	3,600	2,358	1,242	2,109
Purchases Services	-	1,264	1,264	-	13
Supplies and Materials	19,524	19,698	19,302	396	18,558
Other Expenses	2,124	2,124	1,136	988	2,173
Equipment	5,200	-	-	-	3,792
Total School Administration	<u>415,311</u>	<u>411,190</u>	<u>403,021</u>	<u>8,169</u>	<u>411,192</u>
School Administration - Support					
Non-Certified Salaries	20,387	20,407	19,504	903	21,577
Employee Benefits	9,302	13,403	12,964	439	10,231
Total School Administration - Support	<u>29,689</u>	<u>33,810</u>	<u>32,468</u>	<u>1,342</u>	<u>31,808</u>
Total Expenditures	<u>445,000</u>	<u>445,000</u>	<u>435,489</u>	<u>9,511</u>	<u>443,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
PUPIL TRANSPORTATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenue:					
State	\$ 5,490,936	\$ 6,241,927	\$ 6,241,927	\$ -	\$ 5,492,563
Expenditures:					
Pupil Activity					
Non-Certified Salaries	3,000	3,000	2,050	950	3,678
Employee Benefits	239	239	157	82	284
Professional - Technical Service	258	258	-	258	258
Staff Travel	1,000	400	273	127	577
Energy	-	-	2,379	(2,379)	800
Purchased Services	500	1,865	1,540	325	6,893
Supplies and Materials	17,742	10,448	7,458	2,990	962
Other Expenses	1,500	1,500	625	875	536
Equipment	-	6,529	-	6,529	-
Total Pupil Activity	<u>24,239</u>	<u>24,239</u>	<u>14,482</u>	<u>9,757</u>	<u>13,988</u>
Pupil Transportation					
Non-Certified Salaries	118,906	118,906	123,354	(4,448)	116,107
Employee Benefits	60,061	60,061	59,805	256	58,677
Staff Travel	9,000	9,000	3,344	5,656	3,911
Utility Services	1,100	1,100	621	479	986
Purchased Services	4,721,500	5,185,991	5,194,069	(8,078)	4,693,229
Supplies and Materials	555,480	841,950	711,136	130,814	625,627
Other Expenses	347	377	75	302	75
Equipment	<u>303</u>	<u>303</u>	<u>-</u>	<u>303</u>	<u>303</u>
Total Pupil Transportation	<u>5,466,697</u>	<u>6,217,688</u>	<u>6,092,404</u>	<u>125,284</u>	<u>5,498,915</u>
Total Expenditures	<u>5,490,936</u>	<u>6,241,927</u>	<u>6,106,886</u>	<u>135,041</u>	<u>5,512,903</u>
Excess (Deficiency) of Revenue over Expenditures	<u>-</u>	<u>-</u>	<u>135,041</u>	<u>135,041</u>	<u>(20,340)</u>
Other Financing Sources					
Operating Transfer In	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>200,000</u>
Fund Balance, Beginning of Year			<u>959,232</u>		<u>779,572</u>
Fund Balance, End of Year			<u>\$ 1,094,273</u>		<u>\$ 959,232</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SCHOOL IMPROVEMENT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal - Through the State	\$ 3,314	\$ 22,102	\$ 6,291	\$ (15,811)	\$ 18,862
Expenditures:					
Regular Instruction					
Certified Salaries	-	8,519	5,525	2,994	-
Non-Certified Salaries	-	-	-	-	6,018
Employee Benefits	-	6,123	766	5,357	1,191
Professional - Technical Service	-	-	-	-	11,653
Staff Travel	-	800	-	800	-
Student Travel	2,895	-	-	-	-
Supplies and Materials	419	-	-	-	-
Other Expenses	-	6,663	-	6,663	-
Total Expenditures	3,314	22,105	6,291	15,814	18,862
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STAFF DEVELOPMENT MINI-GRANTS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012			Variance- Positive (Negative)	2011 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ 933	\$ 50,829	\$ 41,027	\$ (9,802)	\$ 14,164
Expenditures:					
Regular Instruction					
Certified Salaries	438	5,244	3,628	1,616	1,080
Non-Certified Salaries	-	1,020	1,020	-	100
Employee Benefits	62	679	493	186	90
Staff Travel	433	33,886	25,342	8,544	12,894
Supplies	-	10,000	10,544	(544)	-
Total Expenditures	933	50,829	41,027	9,802	14,164
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEWIDE ALASKA MENTORSHIP
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012			Variance- Positive (Negative)	2011 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ -	\$ -	\$ -	\$ -	\$ 101,370
Expenditures:					
Regular Instruction					
Certified Salaries	-	-	-	-	77,597
Employee Benefits	-	-	-	-	23,773
Total Expenditures	-	-	-	-	101,370
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
TITLE IA/AMERICAN RECOVERY AND REINVESTMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ -	\$ -	\$ -	\$ -	\$ 805,530
Expenditures:					
Regular Instruction					
Certified Salaries	-	-	-	-	404,573
Non Certified Salaries	-	-	-	-	10,425
Employee Benefits	-	-	-	-	139,794
Professional-Technical Services	-	-	-	-	66,728
Staff Travel	-	-	-	-	8,601
Student Travel	-	-	-	-	1,034
Utility Services	-	-	-	-	150
Purchased Services	-	-	-	-	829
Supplies and Materials	-	-	-	-	75,529
Other Expenses	-	-	-	-	205
Equipment	-	-	-	-	58,560
Total Regular Instruction	-	-	-	-	766,428
District Administration Support Services					
Indirect Costs	-	-	-	-	33,395
Operation and Maintenance of Plant:					
Non Certified Salaries	-	-	-	-	5,301
Employee Benefits	-	-	-	-	406
Total Operation and Maintenance of Plant	-	-	-	-	5,707
Total Expenditures	-	-	-	-	805,530
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
TITLE I-D, DELINQUENT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 24,686	\$ 41,803	\$ 21,707	\$ (20,096)	\$ 17,956
Expenditures:					
Regular Instruction					
Certified Salaries	-	11,317	10,647	670	2,957
Employee Benefits	-	1,781	1,537	244	411
Professional-Technical Services	-	15,958	6,545	9,413	13,785
Utility Services	-	35	34	1	
Supplies and Materials	-	9,371	550	8,821	-
Other Expenses	24,686	-	-	-	
Equipment	-	1,440	1,440	-	-
Total Regular Instruction	24,686	39,902	20,753	19,149	17,153
District Administration Support Services					
Indirect Costs	-	1,901	954	947	803
Total Expenditures	24,686	41,803	21,707	20,096	17,956
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
TITLE II-D/AMERICAN RECOVERY AND REINVESTMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ -	\$ -	\$ -	\$ -	\$ 75,671
Expenditures:					
Regular Instruction					
Certified Salaries	-	-	-	-	11,170
Non Certified Salaries	-	-	-	-	3,269
Employee Benefits	-	-	-	-	1,700
Staff Travel	-	-	-	-	19,324
Purchased Services	-	-	-	-	2,040
Supplies and Materials	-	-	-	-	4,436
Equipment	-	-	-	-	31,769
Total Regular Instruction	-	-	-	-	73,708
District Administration Support Services					
Indirect Costs	-	-	-	-	1,963
Total Expenditures	-	-	-	-	75,671
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
TITLE VI-B, IDEA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012			Variance- Positive (Negative)	2011 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 3,291,938	\$ 3,390,273	\$ 2,405,687	\$ (984,586)	\$ 2,396,170
Expenditures:					
Special Education - Instruction					
Certified Salaries	234,567	341,567	279,734	61,833	291,130
Non-Certified Salaries	844,593	1,427,346	1,000,538	426,808	988,362
Employee Benefits	745,319	1,145,320	869,226	276,094	874,362
Professional - Technical Service	-	43,000	27,177	15,823	38,343
Staff Travel	8,688	108,688	69,292	39,396	73,105
Purchased Services	500	8,500	4,690	3,810	974
Supplies and Materials	9,000	105,735	20,644	85,091	17,056
Other Expenses	1,294,771	42,000	9,711	32,289	5,243
Equipment	4,000	14,000	11,993	2,007	490
Total Special Education - Instruction	<u>3,141,438</u>	<u>3,236,156</u>	<u>2,293,005</u>	<u>943,151</u>	<u>2,289,065</u>
District Administration Support Services					
Indirect Costs	<u>150,500</u>	<u>154,117</u>	<u>112,682</u>	<u>41,435</u>	<u>107,105</u>
Total Expenditures	<u>3,291,938</u>	<u>3,390,273</u>	<u>2,405,687</u>	<u>984,586</u>	<u>2,396,170</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance, Beginning of Year			<u>-</u>		<u>-</u>
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
TITLE VI-B, IDEA/AMERICAN RECOVERY AND REINVESTMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012			Variance- Positive (Negative)	2011 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ -	\$ -	\$ -	\$ -	\$ 1,786,854
Expenditures:					
Special Education - Instruction					
Certified Salaries	-	-	-	-	73,006
Non-Certified Salaries	-	-	-	-	776,962
Employee Benefits	-	-	-	-	666,438
Professional - Technical Service	-	-	-	-	27,326
Staff Travel	-	-	-	-	42,689
Purchased Services	-	-	-	-	4,637
Supplies and Materials	-	-	-	-	57,108
Equipment	-	-	-	-	61,554
Total Special Education - Instruction	-	-	-	-	1,709,720
District Administration Support Services					
Indirect Costs	-	-	-	-	77,134
Total Expenditures	-	-	-	-	1,786,854
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
TITLE VII - INDIAN EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Direct	\$ 368,294	\$ 368,294	\$ 316,983	\$ (51,311)	\$ 268,190
Expenditures:					
Regular Instruction					
Certified Salaries	11,806	11,806	1,720	10,086	5,359
Non-Certified Salaries	118,561	118,561	111,203	7,358	71,741
Employee Benefits	66,226	66,226	85,865	(19,639)	50,617
Professional - Technical Service	71,300	71,300	44,071	27,229	90,014
Staff Travel	5,000	5,000	4,079	921	2,795
Student Travel	71,408	71,408	29,429	41,979	31,490
Utility Services	2,120	2,120	790	1,330	845
Purchased Services	-	-	15,388	(15,388)	125
Supplies and Materials	4,501	4,501	8,806	(4,305)	2,361
Other Expenses	-	-	710	(710)	-
Equipment	-	-	-	-	893
Total Regular Instruction	<u>350,922</u>	<u>350,922</u>	<u>302,061</u>	<u>48,861</u>	<u>256,240</u>
District Administration Support Services					
Indirect Costs	<u>17,372</u>	<u>17,372</u>	<u>14,922</u>	<u>2,450</u>	<u>11,950</u>
Total Expenditures	<u>368,294</u>	<u>368,294</u>	<u>316,983</u>	<u>51,311</u>	<u>268,190</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance, Beginning of Year			<u>-</u>		<u>-</u>
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
UPWARD BOUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2012
With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 8,300	\$ 24,900	\$ 19,707	\$ (5,193)	\$ 20,553
Expenditures:					
Regular Instruction					
Certified Salaries	-	7,894	7,894	-	9,000
Non-Certified Salaries	3,947	3,947	3,947	-	4,500
Employee Benefits	553	1,659	1,211	448	781
Student Travel	1,000	2,000	1,010	990	790
Supplies and Materials	-	1,000	382	618	989
Other Expenses	2,800	8,400	5,263	3,137	4,493
Total Expenditures	8,300	24,900	19,707	5,193	20,553
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 YOUTH FIRST
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2012
 With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 85,000	\$ 85,000	\$ 80,858	\$ (4,142)	\$ 85,000
Expenditures:					
Regular Instruction					
Certified Salaries	13,552	17,021	12,800	4,221	17,030
Non-Certified Salaries	35,851	31,282	32,053	(771)	38,528
Employee Benefits	24,558	24,558	23,973	585	14,167
Staff Travel	3,720	3,220	2,587	633	2,594
Student Travel	1,500	1,500	1,494	6	1,893
Supplies and Materials	1,839	3,418	4,145	(727)	6,988
Total Regular Instruction	<u>81,020</u>	<u>80,999</u>	<u>77,052</u>	<u>3,947</u>	<u>81,200</u>
District Administration Support Services					
Indirect Costs	<u>3,980</u>	<u>4,001</u>	<u>3,806</u>	<u>195</u>	<u>3,800</u>
Total Expenditures	<u>85,000</u>	<u>85,000</u>	<u>80,858</u>	<u>4,142</u>	<u>85,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance, Beginning of Year			<u>-</u>		<u>-</u>
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 YOUTH IN DETENTION
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2012
 With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 224,690	\$ 224,690	\$ 224,690	\$ -	\$ 222,591
Expenditures:					
Regular Instruction:					
Certified Salaries	124,908	124,119	124,673	(554)	116,073
Non-Certified Salaries	24,476	29,524	29,524	-	34,155
Employee Benefits	52,511	52,857	52,330	527	51,495
Professional - Technical Service	-	-	-	-	10,716
Purchased Services	-	-	-	-	200
Supplies and Materials	7,452	7,613	7,586	27	-
Equipment	5,000	-	-	-	-
Total Regular Instruction	<u>214,347</u>	<u>214,113</u>	<u>214,113</u>	<u>-</u>	<u>212,639</u>
District Administration Support Services					
Indirect Costs	<u>10,343</u>	<u>10,577</u>	<u>10,577</u>	<u>-</u>	<u>9,952</u>
Total Expenditures	<u>224,690</u>	<u>224,690</u>	<u>224,690</u>	<u>-</u>	<u>222,591</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance, Beginning of Year			<u>-</u>		<u>-</u>
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 YOUTH RISK BEHAVIOR SURVEY
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2012
 With Comparative Actual Totals for Year Ended June 30, 2011

	2012				2011 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ -	\$ -	\$ -	\$ -	\$ 8,300
Federal-Through the State	-	-	-	-	415
Total Revenues:	-	-	-	-	8,715
Expenditures:					
Regular Instruction					
Certified Salaries	-	-	-	-	3,600
Non-Certified Salaries	-	-	-	-	31
Employee Benefits	-	-	-	-	502
Student Travel	-	-	-	-	4
Purchased Services	-	-	-	-	120
Supplies and Materials	-	-	-	-	4,458
Total Expenditures	-	-	-	-	8,715
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

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INTERNAL SERVICE FUNDS

Internal Service Fund – Employee Compensated Leave
Internal Service Fund – Health Care

Statement of Net Assets
Statement of Revenues, Expenditures, and Changes in Net Assets
Statement of Cash Flows
Reconciliation of Internal Service Fund Activity that was Previously Reported in the General Fund

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF NET ASSETS
June 30, 2012

	Employee Compensated Leave Fund	Health Care Fund	Total Internal Service Funds
<u>ASSETS</u>			
Equity in Central Treasury	\$ 3,348,434	\$ 3,700,100	\$ 7,048,534
Equity in Central Treasury - Restricted for Healthcare	-	3,603,193	3,603,193
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 3,348,434</u>	<u>\$ 7,303,293</u>	<u>\$ 10,651,727</u>
<u>LIABILITIES</u>			
Health Claims Payable (IBNR)	\$ -	\$ 4,204,000	\$ 4,204,000
Contributions Collected from Employees in Excess of Negotiated Agreement	-	2,001,534	2,001,534
Compensated Absences Payable:			
Amounts Due Within One Year	67,912	-	67,912
Non-Current Portion	3,280,522	-	3,280,522
Total Compensated Absences Payable	<u>3,348,434</u>	<u>-</u>	<u>3,348,434</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 3,348,434</u>	<u>\$ 6,205,534</u>	<u>\$ 9,553,968</u>
<u>NET ASSETS</u>			
Unrestricted Net Assets	<u>-</u>	<u>1,097,759</u>	<u>1,097,759</u>
	<u> </u>	<u> </u>	<u> </u>
Total Net Assets	<u>\$ -</u>	<u>\$ 1,097,759</u>	<u>\$ 1,097,759</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
June 30, 2012

	Employee Compensated Leave Fund	Health Care Fund	Total Internal Service Funds
Operating Revenues:			
Charges to Other Funds	\$ 3,261,695	\$ -	\$ 3,261,695
Employer Contributions	-	16,595,327	16,595,327
Employee Contributions, Net of Excess Contributions of \$493,274	-	4,783,927	4,783,927
Total Operating Revenues	3,261,695	21,379,254	24,640,949
Operating Expenses:			
Administrative services	3,261,695	-	3,261,695
Healthcare Claims and Administrative Fees, Net of Decrease in IBNR of \$19,888	-	21,227,588	21,227,588
Total operating expenses	3,261,695	21,227,588	24,489,283
Operating income	-	151,666	151,666
Nonoperating Revenues - Interest Income	-	56,843	56,843
Transfer in	-	889,250	889,250
Increase in net assets	-	1,097,759	1,097,759
Total net assets, beginning of year	-	-	-
Total net assets, end of year	\$ -	\$ 1,097,759	\$ 1,097,759

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS
June 30, 2012

	Employee Compensated Leave Fund	Health Care Fund	Total Internal Service Funds
Cash flows from operating activities:			
Payments for interfund services provided	\$ 3,261,695	\$ -	\$ 3,261,695
Payments to employees	(3,286,347)	-	(3,286,347)
Receipts from employer - current year contributions	-	16,595,327	16,595,327
Receipts from employer - prior year IBNR	-	4,223,888	4,223,888
Receipts from employees - current year contributions	-	5,277,201	5,277,201
Receipts from employees - prior year services	-	1,508,260	1,508,260
Payments for claims and services	-	(21,247,476)	(21,247,476)
Net cash flow from operating activities	<u>(24,652)</u>	<u>6,357,200</u>	<u>6,332,548</u>
Cash flows from financing activities - transfer in	-	889,250	889,250
Cash flows from investing activities - interest income received	-	56,843	56,843
Net increase (decrease) in cash and cash equivalents	<u>(24,652)</u>	<u>7,303,293</u>	<u>7,278,641</u>
Cash and cash equivalents, beginning of year	<u>3,373,086</u>	-	<u>3,373,086</u>
Cash and cash equivalents, end of year	<u>\$ 3,348,434</u>	<u>\$ 7,303,293</u>	<u>\$ 10,651,727</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ -	\$ 1,097,759	\$ 1,097,759
Non-operating revenues	-	(946,093)	(946,093)
Decrease in compensated absences payable	(24,652)	-	(24,652)
Increase in health care payable	-	4,204,000	4,204,000
Increase in contributions collected from employees in excess of negotiated agreement	-	2,001,534	2,001,534
Net cash (used) provided by operating activities	<u>\$ (24,652)</u>	<u>\$ 6,357,200</u>	<u>\$ 6,332,548</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
RECONCILIATION OF INTERNAL SERVICE FUND ACTIVITY THAT WAS PREVIOUSLY REPORTED IN THE GENERAL FUND
June 30, 2012

Amounts Previously Reported in General Fund:

Assets:

Equity in Central Treasury	\$ 2,810,850
Equity in Central Treasury - Restricted for Healthcare	2,921,298
Total Equity in Central Treasury	<u>\$ 5,732,148</u>

Liabilities:

Health Claims Payable (IBNR)	\$ 4,223,888
Contributions Collected from Employees in Excess of Negotiated Agreement	1,508,260
	<u>\$ 5,732,148</u>

Establishment of Internal Service Fund for Healthcare:

Assets:

Equity in Central Treasury, Beginning of Year:	
Equity in Central Treasury	\$ -
Equity in Central Treasury - Restricted for Healthcare	-
Total Equity in Central Treasury, Beginning of Year	<u>-</u>

Equity in Central Treasury, Beginning of Year	-
Transfer of Beginning Balances of Equity in Central Treasury from General Fund	2,810,850
Transfer from General Fund	889,250
Equity in Central Treasury, End of Year	<u>3,700,100</u>

Equity in Central Treasury - Restricted for Healthcare, Beginning of Year	-
Transfer of Beginning Balances of Equity in Central Treasury - Restricted for Healthcare from General Fund	2,921,298
Interfund Contributions in Excess of Negotiated Agreement	188,621
Contributions Collected from Employees in Excess of Negotiated Agreement	493,274
Equity in Central Treasury - Restricted for Healthcare, End of Year	<u>3,603,193</u>

Equity in Central Treasury, End of Year:	
Equity in Central Treasury, End	3,700,100
Equity in Central Treasury - Restricted for Healthcare	3,603,193
Total Equity in Central Treasury, End of Year	<u>7,303,293</u>

Total Assets	<u>\$ 7,303,293</u>
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Liabilities:

Health Claims Payable, Beginning of Year	\$ -
Transfer of Beginning Balances of Health Claims Payable from General Fund	4,223,888
Decrease in Health Claims Payable	(19,888)
Health Claims Payable, Beginning of Year	<u>4,204,000</u>

Contributions Collected from Employees in Excess of Negotiated Agreement, Beginning of Year	-
Transfer of Beginning Balances of Contributions Collected from Employees in Excess of Negotiated Agreement from General Fund	1,508,260
Increase in Contributions Collected from Employees in Excess of Negotiated Agreement	493,274
Contributions Collected from Employees in Excess of Negotiated Agreement, End of Year	<u>2,001,534</u>

Total Liabilities	<u>\$ 6,205,534</u>
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Net Assets:

Net Assets, Beginning of Year	\$ -
Increase in Net Assets	1,097,759
Net Assets, End of Year	<u>\$ 1,097,759</u>

FIDUCIARY FUND

Fiduciary Fund – Statement of Changes in Assets and Liabilities

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 FIDUCIARY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Year Ended June 30, 2012

<u>Student Activity</u>	<u>Total June 30, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Total June 30, 2012</u>
Assets:				
Cash	\$ 102,931	\$ -	\$ 66,579	\$ 36,352
Equity in Central Treasury	<u>2,549,028</u>	<u>3,455,758</u>	<u>3,269,259</u>	<u>2,735,527</u>
Total Assets:	<u>\$ 2,651,959</u>	<u>\$ 3,455,758</u>	<u>\$ 3,335,838</u>	<u>\$ 2,771,879</u>
Liabilities:				
Accounts Payable	\$ 275	\$ -	\$ 275	\$ -
Amount Due Student Groups	<u>2,651,684</u>	<u>3,455,758</u>	<u>3,335,563</u>	<u>2,771,879</u>
Total Liabilities:	<u>\$ 2,651,959</u>	<u>\$ 3,455,758</u>	<u>\$ 3,335,838</u>	<u>\$ 2,771,879</u>

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CAPITAL ASSETS

Schedule of Changes in General Capital Assets

Schedule of General Capital Assets – By Location

Comparative Schedule of General Capital Assets – By Source

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS
 Year Ended June 30, 2012

	General Capital Assets June 30, 2011	Additions	Deletions	Transfers	General Capital Assets June 30, 2012
Administration	\$ 2,066,092	\$ 348,017	\$ (139,271)	\$ 201,392	\$ 2,476,230
Schools	4,721,397	485,955	(58,672)	(201,392)	4,947,288
	<u>\$ 6,787,489</u>	<u>\$ 833,972</u>	<u>\$ (197,943)</u>	<u>\$ -</u>	<u>\$ 7,423,518</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SCHEDULE OF GENERAL CAPITAL ASSETS - BY LOCATION
6/30/2012

	Equipment		Equipment
Administration:		Kenai:	
District Office and		High School	655,984
Warehouse	\$ 2,476,230	Kaleidoscope	33,315
Total Administration	2,476,230	Kenai Alternative	6,373
		Middle School	179,448
		Mt. View Elementary	44,369
		Total Kenai	919,489
Schools:			
Outside Cities:		Seldovia:	
Aurora Borealis	123,829	Susan B. English	102,919
Chapman Elementary	35,235	Total Seldovia	102,919
Cooper Landing	12,663		
Hope	30,429	Seward:	
Kachemak Selo	23,061	Elementary	36,889
K-Beach	56,460	High School	388,277
McNeil Canyon	42,592	Middle	21,465
Moose Pass	6,499	Spring Creek	-
Nanwalek	25,871	Total Seward	446,631
Nikiski High	495,275		
Nikiski North Star	61,290	Soldotna:	
Nikolaevsk	98,811	Connections	24,548
Ninilchik	224,596	Elementary	79,308
Port Graham	24,377	High School	602,238
Skyview High	452,726	Middle School	123,950
Sterling	36,282	Redoubt Elementary	58,382
Tebughna	24,674	River City Academy	-
Tustumena	42,122	Total Soldotna	888,426
Voznesenka	16,196		
Total Outside Cities	1,832,988	Total Schools	4,947,288
Homer:		Total General Capital Assets	\$ 7,423,518
Fireweed Academy	27,303		
High School	619,194		
Homer Flex	13,163		
Middle School	33,732		
Paul Banks	29,024		
West Homer	34,419		
Total Homer	756,835		

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

COMPARATIVE SCHEDULE OF CAPITAL ASSETS - BY SOURCE
 June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
General Capital Assets:		
Equipment	<u>\$ 7,423,518</u>	<u>\$ 6,787,489</u>
Investments in General Capital Assets from:		
General Obligation Bonds	\$ 695,337	\$ 719,400
State and Federal Grants	3,403,135	3,372,302
General Fund Revenue	<u>3,325,046</u>	<u>2,695,787</u>
Total Investment in General Capital Assets:	<u>\$ 7,423,518</u>	<u>\$ 6,787,489</u>

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SCHEDULES SECTION

SCHEDULES SECTION

Schedule of State Financial Assistance

Schedule of Expenditures of Federal Awards

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Schedule of State Financial Assistance

Year Ended June 30, 2012

	<u>Program Number</u>	Amount Expended During the Year Ended <u>06/30/12</u>
Department of Administration:		
* TRS On Behalf		\$ 15,417,040
* PERS On Behalf		2,053,581
* PERS On Behalf passed through Kenai Peninsula Borough		<u>333,193</u>
Total Department of Administration		<u>17,803,814</u>
Department of Education and Early Development:		
Passed through Alaska State Council on the Arts:		
Artist in Schools	12IAIS0017	<u>335</u>
Total passed through Alaska State Council on the Arts		<u>335</u>
* Foundation		71,912,349
* SB108 One time State funding		1,388,134
* Pupil Transportation		6,241,927
Alternative Schools		26,300
Quality Schools		270,389
Youth In Detention - Marathon	EY 12.024.02	67,081
Youth In Detention - Spring Creek	EY 12.024.01	<u>157,609</u>
Total Department of Education and Early Development		<u>80,064,124</u>
Department of Labor and Workforce Development -		
Career and Technical Education	12-0009	25,562
Youth First Initiative	12-1309	<u>80,858</u>
Total Department of Labor and Workforce Development		<u>106,420</u>
 Total State Financial Assistance		\$ <u>97,974,358</u>

* State major program

Note 1: Basis of Presentation

The accompanying schedule of state financial assistance includes the state grant activity of Kenai Peninsula Borough School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of State of Alaska Guide and Compliance Supplement for State Single Audits. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in preparation of, the basic financial statements.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

<u>Federal Grantor/Pass-Through Grantor</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grantor's Number</u>	<u>Amount Expended During the Year Ended 06/30/12</u>
U.S. Department of Education - Direct:			
Gear Up Kenai Peninsula	84.334A	P334A050216	\$ 42,215
Gear Up Kenai Peninsula	84.334A	P334A110121	<u>64,912</u>
Total CFDA 84.334A			107,127
Title VII, Indian Education	84.060A	S060A100799	<u>316,983</u>
Total U.S. Department of Education - Direct			<u>424,110</u>
Passed through Alaska Department of Education:			
Education of Homeless Children and Youth:			
McKinney - Vento Homeless	84.196	FR 12.024.01	<u>14,991</u>
Title 1, Part A Cluster:			
NCLB - Title I	84.010	IP 12.024.01	1,954,006
NCLB - Title I-A Highly Qualified	84.010	IP 12.024.01	798
NCLB - Title I-A 1% Parent Involvement	84.010	IP 12.024.01	28,401
NCLB - Title I-A 10% Professional Development	84.010	IP 12.024.01	217,021
NCLB - Title I-A 20% SES	84.010	IP 12.024.01	55,870
Title I, School Improvement	84.010A	CA 12.024.01	<u>6,291</u>
Total CFDA 84.010			<u>2,262,387</u>
Education Technology State Grants:			
NCLB - Title II-D Enhancing Education Through Technology	84.318	IP 12.024.01	<u>11,074</u>
Passed through Alaska Department of Education:			
Special Education Cluster:			
Title VI-B	84.027A	SE 12.024.01	2,340,332
Preschool Disabled	84.173A	SE 12.024.01	<u>65,355</u>
Total Special Education Cluster			<u>2,405,687</u>
Migrant Education, Book	84.011	MB 12.024.01	2,648
Migrant Education, Parent Advisory Council	84.011	MP 12.024.01	453
NCLB - Title I-C Migrant	84.011	IP 12.024.01	<u>275,338</u>
Total CFDA 84.011			<u>278,439</u>
Title I-D, Delinquent (Transitional)	84.013A	CO 12.024.01	5,040
Title I-D, Delinquent (Transitional)	84.013A	CO 12.024.02	<u>16,667</u>
Total CFDA 84.013			<u>21,707</u>
Carl Perkins Basic	84.048A	EK 12.024.01	250,081
Education Jobs	84.410A	EJ12.024.01	1,368,815

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, continued

<u>Federal Grantor/Pass-Through Grantor</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grantor's Number</u>	<u>Amount Expended During the Year Ended 06/30/12</u>
NCLB - Title III-A English Language Acquisition	84.365	IP 12.024.01	\$ 26,413
NCLB - Title II-A, Training & Recruiting	84.367	IP 12.024.01	1,207,288
State Fiscal Stabilization Fund, ARRA	84.394A	SF 12.024.01	<u>385,097</u>
Total passed through Alaska Department of Education			<u>8,231,979</u>
TRIO Cluster -			
Passed through University of Alaska Fairbanks			
UAF-Upward Bound - Seward	84.047	11-0052	6,022
UAF-Upward Bound - Nikiski	84.047	11-0049	7,947
UAF-Upward Bound - Nanwalek	84.047	11-0043	<u>5,738</u>
Total CFDA 84.047			<u>19,707</u>
Passed Through Alaska Staff Development Network -			
School Leadership	84.363A	U363A80070	<u>26,524</u>
Passed Through Association of Alaska School Boards -			
Artist Tops	84.356D		<u>6,795</u>
Total U.S. Department of Education			<u>8,709,115</u>
National Endowment for the Arts -			
Passed through Alaska State Council on the Arts -			
Artist in the Schools	45.025	12IAIS0017	<u>335</u>
U.S. Department of Agriculture:			
Child Nutrition Cluster -			
Passed Through Alaska Department of Education:			
National School Lunch Program	10.553	MA 11.024.01	844
National School Lunch Program	10.553	MA 11.024.01	401,592
National School Lunch Program	10.555	MA 11.024.01	1,709,517
Commodities	10.555		<u>118,288</u>
Total Child Nutrition Cluster			<u>2,230,241</u>
Fresh Fruit & Vegetable Program	10.582	FF 12.024.02	<u>139,935</u>
Total U.S. Department of Agriculture			<u>2,370,176</u>
Total Expenditures of Federal Awards			<u>\$ 11,079,626</u>

Note 1. Basis of Presentation

The above schedule of expenditures of federal awards includes the federal grant activity of Kenai Peninsula Borough School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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STATISTICAL SECTION

STATISTICAL INFORMATION

Statistical tables give report users a better historical perspective and assist in assessing current financial status and trends of the Kenai Peninsula Borough School District.

Net Assets by Component

Net Expenses, General Revenues, and Change in Net Assets

Total Change in Net Assets

General Fund Balances, Special Revenue Fund Balances, Total Fund Balance

Governmental Funds Revenues

Governmental Funds Expenditures

Other Financing Sources and Uses and Net Change in Fund Balance

Assessed Value and Estimated Actual of Taxable Property

Property Tax Rates and Tax Levies; Direct and Overlapping Governments

Principal Property Taxpayers

Principal Employers

Property Tax Levies and Collections

Legal Debt Margin Information

Ratio of Net Area Wide General Bonded Debt to Assessed Value
and Net Bonded Debt per Capita and Student Capita

Computation of Direct and Overlapping Debt

Demographic and Economic Statistics

General Fund Full-Time Equivalent District Employees by Function

All Funds Full-Time Equivalent District Employees by Function

Average Per Pupil General Fund Operating Expenditures

Average Daily Membership as Compared to Assessed Valuation

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Statistical Section Overview

This part of the Kenai Peninsula Borough School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Table I	Net Assets by Component
Table II	Net Expenses, General Revenues, and Change in Net Assets
Table III	Total Change in Net Assets
Table IV	General Fund Balances, Special Revenue Fund Balances, Total Fund Balance
Table V	Governmental Funds Revenues
Table VI	Governmental Funds Expenditures
Table VII	Other Financing Sources and Uses and Net Change in Fund Balance

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, property tax.

Table VIII	Assessed Value and Estimated Actual Value of Taxable Property
Table IX	Property Tax Rates and Tax Levies, Direct and Overlapping Governments
Table X	Principal Property Taxpayers
Table XI	Principal Employers
Table XII	Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the Borough's current level of outstanding debt and the District's ability to issue additional debt in the future.

Table XIII	Legal Debt Margin Information
Table XIV	Ratio of Net Area Wide General Bonded Debt to Assessed Value and Net Bonded Debt per Capita and Student Capita
Table XV	Computation of Direct and Overlapping Debt

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Table XVI	Demographic and Economic Statistics
Table XVII	General Fund Full-Time Equivalent District Employees by Function
Table XVIII	All Funds Full-Time Equivalent District Employees by Function
Table XIX	Average Per Pupil General Fund Operating Expenditures
Table XX	Average Daily Membership as Compared to Assessed Valuation

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the government provides and the activities it performs.

This data not available at date of printing

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR									
	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Invested in Capital Assets	\$ 954,935	\$ 999,893	\$ 917,475	\$ 1,128,957	\$ 2,788,379	\$ 2,481,217	\$ 2,598,361	\$ 2,407,561	\$ 2,774,938	\$ 3,088,378
Restricted										
Charter Schools	465,765	657,545	979,415	1,010,775	1,641,086	2,394,188	570,373	675,350	507,663	645,261
Special Revenue Funds	4,521	5,253	25,931	29,926	-	-	-	-	-	-
Total Restricted	470,286	662,798	1,005,346	1,040,701	1,641,086	2,394,188	570,373	675,350	507,663	645,261
Unrestricted	4,716,739	5,287,349	5,754,879	4,863,722	9,576,795	17,409,088	29,588,884	28,489,644	30,878,045	27,921,811
Total Net Assets	\$ 6,141,960	\$ 6,950,040	\$ 7,677,700	\$ 7,033,380	\$ 14,006,260	\$ 22,284,493	\$ 32,757,618	\$ 31,572,555	\$ 34,160,646	\$ 31,655,450

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
NET EXPENSES, GENERAL REVENUES, AND CHANGE IN NET ASSETS
FROM THE STATEMENT OF ACTIVITIES
LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR									
	2002-2003	2003-2004	2004-2005*	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Expenses										
Government Activities:										
Instruction	\$ 49,727,605	\$ 48,950,365	\$ 44,487,883	\$ 49,522,478	\$ 52,582,325	\$ 63,518,566	\$ 61,820,342	\$ 68,715,631	\$ 68,158,156	\$ 70,671,418
Special Education - Instruction	-	-	8,406,422	8,862,570	9,735,531	12,695,426	15,047,686	16,673,739	18,495,855	19,939,292
Special Education - Pupil	-	-	3,104,193	3,225,301	3,550,817	4,361,409	4,568,803	4,712,605	5,016,857	5,606,638
Support Services - Pupil	6,918,425	6,893,000	2,042,984	2,600,385	2,871,350	3,653,689	3,569,636	3,817,779	3,898,385	4,307,528
Support Services - Instruction	-	-	1,596,111	2,044,711	2,194,911	2,433,644	2,382,071	2,612,624	2,358,838	3,432,382
School Administration	3,457,924	3,657,399	4,103,546	4,468,581	4,965,544	6,065,999	5,903,499	6,414,684	6,673,392	6,666,723
School Administration - Support	5,865,899	6,244,532	3,088,974	3,318,375	3,579,108	3,836,494	4,011,390	4,140,290	4,178,505	4,585,996
District Administration	-	-	792,270	824,772	824,354	951,922	839,511	861,516	957,877	1,065,732
District Administration - Support	-	-	2,954,860	3,567,003	3,907,855	4,842,365	4,831,610	6,323,003	5,628,931	6,658,848
Operation & Maintenance of Plant	13,626,274	13,841,199	15,618,107	16,197,981	16,470,683	18,031,850	18,537,698	19,048,197	20,646,201	22,639,419
Pupil Activities	1,443,880	1,101,760	1,134,118	1,196,254	1,282,403	1,953,371	1,509,638	2,262,698	2,306,828	2,344,153
Community Service	304,358	286,465	258,882	291,539	60,417	56,027	55,605	58,130	64,559	64,408
Pupil Transportation	4,789,453	4,306,006	4,509,731	4,737,416	5,209,957	5,455,201	5,636,018	5,500,984	5,514,495	6,116,707
Food Service	2,499,347	2,656,220	2,931,524	3,292,881	3,079,177	2,975,193	3,190,105	3,262,858	3,283,102	3,814,960
Total expenses	\$ 88,633,165	\$ 87,936,946	\$ 95,029,605	\$ 104,150,247	\$ 110,314,432	\$ 130,831,156	\$ 131,903,612	\$ 144,404,738	\$ 147,181,981	\$ 157,914,204
Program Revenues										
Charges for Services										
Food Service /Community Theater	1,337,292	1,287,270	1,231,122	1,216,514	1,006,322	1,000,689	994,849	950,232	896,109	825,329
Operating Grants and Contributions	12,658,402	12,806,005	13,150,270	15,528,173	14,944,233	14,181,235	14,967,746	20,631,827	21,116,546	18,381,570
Total Program Revenues	13,995,694	14,093,275	14,381,392	16,744,687	15,950,555	15,181,924	15,962,595	21,582,059	22,012,655	19,206,899
Total Net(Expense)Governmental Activities	(74,637,471)	(73,843,671)	(80,648,213)	(87,405,560)	(94,363,877)	(115,649,232)	(115,941,017)	(122,822,679)	(125,169,326)	(138,707,305)
General Revenues:										
Government Activities:										
Borough Direct Appropriation	\$ 30,618,860	\$ 31,635,539	\$ 33,744,607	\$ 34,973,682	\$ 37,941,676	\$ 37,701,117	\$ 41,146,945	\$ 42,983,376	\$ 42,588,135	\$ 43,251,135
Public School Funding Program	43,992,698	42,355,439	46,467,673	50,003,179	59,959,314	60,523,098	62,317,926	64,062,960	69,386,710	73,570,872
Retirement: On-behalf Payments	-	-	-	-	-	19,322,147	15,227,995	11,901,565	13,615,283	17,803,814
Other State Revenue	-	-	-	110,355	1,116,108	3,135,060	245,599	250,195	101,962	180,525
Earnings on Investment	386,694	(252,271)	197,556	494,410	1,067,126	1,746,569	1,563,679	1,351,985	837,735	898,439
E-Rate Program	-	491,215	435,323	508,938	657,616	722,223	426,290	575,663	591,046	118,707
Medicaid Reimbursement	279,021	281,073	212,193	526,918	492,697	549,024	288,038	408,492	593,496	343,617
Other	653,143	140,756	318,521	143,758	102,220	228,227	173,326	103,380	43,050	35,000
Total General Revenues	\$ 75,930,416	\$ 74,651,751	\$ 81,375,873	\$ 86,761,240	\$ 101,336,757	\$ 123,927,465	\$ 121,389,798	\$ 121,637,616	\$ 127,757,417	\$ 136,202,109
Special Item - writeoff NPO/OPEB	-	-	-	-	-	-	5,024,344	-	-	-
Change in Net Assets	\$ 1,292,945	\$ 808,080	\$ 727,660	\$ (644,320)	\$ 6,972,880	\$ 8,278,233	\$ 10,473,125	\$ (1,185,063)	\$ 2,588,091	\$ (2,505,196)

* Program categories have changed as per State requirements as of fiscal year 2004-05

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**TOTAL CHANGE IN NET ASSETS
LAST TEN FISCAL YEARS
(Unaudited)**

	FISCAL YEAR									
	2002-2003*	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009**	2009-2010	2010-2011	2011-2012
Change in Net Assets	\$ 1,292,945	\$ 808,080	\$ 727,660	\$ (644,320)	\$ 6,972,880	\$ 8,278,233	\$ 10,473,125	\$ (1,185,063)	\$ 2,588,091	\$ (2,505,196)
Net Assets - Beginning	4,849,015	6,141,960	6,950,040	7,677,700	7,033,380	14,006,260	22,284,493	32,757,618	31,572,555	34,160,646
Net Assets - Ending	<u>\$ 6,141,960</u>	<u>\$ 6,950,040</u>	<u>\$ 7,677,700</u>	<u>\$ 7,033,380</u>	<u>\$ 14,006,260</u>	<u>\$ 22,284,493</u>	<u>\$ 32,757,618</u>	<u>\$ 31,572,555</u>	<u>\$ 34,160,646</u>	<u>\$ 31,655,450</u>

* Net Assets had additional capital assets in the amount of \$569,670.00 Restated amount \$489,015.00

**Long term debt in the form of a Net Pension Obligation and Other Post-Employment Benefits (OPEB) was written off in FY09 when the Public Employees Retirement System (PERS) converted to a cost sharing plan.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND BALANCES, SPECIAL REVENUE FUND BALANCES, TOTAL FUND BALANCE
LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR									
	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011*	2011-2012
General Fund										
Reserved	\$ 2,361,057	\$ 1,549,919	\$ 2,031,509	\$ 2,773,182	\$ 4,308,511	\$ 9,058,171	\$ 9,645,680	\$ 9,071,018	\$ -	\$ -
Unreserved	4,648,841	3,887,195	5,738,461	5,894,990	9,183,137	7,615,732	6,833,310	6,192,633	-	-
Undesignated	-	-	-	-	-	2,720,208	4,683,677	5,737,714	-	-
Total General Fund	<u>\$ 7,009,898</u>	<u>\$ 5,437,114</u>	<u>\$ 7,769,970</u>	<u>\$ 8,668,172</u>	<u>\$ 13,491,648</u>	<u>\$ 19,394,111</u>	<u>\$ 21,162,667</u>	<u>\$ 21,001,365</u>	<u>\$ -</u>	<u>\$ -</u>
Special Revenue Funds										
Reserved	\$ 15,678	\$ 29,709	\$ 20,492	\$ 15,642	\$ 288,282	\$ 254,471	\$ 267,430	\$ 393,526	\$ -	\$ -
Unreserved	111,267	483,324	730,823	656,776	2,112,873	-	-	-	-	-
Undesignated	-	-	-	-	-	5,179,038	8,729,160	7,770,103	-	-
Total Special Revenue Funds	<u>\$ 126,945</u>	<u>\$ 513,033</u>	<u>\$ 751,315</u>	<u>\$ 672,418</u>	<u>\$ 2,401,155</u>	<u>\$ 5,433,509</u>	<u>\$ 8,996,590</u>	<u>\$ 8,163,629</u>	<u>\$ -</u>	<u>\$ -</u>
Total Fund Balance	<u>\$ 7,136,843</u>	<u>\$ 5,950,147</u>	<u>\$ 8,521,285</u>	<u>\$ 9,340,590</u>	<u>\$ 15,892,803</u>	<u>\$ 24,827,620</u>	<u>\$ 30,159,257</u>	<u>\$ 29,164,994</u>	<u>\$ -</u>	<u>\$ -</u>
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,160,675	\$ 1,978,610
Restricted	-	-	-	-	-	-	-	-	892,467	983,984
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	14,513,862	10,593,166
Unassigned	-	-	-	-	-	-	-	-	5,792,038	6,808,518
Total General Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,359,042</u>	<u>\$ 20,364,278</u>
Special Revenue Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 284,397	\$ 366,559
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	7,787,245	6,783,452
Unassigned	-	-	-	-	-	-	-	-	(44,976)	(44,976)
Total Special Revenue Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,026,666</u>	<u>\$ 7,105,035</u>
Total Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,385,708</u>	<u>\$ 27,469,313</u>

* The District implemented GASB statement 54 in FY11, prospectively reported.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR									
	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Federal Sources:										
Federal - Direct	\$ 279,021	\$ 280,073	\$ 212,193	\$ 270,719	\$ 290,474	\$ 287,390	\$ 306,186	\$ 401,153	\$ 377,756	\$ 424,110
Federal - Through the State	7,638,505	7,705,505	7,924,649	9,743,914	8,059,469	8,267,768	7,856,624	13,617,440	14,547,490	10,999,132
Federal - Through other Agencies	-	-	-	-	-	-	3,305	-	-	-
Total Federal Sources	<u>\$ 7,917,526</u>	<u>\$ 7,985,578</u>	<u>\$ 8,136,842</u>	<u>\$ 10,014,633</u>	<u>\$ 8,349,943</u>	<u>\$ 8,555,158</u>	<u>\$ 8,166,115</u>	<u>\$ 14,018,593</u>	<u>\$ 14,925,246</u>	<u>\$ 11,423,242</u>
State Sources:										
Public School Funding Program	\$ 43,992,698	\$ 42,355,439	\$ 46,467,673	\$ 50,113,534	\$ 61,075,422	\$ 63,658,158	\$ 62,563,525	\$ 64,313,155	\$ 69,386,710	\$ 73,570,872
Retirement: On-behalf Payments	-	-	-	-	-	19,322,147	15,227,995	11,901,565	13,615,283	17,803,814
Other State Revenue	4,967,842	5,045,569	5,160,238	5,243,702	5,604,033	6,001,393	6,622,333	6,769,831	6,542,513	7,076,188
Total All Other Government Funds	<u>\$ 48,960,540</u>	<u>\$ 47,401,008</u>	<u>\$ 51,627,911</u>	<u>\$ 55,357,236</u>	<u>\$ 66,679,455</u>	<u>\$ 88,981,698</u>	<u>\$ 84,413,853</u>	<u>\$ 82,984,551</u>	<u>\$ 89,544,506</u>	<u>\$ 98,450,874</u>
Local Sources:										
Borough Direct Appropriation	\$ 30,618,860	\$ 31,635,539	\$ 33,744,607	\$ 34,973,682	\$ 37,941,676	\$ 37,701,117	\$ 41,146,945	\$ 42,983,376	\$ 42,588,135	\$ 43,251,135
Corporate Grants and User Fees	245,396	274,741	284,106	241,800	103,246	123,135	163,808	106,591	84,059	117,033
Food Sales	1,126,811	1,041,579	995,196	989,802	965,162	955,879	952,018	905,767	853,654	781,299
Earnings on Investments	386,694	(252,271)	197,556	494,410	1,067,126	1,746,569	1,563,679	1,351,985	837,735	898,439
Other Local Revenue	670,283	658,852	771,047	1,393,248	759,836	1,045,833	945,975	868,812	936,737	486,986
Total All Other Government Funds	<u>\$ 33,048,044</u>	<u>\$ 33,358,440</u>	<u>\$ 35,992,512</u>	<u>\$ 38,092,942</u>	<u>\$ 40,837,046</u>	<u>\$ 41,572,533</u>	<u>\$ 44,772,425</u>	<u>\$ 46,216,531</u>	<u>\$ 45,300,320</u>	<u>\$ 45,534,892</u>
Total Revenue	<u>\$ 89,926,110</u>	<u>\$ 88,745,026</u>	<u>\$ 95,757,265</u>	<u>\$ 103,464,811</u>	<u>\$ 115,866,444</u>	<u>\$ 139,109,389</u>	<u>\$ 137,352,393</u>	<u>\$ 143,219,675</u>	<u>\$ 149,770,072</u>	<u>\$ 155,409,008</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**GOVERNMENTAL FUNDS EXPENDITURES
LAST TEN FISCAL YEARS
(Unaudited)**

	FISCAL YEAR									
	2002-2003	2003-2004	2004-2005*	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Expenditures:										
Instruction	\$ 49,766,894	\$ 49,008,398	\$ 44,352,605	\$ 49,422,945	\$ 52,407,303	\$ 63,488,942	\$ 62,067,541	\$ 68,929,841	\$ 68,248,693	\$ 70,705,651
Special Education - Instruction	-	-	8,129,066	8,584,176	9,513,798	12,667,079	15,047,687	16,687,607	18,493,550	19,969,419
Special Education Services - Pupil	-	-	3,082,683	3,208,595	3,528,292	4,357,397	4,567,626	4,709,847	5,016,857	5,614,026
Support Services - Pupil	6,936,657	6,888,840	1,958,191	2,592,299	2,871,350	3,649,437	3,569,636	3,828,379	3,898,385	4,313,204
Support Services - Instruction	-	-	1,575,098	1,939,417	2,061,766	2,391,393	2,374,251	2,608,450	2,354,134	3,503,879
School Administration	3,420,590	3,635,245	4,085,433	4,450,469	4,949,959	6,051,927	5,894,424	6,414,515	6,672,373	6,674,487
School Administration - Support	5,750,012	6,256,017	2,895,324	3,192,316	3,415,962	3,813,704	4,026,857	4,141,233	4,162,807	4,579,314
District Administration	-	-	774,266	806,948	826,561	950,172	834,584	855,280	977,921	1,060,774
District Administration - Support	-	-	2,701,133	3,393,748	3,765,948	4,815,586	4,837,284	6,312,937	5,873,132	6,954,273
Operation & Maintenance of Plant	13,601,441	13,853,049	15,027,828	15,719,257	16,187,789	17,783,290	18,579,831	19,112,022	20,693,008	22,839,229
Pupil Activities	1,450,601	1,083,783	1,140,463	1,199,233	1,606,325	1,770,301	1,334,903	1,831,912	2,161,214	2,194,608
Community Services	303,099	285,206	249,130	278,567	56,971	56,027	55,605	58,130	64,559	64,493
Pupil Transportation	4,880,513	4,330,121	4,410,850	4,674,831	5,147,858	5,405,975	5,586,792	5,492,429	5,498,915	6,092,404
Food Service	2,511,955	2,641,246	2,804,057	3,182,705	2,974,349	2,973,342	3,243,735	3,231,356	3,433,810	3,870,392
Total Expenditures	\$ 88,621,762	\$ 87,981,905	\$ 93,186,127	\$ 102,645,506	\$ 109,314,231	\$ 130,174,572	\$ 132,020,756	\$ 144,213,938	\$ 147,549,358	\$ 158,436,153

* Program categories have changed as per State requirements as of fiscal year 2004-05

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCE
LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR									
	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Excess of revenues over (under) expenditures	\$ 1,304,348	\$ 763,121	\$ 2,571,138	\$ 819,305	\$ 6,552,213	\$ 8,934,817	\$ 5,331,637	\$ (994,263)	\$ 2,220,714	\$ (3,027,145)
Other Financing Sources (Uses)										
Capitalized Leases	-	-	-	-	-	-	-	-	-	-
Transfers In	292,038	279,212	279,225	385,948	2,722,720	4,293,736	4,451,076	830,279	362,104	675,000
Transfers Out	(292,038)	(2,229,029)	(279,225)	(385,948)	(2,722,720)	(4,293,736)	(4,451,076)	(830,279)	(362,104)	(1,564,250)
Total other financing sources (Uses)	-	(1,949,817)	-	-	-	-	-	-	-	(889,250)
Net Change in fund balances	\$ 1,304,348	\$ (1,186,696)	\$ 2,571,138	\$ 819,305	\$ 6,552,213	\$ 8,934,817	\$ 5,331,637	\$ (994,263)	\$ 2,220,714	\$ (3,916,395)

TABLE VIII

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(in thousands of dollars)**

Fiscal Year	Assessed Values			Tax Exempt Values		Total Taxable Assessed Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
	Real Property	Oil Related	Personal Property	Real Property	Personal Property			
2002-03	3,290,671	680,522	290,369	176,523	40,998	4,044,041	6.50	94.90%
2003-04	3,509,442	673,367	276,616	196,210	40,844	4,222,371	6.50	94.68%
2004-05	3,656,476	611,303	253,567	215,076	42,051	4,264,219	6.50	94.31%
2005-06	4,009,648	561,689	285,351	304,702	44,210	4,507,776	6.50	92.82%
2006-07	4,402,946	558,190	295,431	340,356	28,161	4,888,050	6.50	92.99%
2007-08	4,940,180	607,052	224,479	374,395	27,938	5,369,378	5.50	93.03%
2008-09	5,533,794	635,272	220,272	394,457	28,124	5,966,757	4.50	93.39%
2009-10	5,883,881	703,063	245,915	434,556	29,205	6,369,098	4.50	93.21%
2010-11	5,901,904	713,954	259,714	451,127	30,914	6,393,531	4.50	92.99%
2011-12	6,180,464	698,991	257,619	472,878	30,955	6,633,241	4.50	92.94%

This information was obtained from the Kenai Peninsula Borough.

The Borough maintains taxing authority; the School District has no taxing authority.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**PROPERTY TAX RATES AND TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	TAX RATE (MILLS)						
	Borough	City of Homer	City of Kenai	City of Seldovia	City of Seward	City of Kachemak*	City of Soldotna
2002-03	6.50	5.00	3.50	7.25	3.12	1.00	1.65
2003-04	6.50	5.00	5.00	7.25	3.12	1.00	1.65
2004-05	6.50	4.50	4.50	7.25	3.12	1.00	1.65
2005-06	6.50	4.50	4.50	7.25	3.12	2.00	1.65
2006-07	6.50	4.50	4.50	4.60	3.12	2.00	1.65
2007-08	5.50	4.50	4.50	4.60	3.12	2.00	1.65
2008-09	4.50	4.50	4.50	4.60	3.12	1.00	1.65
2009-10	4.50	4.50	4.00	4.60	3.12	1.00	1.65
2010-11	4.50	4.50	3.85	4.60	3.12	1.00	1.65
2011-12	4.50	4.50	3.85	4.60	3.12	1.00	0.65

Taxes are payable when billed. Payment in full is due on or before October 15 and becomes delinquent thereafter. At the option of the taxpayer, taxes may be paid in two equal installments. If the taxpayer elects this option, the first one-half of the taxes payable must be paid on or before September 15. The second one-half taxes then become due on or before November 15 and become delinquent thereafter. If the first one-half of the taxes payable are not paid by September 15, payment of taxes in full becomes due on or before October 15. Late payment penalty of 5% of the taxes due shall be added to all delinquent taxes on the day they become delinquent and an additional penalty of 5% of the taxes due shall be added to any tax more than 30 days delinquent. Interest shall be calculated at 10% per year from the date that the taxes would have ordinarily come due.

This information was obtained from the Kenai Peninsula Borough.

* Real Property Tax

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

TABLE X

PRINCIPAL PROPERTY TAXPAYERS
June 30, 2012
(Unaudited)

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value
Tesoro Alaska Petroleum Co.	\$ 321,276,064	1	4.84%	\$ 95,987,062	4	2.37%
Unocal	195,968,980	2	2.95%	358,357,890	1	8.86%
Conoco Phillips	179,561,870	3	2.71%			
Marathon Oil	138,887,280	4	2.09%	59,933,610	7	1.48%
Alaska Communication System	83,432,332	5	1.26%	71,777,121	6	1.77%
XTO Energy Inc	51,626,800	6	0.78%	42,497,960	8	1.05%
Kenai Kachemak Pipeline	28,577,530	7	0.43%	-		
Wal-Mart Real Estate Business	27,056,400	8	0.41%	-		
Alaska Pipeline	23,538,862	9	0.35%	-		
BP Exploration	23,297,413	10	0.35%	77,783,465	5	
Agrium, U.S.				190,340,291	2	4.71%
Phillips Petroleum Co.				101,661,882	3	2.51%
Forest Oil Company				29,451,590	9	0.73%
Phillips Alaska Inc.				26,283,140	10	0.65%
Totals	<u>\$ 1,073,223,531</u>		<u>16.17%</u>	<u>\$ 1,054,074,011</u>		<u>24.13%</u>

This information obtained from the Kenai Peninsula Borough.

Total Assessed value based on total tax levy for FY2012 and FY2003 respectively.

\$ 6,633,241,000

\$ 4,044,041,000

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

TABLE XI

PRINCIPAL EMPLOYERS
June 30, 2012
(Unaudited)

The State of Alaska has passed legislation that prevents disclosure of the number of employees for each employer. Although specific employee counts are available for 2008, because that information was released prior to legislation being implemented, the State will not provide detail information for 1999.

This information obtained from the Kenai Peninsula Borough.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Collected in the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
	Total Tax Levy for Fiscal Year	Amount	Percentage of Levy		Amount	Percentage of Levy
2002-03	26,370,536	25,879,204	98.137%	487,835	26,367,039	99.987%
2003-04	27,558,497	27,062,845	98.201%	491,880	27,554,725	99.986%
2004-05	27,820,350	27,446,158	98.655%	370,330	27,816,488	99.986%
2005-06	29,357,626	28,978,909	98.710%	372,836	29,351,745	99.980%
2006-07	31,768,274	31,346,983	98.674%	409,044	31,756,027	99.961%
2007-08	30,042,125	26,651,635	98.700%	350,122	30,032,108	99.967%
2008-09	26,779,449	26,431,968	98.702%	297,046	26,729,014	99.812%
2009-10	28,875,124	28,375,677	98.270%	450,825	28,375,677	98.270%
2010-11	29,058,274	28,630,610	98.528%	358,591	28,989,201	99.762%
2011-12	30,419,493	29,946,804	98.446%	-	29,946,804	98.446%

This information was obtained from the Kenai Peninsula Borough.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

NO DEBT LIMIT IS MANDATED BY LAW

This information was obtained from the Kenai Peninsula Borough.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**RATIO OF NET AREA WIDE GENERAL BONDED DEBT TO ASSESSED VALUE AND
NET BONDED DEBT PER CAPITA AND STUDENT CAPITA
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Population*	Average Daily Membership	Total Taxable Assessed Value	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita	Net Bonded Debt Per Student Capita
2002-03	53,316	9,661	4,044,041,000	17,874,000	0.44%	341	1,850
2003-04	51,733	9,467	4,222,404,000	87,009,000	2.06%	1,682	9,191
2004-05	51,765	9,527	4,264,247,000	82,014,000	1.92%	1,584	8,609
2005-06	51,350	9,389	4,507,776,000	79,019,000	1.75%	1,539	8,416
2006-07	52,370	9,368	4,888,050,000	79,069,192	1.62%	1,510	8,440
2007-08	52,990	9,250	5,369,378,000	88,828,570	1.65%	1,676	9,608
2008-09	52,990	9,256	5,966,757,000	83,438,729	1.40%	1,575	9,015
2009-10	53,578	9,145	6,369,098,000	82,674,079	1.30%	1,543	9,040
2010-11	55,400	9,148	6,393,531,000	92,860,000	1.45%	1,676	10,151
2011-12	56,369	9,053	6,633,241,000	84,215,000	1.27%	1,494	9,272

This information was obtained from the Kenai Peninsula Borough.

* Data provided by the State of Alaska Department of Community & Economic Development.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
LAST TEN FISCAL YEARS
(Unaudited)

This information is no longer available from the Kenai Peninsula Borough.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
YEAR ENDED JUNE 30, 2012
(Unaudited)

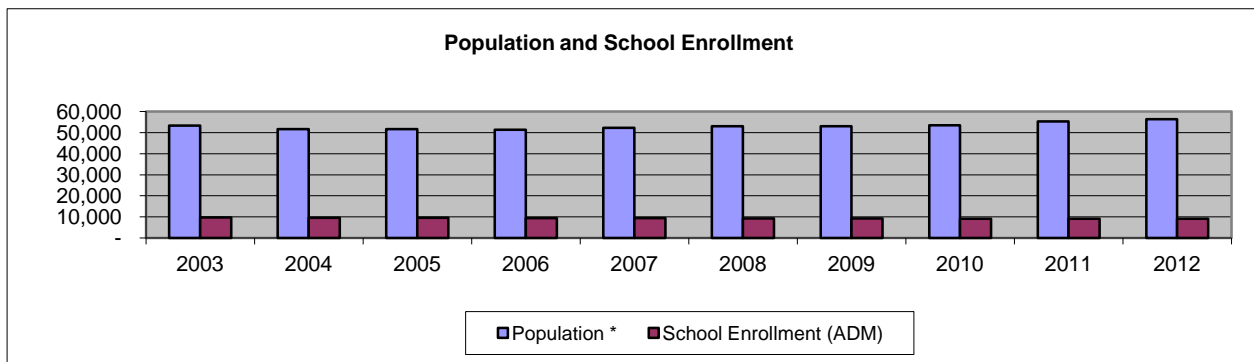
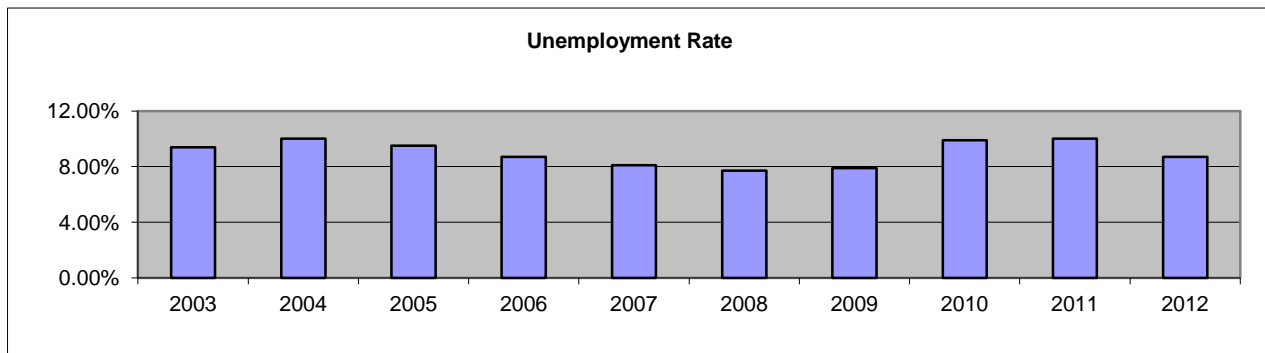
DEMOGRAPHIC DATA

Fiscal Year	Population *	Median Age **	School Enrollment (ADM)	Unemployment rate **
2003	53,316 **	36.6	9,661	9.40%
2004	51,733 **	37.4	9,467	10.00%
2005	51,765 **	38.0	9,527	9.50%
2006	51,350 **	39.7	9,389	8.70%
2007	52,370 **	39.1	9,368	8.10%
2008	52,990 **	39.2	9,250	7.70%
2009	52,990 **	39.2	9,256	7.90%
2010	53,578 **	39.4	9,145	9.90%
2011	55,400 **	39.4	9,148	10.00%
2012	56,369 **	33.8	9,083	8.70%

This information was obtained from the Kenai Peninsula Borough.
 Personal income information is no longer available.

* Data is provided by the State of Alaska Department of Community & Economic Development

** Data is provided by the State of Alaska Department of Labor & Workforce Development and is the average rate for the previous calendar year. The Department has changed their method of calculating unemployment rates retroactive to 2001.



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**GENERAL FUND FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Regular Instruction	Special Education Instruction	Special Education Services Pupil	Support Services Pupil	Support Services Instruction	School Administration	School Administration Support	District Administration	District Administration Support Services	Operation and Maintenance of Plant	Pupil Activity	Total FTE
2002-03	523.43	134.51	47.50	35.24	24.60	35.00	56.69	4.50	32.25	102.73	4.60	1001.05
2003-04	479.91	142.62	42.86	33.57	20.76	35.35	56.25	4.00	32.75	88.75	3.71	940.53
2004-05	467.90	144.54	39.49	29.67	17.20	37.65	51.20	4.50	31.25	85.51	2.87	911.78
2005-06	489.25	145.49	39.61	37.54	27.57	39.14	49.26	4.50	31.25	85.32	3.20	952.13
2006-07	503.38	152.30	39.62	39.49	29.86	37.00	50.31	4.50	31.25	84.07	3.10	974.88
2007-08	505.08	164.88	45.28	39.46	27.79	36.50	50.25	5.00	32.75	85.69	3.10	995.78
2008-09	538.34	171.02	44.55	40.98	26.36	36.90	53.82	5.00	35.75	85.38	3.30	1041.40
2009-10	555.17	172.48	45.05	45.46	25.80	39.35	57.46	5.00	36.00	86.18	2.50	1070.45
2010-11	546.82	178.06	45.08	45.34	24.61	39.80	55.32	5.00	37.50	85.57	2.93	1066.03
2011-12	546.78	213.92	47.06	46.83	26.35	40.00	54.45	5.00	36.50	85.69	2.40	1104.98

This information is obtained yearly from current staffing formula tables.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
ALL FUNDS FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Regular Instruction	Special Education Instruction	Special Education Services Pupil	Support Services Pupil	Support Services Instruction	School Administration	School Administration Support	District Administration	District Administration Support Services	Operation and Maintenance of Plant	Pupil Activity	Food Service	Pupil Transportation	Total FTE
2002-03*														
2003-04*														
2004-05*														
2005-06*														
2006-07*														
2007-08*														
2008-09	582.56	204.10	44.55	40.98	26.86	36.90	54.57	5.00	38.75	85.38	3.30	39.35	2.00	1164.30
2009-10	600.95	219.53	45.05	45.46	26.30	39.35	59.21	5.00	40.00	86.18	2.50	39.82	2.00	1211.35
2010-11	599.36	249.36	45.08	45.34	26.56	39.80	55.32	5.00	39.00	85.57	2.93	41.17	2.00	1236.49
2011-12	600.83	261.17	47.06	46.83	26.35	40.00	54.45	5.00	39.50	85.69	2.40	43.36	2.00	1254.64

* Data not available at this time

This information is obtained yearly from current staffing formula tables.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**AVERAGE PER PUPIL GENERAL FUND OPERATING EXPENDITURES
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Total Operating Expenditures	Operating Expenditures Percentage Increase Over Previous Year	Average Daily Membership Grades K-12	Operating Expenditures Per Student Capita	Operating Expenditures Per Student Capita Percentage Increase Over Previous Year
2002-03	74,430,070	(0.02)	9,661	7,704	(0.01)
2003-04	76,253,975	0.02	9,467	8,055	0.05
2004-05	79,043,017	0.04	9,527	8,297	0.03
2005-06	85,821,922	0.09	9,389	9,141	0.10
2006-07	94,363,370	0.10	9,368	10,073	0.10
2007-08	118,025,002	0.25	9,250	12,759	0.27
2008-09	119,621,242	0.01	9,256	12,924	0.01
2009-10	121,798,918	0.02	9,145	13,319	0.03
2010-11	124,940,921	0.03	9,148	13,658	0.03
2011-12	138,995,990	0.11	9,083	15,303	0.12

This information is obtained from the State of Alaska Department of Education & Early Development from the Annual Final Foundation report.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
AVERAGE DAILY MEMBERSHIP AS COMPARED TO ASSESSED VALUATION
SHOWING ASSESSED VALUATION SUPPORT PER STUDENT
LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year</u>	<u>Average Daily Membership Grades K-12</u>	<u>Percentage Average Daily Membership Increase (Decrease) Over Previous Year</u>	<u>Total Taxable Assessed Valuation</u>	<u>Assessed Valuation Percentage Increase (Decrease) Over Previous Year</u>	<u>Assessed Valuation Support Per Student Capita</u>
2002-03	9,661	(1.7)	3,957,173,965	6.1	409,603
2003-04	9,467	(0.7)	4,236,549,880	7.1	447,507
2004-05	9,527	(0.4)	4,223,854,000	(0.3)	443,356
2005-06	9,389	(1.4)	4,507,776,000	6.3	480,112
2006-07	9,368	(0.2)	4,888,049,897	7.8	521,782
2007-08	9,250	(1.1)	5,369,378,000	9.1	580,473
2008-09	9,256	0.1	5,966,757,000	11.1	644,637
2009-10	9,145	(1.2)	6,369,098,000	6.7	696,457
2010-11	9,148	0.0	6,393,531,000	0.4	698,899
2011-12	9,083	(0.7)	6,633,241,000	3.8	730,292

This information is obtained from the State of Alaska Department of Education & Early Development from the Annual Final Foundation report.

DATE OF INCORPORATION ~ January 1, 1964

AUTHORITY OF INCORPORATION ~ State of Alaska Borough Act of 1961

AREA ~ Approximately 25,600 square miles

<u>Type of School</u>	<u>Number of Schools</u>	<u>ADM Enrollment</u>
High Schools	6	2,257
Middle Schools	4	1,047
Elementary Schools	14	3,239
Combined Elem/High School	10	708
Charter Schools	4	704
Alternative Schools	5	218
Correspondence Schools	1	975
Total	<u>44</u>	<u>9,148</u>