

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Comprehensive Annual Financial Report for the

Fiscal Year Ended

June 30, 2013



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, 2013**

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

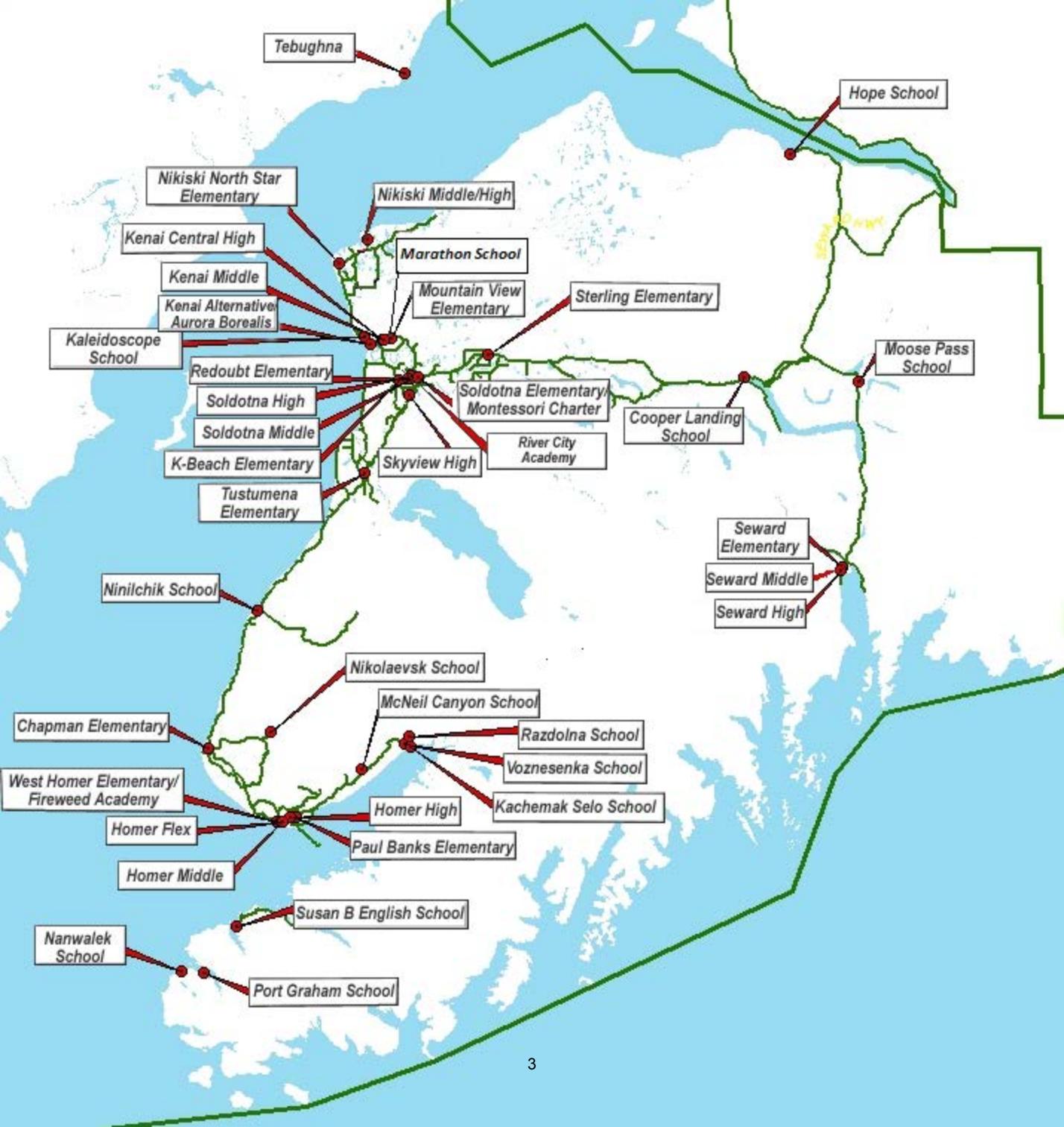
Letter of Transmittal

Certificate of Excellence, ASBO

Organizational Chart

Kenai Peninsula Borough School Board and Administration

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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October 8, 2013

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, 2013 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 BDO USA, LLP, a firm of licensed certified public accountants; field work was completed September 6, 2013. 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, 2013 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, 2013 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 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 9,065 students attend forty-three 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 Kenai Peninsula Borough School District is to develop productive, responsible citizens who are prepared to be successful in a dynamic world.

In September 2012 Alaska applied for a flexibility waiver from the provisions of the federal Elementary and Secondary Education Act (ESEA). The waiver was approved in May 2013 by the United States Department of Education. In June 2013, the State Board adopted a new accountability system for our public schools. The new system has been named the Alaska School Performance Index (ASPI). The ASPI system effectively replaces the former Adequate Yearly Progress (AYP) model that has been in place since 2002.

Under the new accountability system, students will continue to take state assessments in reading, writing and math. Parents and educators will use the assessment results to help understand how well each student meets state academic standards. The public also will have access to state assessment results for schools and districts in the aggregate, including a breakdown by student subgroups such as income, disability and ethnicity.

Each school and district will have its own annual goal for improvement, based on reducing its percentage of non-proficient students by half in six years, including in each subgroup of students. Results will be reported each year, as will high school graduation rates. The new accountability system will rank schools on a 100-point scale, based on student growth as well as proficiency in state assessments, attendance, high school graduation, and student performance on work-ready and college entrance exams. Based on the 100-point scale, schools will receive a rating of one star to five stars.

Districts will be required to implement improvement plans in one-star and two-star schools and in any school with substantial achievement gaps among student subgroups. The state will recognize high-performing and high-improving schools; require the lowest-performing 5 percent of Title I schools (recipients of federal anti-poverty funds) to implement a significant program of improvement; and require the next 10 percent of low-performing Title I schools to implement interventions to address their specific deficiencies.

ASPI results for the Kenai Peninsula Borough School District at the end of FY13 are:

- 5 Stars – 7 schools
- 4 Stars – 27 schools
- 3 Stars – 6 schools
- 2 Stars – 1 school
- 1 Star – 2 schools

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 FY13. The Borough's FY14 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 FY13 budgeted sales tax revenue represents about 41% 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 FY13 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 implemented in FY13. Changes to funding in FY13 included an increase in the funding formula for Career and Technical Education (CTE) for grades 7-8, one-time funding of about \$1.4 M for additional fuel cost and \$1 M in an additional Legislative grant for equipment purchases.

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, enrollment numbers continue to decline. 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, 2012.

This was the twenty-third 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



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

Kenai Peninsula Borough School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012*

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



A handwritten signature in black ink, appearing to read 'Ron McCulley', written over a horizontal line.

Ron McCulley, CPPB, RSBO
President

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

John D. Musso, CAE, RSBA
Executive Director

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Kenai Peninsula Borough School District
Education Stakeholders
(students, parents, community members, businesses)

Board of Education

Superintendent

Assistant Superintendent
Instruction

Assistant Superintendent
Instructional Support

Directors

Directors

Elementary Education/K-12 Curriculum

Secondary Education/Student Activities

Pupil Services

Federal Programs/ K-12 Schools/ Assessment

Information Services

Planning and Operations

Human Resources

Finance

Supervisors/Managers

Supervisors/Managers

Health Services

Pupil Services (Various schools, OT/PT, Assessment, Gifted, Student Workforce)

Pupil Services (Various schools, Surrogate, Behavior Programs, Assessment)

Pupil Services (Various schools, Preschools, Intensive, Child Find, Speech, RTI, Transportation Liaison, Alternate Assessment)

Bilingual Education

Federal Programs

Student Nutrition

Warehouse

Transportation

Professional Development

Communications

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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
Mr. Hayden Beard, 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

Member of the School Board
Kenai Peninsula Borough School District
Soldonta, Alaska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kenai Peninsula Borough School District, a component unit of Kenai Peninsula Borough, Alaska, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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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 Kenai Peninsula Borough School District, Alaska, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2013, Kenai Peninsula Borough School District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and the provisions of GASB Statement number 65, *Items Previously Reported as Assets and Liabilities*. These provisions have been retrospectively applied to all periods presented in these financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Prior-Year Comparative Information

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Kenai Peninsula Borough School District's financial statements for the year ended June 30, 2012, from which such summarized information was derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 25–31 and 65–67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit for the year ended June 30, 2013 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Kenai Peninsula Borough School District's basic financial statements. The accompanying introductory and statistical sections, combining and individual fund financial statements and schedules, and other schedules, as listed in the table of contents for the year ended June 30, 2013 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Members of the School Board
Soldotna, Alaska

The accompanying combining and individual fund financial statements and schedules, and other schedules, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2013 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund financial statements and schedules, and other schedules, as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2013.

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, and accordingly, we do not express an opinion or provide any assurance on it.

Kenai Peninsula Borough School District's basic financial statements for the year ended June 30, 2012 (not presented herein), were audited by other auditors whose report dated October 25, 2012, expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The report of the other auditors dated October 25, 2012, stated that the combining and individual nonmajor fund financial statements, and other schedules for the year ended June 30, 2012 were subjected to the auditing procedures applied in the audit of the 2012 basic financial statements and certain additional auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or the those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in their opinion, was fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2012.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2013 on our consideration of Kenai Peninsula Borough School 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* in considering Kenai Peninsula Borough School District's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
October 4, 2013

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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, 2013. 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 \$31,127,469. Of this amount, \$27,516,245 (unrestricted net position) may be used to meet the District's ongoing obligations.
- As of June 30, 2013, the District's governmental funds reported combined ending fund balances of \$26,541,126, a decrease of \$928,187 in comparison to the prior year.
- For the second year in a row, the Legislature approved funding to districts on a one-time basis, with the District receiving \$1,734,738 in supplemental funding. While this one-time funding is helpful, the fact that it is not within the Foundation Formula means the District cannot rely on it as recurring funding and budget its use accordingly.
- Also for the second year in a row, the District used a substantial amount of Fund Balance. While the district has planned the gradual draw-down of Fund Balance, the plan also includes cutting back on expenditures to balance the budget.
- At the end of the current fiscal year, non-exempt fund balance for the General Fund was \$12,471,818, which is 8.64% of current year expenditures, as compared to 8.56% at the end of FY12. 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 \$12,471,818, \$6,199,310 was unassigned and available for spending. The unassigned fund balance for the General Fund represented 4.29% of total General Fund expenditures, which is within the limits of Board Policy 3470.

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

The Statement of Activities provides information which shows how the District's net position 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 Position 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 35-36 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 35 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, and the Title I Fund, all of which are considered to be major funds. Data for the other 32 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 37-40 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 41-43.

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 44 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 47-62 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 was successfully involved in the following reviews, audits, and/or examinations by the State of Alaska Department of Education and Early Development:

Grants 5 Year Review by State and Federal Monitoring Team
 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 92-139.

Governmental-wide Financial Analysis

In FY13, the District planned for and used a significant amount of fund balance and plans to use more in FY14 to maintain existing levels of service. Two factors affecting District revenues that will continue to be an issue are: 1. No increase to the Base Student Allocation in the Foundation Funding formula and 2. Legislative action providing one-time funding for energy, which does not allow the opportunity for long-term planning and budgeting. 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 position over time may serve as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$31,127,469, on June 30, 2013 compared to \$31,655,450 on June 30, 2012 which was a decrease in total net position of \$527,981. 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 Position
 Governmental Activities**

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Current and other assets	\$ 45,223,787	\$ 46,117,183
Capital assets	<u>3,054,829</u>	<u>3,088,378</u>
Total Assets	<u>48,278,616</u>	<u>49,205,561</u>
Current and other liabilities	13,837,756	14,269,589
Long-term liabilities	<u>3,313,391</u>	<u>3,280,522</u>
Total Liabilities	<u>17,151,147</u>	<u>17,550,111</u>
Net Position		
Net Investment in capital assets	3,054,829	3,088,378
Restricted	556,395	645,261
Unrestricted	<u>27,516,245</u>	<u>27,921,811</u>
Total Net Position	<u><u>\$ 31,127,469</u></u>	<u><u>\$ 31,655,450</u></u>

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

Changes in Net Position Governmental Activities		
	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Revenues:		
Program revenues		
Charges for Services	\$745,201	\$825,329
Operating Grants and Contributions	18,134,117	18,381,570
General Revenues		
Public School Funding Program	77,574,055	73,570,872
Retirement: On-Behalf Payments	22,907,953	17,803,814
Other State Funding	164,384	343,617
E-Rate Program	590,640	118,707
Borough Appropriation	43,000,000	43,251,135
Earnings on Investments	55,918	898,439
Other Local Revenue	<u>200,605</u>	<u>215,525</u>
Total Revenues	<u>163,372,873</u>	<u>155,409,008</u>
Expenses:		
Instruction	73,192,512	70,671,418
Special Education - Instruction	21,592,288	19,939,292
Special Education Support Services - Student	6,090,491	5,606,638
Support Services – Student	4,783,866	4,307,528
Support Services - Instruction	3,476,192	3,432,382
School Administration	7,261,568	6,666,723
School Administration Support Services	4,805,263	4,585,996
District Administration	1,134,698	1,065,732
District Administration Support Services	6,210,335	6,658,848
Operations and Maintenance of Plant	21,254,202	22,639,419
Student Activities	2,364,058	2,344,153
Student Transportation Services	7,459,992	6,116,707
Community Services	48,657	64,408
Food Services	<u>4,226,732</u>	<u>3,814,960</u>
Total Expenses	<u>163,900,854</u>	<u>157,914,204</u>
Change in Net Position	<u>(527,981)</u>	<u>(2,505,196)</u>
Beginning Net Position as of July 1	<u>31,655,450</u>	<u>34,160,646</u>
Ending Net Position as of June 30	<u><u>\$31,127,469</u></u>	<u><u>\$31,655,450</u></u>

In FY13, there was a decrease in total net position in the amount of \$527,987 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 \$19,623,299. Of that amount, nonspendable fund balance totaled \$1,715,712, restricted fund balance was \$1,485,931, assigned fund balance totaled \$10,131,139 and unassigned was \$6,290,517. The fund balance in the general fund decreased \$740,979 from the prior year. This decrease was a planned use of fund balance to sustain staffing levels. 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 are Title I, and the Equipment Fund. Over \$2.4 million or 74% of the Title I Fund expenditures was used for salaries and benefits of employees working to support students at Title I designated schools. This includes about 13 FTE for certified employees and about 3 FTE for support employees paid for from the Title I grant funds. Equipment Fund expenditures in the amount of \$74,996 were made for supplies and equipment such as desks, tables, chairs, and other equipment for schools. The Equipment Fund expenditures were low because of a legislative grant for equipment purchases.

General Fund Budgetary Highlights

Significant items in the FY13 original budget and final amended budget can be summarized as follows:

- Additional funding from the legislature of \$1,000,000 for equipment needs
- 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 middle and high schools.

FY13 Budget Revisions approved by the Board of Education included:

- An increase in state funding targeted for Career and Technical Education for students in grades 9 – 12 was supplemented by additional funding of about \$400,000 for grades 7 and 8.
- One-time funding from the state of about \$1.7 million.
- A legislative revision to the method of calculating assessed property values, which increased state funding support by about \$2.6 million and caused the local government to reduce their contribution by \$1.5 million.

- Completion of negotiations with multiple employee groups and settlement of contract issues which included a change to the method of calculating both employee and employer contributions to the self-funded health care plan.
- 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.

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, 2013 amounts to \$3,054,829 (net of accumulated depreciation) compared to \$3,088,378 as of June 30, 2012. 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 FY14, 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 that were implemented over several years. The final District Cost Factor increase completed the changes in FY13. Since subsequent legislation has not provided any 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 3 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. The District continues to request forward funding measures through the legislature 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 as long as possible.
- Borough residents provided the highest level of local educational funding allowed through the funding formula for many years. That changed in FY10 when the district was first funded at less than the maximum allowed. That trend has continued and meetings between the school board, administration and the assembly continue to focus on the funding issue. A change in the local support calculation of the state foundation formula from 4 mills to 2.65 mills has resulted in a shift, with a large portion previously provided by the borough now provided by the state.
- Enrollment continues to decline, resulting in reduced revenue, but not at one particular location, so reductions to staff cannot always be made to reduce expenditures.

Expenditure Budget

- A fund balance allocation of \$ 3,776,720 is budgeted for FY14 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 \$22,845,416 for FY14.
- 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.
- Expenditure budget needs in addition to 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 Position

Statement of Activities

Fund Financial Statements:

Balance Sheet, Governmental Funds

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

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 Position – Internal Service Fund

Statement of Revenues, Expenses, and Changes in Fund Net Position – 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 POSITION
June 30, 2013

ASSETS

Current Assets:	
Cash	\$ 24,804
Equity in Central Treasury	36,897,804
Equity in Central Treasury - Restricted for Health Care	3,318,306
Accounts Receivable	304,612
Due from Other Governments	2,744,251
Prepaid	1,017,300
Inventories	916,710
Total Current Assets	45,223,787
Capital Assets:	
Furniture and Equipment	7,850,542
Less Accumulated Depreciation	(4,795,713)
Capital Assets - Net of Accumulated Depreciation	3,054,829
Total Assets	48,278,616

LIABILITIES

Current Liabilities:	
Accounts Payable	778,045
Accrued Liabilities	7,532,013
Health Claims payable - IBNR	4,366,000
Other Health Care Liabilities	1,120,892
Compensated Absences	40,806
Total Current Liabilities	13,837,756
Noncurrent Liabilities:	
Noncurrent Portion of Long-Term Obligations:	
Compensated Absences Payable	3,313,391
Total Noncurrent Liabilities	3,313,391
Total Liabilities	17,151,147

NET POSITION

Net Investment in Capital Assets	3,054,829
Restricted:	
Charter Schools	556,395
Unrestricted	27,516,245
Total Net Position	\$ 31,127,469

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, 2013

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	73,192,512	\$ -	\$ 4,866,249	\$ (68,326,263)
Special Education - Instruction	21,592,288	-	1,697,906	(19,894,382)
Special Education Support Services - Student	6,090,491	-	-	(6,090,491)
Support Services - Student	4,783,866	-	40,338	(4,743,528)
Support Services - Instruction	3,476,192	-	-	(3,476,192)
School Administration	7,261,568	-	414,036	(6,847,532)
School Administration Support Services	4,805,263	-	36,638	(4,768,625)
District Administration	1,134,698	-	-	(1,134,698)
District Administration Support Services	6,210,335	-	274,903	(5,935,432)
Operations and Maintenance of Plant	21,254,202	-	742,690	(20,511,512)
Student Activities	2,364,058	-	22,070	(2,341,988)
Community Services	48,657	41,945	-	(6,712)
Student Transportation	7,459,992	-	7,604,516	144,524
Food Service	4,226,732	703,256	2,434,771	(1,088,705)
Total governmental activities	<u>\$ 163,900,854</u>	<u>\$ 745,201</u>	<u>\$ 18,134,117</u>	<u>\$ (145,021,536)</u>

General revenues:

Grants and contributions not restricted to specific programs:

Borough direct appropriation	43,000,000
Public School Funding Program	77,574,055
Retirement: On-behalf Payments	22,907,953
Earnings on Investments	55,918
E-Rate Program	590,640
Medicaid Reimbursement	164,384
Other Local Revenue	200,605
Total general revenues	<u>144,493,555</u>

Change in net position (527,981)

Net position, beginning of year 31,655,450

Net position, end of year \$ 31,127,469

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013

	General	Equipment	Title I	Other Governmental	Total Governmental Funds
<u>ASSETS</u>					
Assets:					
Cash	\$ 24,804	\$ -	\$ -	\$ -	\$ 24,804
Equity in Central Treasury	23,103,653	5,454,294	-	1,285,560	29,843,507
Accounts Receivable	298,375	-	-	6,237	304,612
Prepaid Items	1,017,300	-	-	-	1,017,300
Due from Other Governments	-	-	1,544,834	1,199,417	2,744,251
Due from Special Revenue Funds	2,775,795	-	-	-	2,775,795
Inventories	698,412	-	-	218,298	916,710
Total Assets	\$ 27,918,339	\$ 5,454,294	\$ 1,544,834	\$ 2,709,512	\$ 37,626,979
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	\$ 763,027	\$ -	\$ 5,164	\$ 9,854	\$ 778,045
Accrued Liabilities	7,532,013	-	-	-	7,532,013
Due to General Fund	-	-	1,539,670	1,236,125	2,775,795
Total Liabilities	8,295,040	-	1,544,834	1,245,979	11,085,853
Fund Balances:					
Nonspendable:					
Inventories	698,412	-	-	218,298	916,710
Prepaid Items	1,017,300	-	-	-	1,017,300
Restricted for:					
Facilities Maintenance	1,485,931	-	-	-	1,485,931
Assigned to:					
Charter Schools	556,395	-	-	-	556,395
School Incentive Purchases	453,462	-	-	-	453,462
Self-Insurance Health Care	4,284,173	-	-	-	4,284,173
Professional - Technical Services	41,645	-	-	1,000	42,645
Staff Travel	2,309	-	-	-	2,309
Utility Services	14,450	-	-	-	14,450
Purchased Services	119,820	-	-	-	119,820
Supplies	181,724	10,278	-	72,867	264,869
Equipment	700,441	-	-	30,642	731,083
Subsequent Year Operations	3,776,720	5,444,016	-	1,185,702	10,406,438
Unassigned	6,290,517	-	-	(44,976)	6,245,541
Total Fund Balances	19,623,299	5,454,294	-	1,463,533	26,541,126
Total Liabilities and Fund Balances	\$ 27,918,339	\$ 5,454,294	\$ 1,544,834	\$ 2,709,512	\$ 37,626,979

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 POSITION
 June 30, 2013

Fund balances – total governmental funds		\$ 26,541,126
Amounts reported for governmental activities in the statement of net position 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 position 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	7,850,542	
Accumulated depreciation to date	<u>(4,795,713)</u>	3,054,829
<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 Position.</p>		
		<u>1,531,514</u>
Net position		<u>\$31,127,469</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, 2013

	General	Equipment	Title I	Other Governmental	Total Governmental Funds
Revenues:					
Local	\$ 43,000,000	\$ -	\$ -	\$ -	\$ 43,000,000
State	100,482,008	-	-	9,277,420	109,759,428
Federal-Direct	-	-	-	455,577	455,577
Federal-Through the State	164,384	-	3,340,180	4,787,107	8,291,671
Federal - Through other Intermediate Agencies	-	-	-	2,500	2,500
Earnings on Investments	55,918	22,783	-	-	78,701
E-Rate	590,640	-	-	-	590,640
Food Sales	-	-	-	703,256	703,256
Corporate Grants and User Fees	-	-	-	98,285	98,285
Other Local Revenues	200,605	-	-	192,210	392,815
Total Revenues	144,493,555	22,783	3,340,180	15,516,355	163,372,873
Expenditures - Current:					
Instruction	68,682,299	8,331	3,202,281	1,632,917	73,525,828
Special Education - Instruction	19,959,414	-	-	1,697,906	21,657,320
Special Education Support Services - Student	6,106,612	-	-	-	6,106,612
Support Services - Student	4,741,287	-	-	55,202	4,796,489
Support Services - Instruction	3,495,584	-	-	-	3,495,584
School Administration	6,865,731	-	-	414,036	7,279,767
School Administration Support Services	4,768,282	-	-	36,638	4,804,920
District Administration	1,132,748	-	-	-	1,132,748
District Administration Support Services	5,846,605	-	137,899	137,004	6,121,508
Operations and Maintenance of Plant	20,647,930	66,665	-	728,238	21,442,833
Student Activities	2,171,206	-	-	40,272	2,211,478
Community Services	-	-	-	48,786	48,786
Student Transportation	-	-	-	7,473,969	7,473,969
Food Service	-	-	-	4,203,218	4,203,218
Total Expenditures	144,417,698	74,996	3,340,180	16,468,186	164,301,060
Excess (Deficiency) of Revenues Over Expenditures	75,857	(52,213)	-	(951,831)	(928,187)
Other Financing Sources (Uses):					
Transfers In	-	-	-	816,836	816,836
Transfers Out	(816,836)	-	-	-	(816,836)
Total Other Financing Sources (Uses)	(816,836)	-	-	816,836	-
Net Change in Fund Balances	(740,979)	(52,213)	-	(134,995)	(928,187)
Fund Balances, Beginning of Year	20,364,278	5,506,507	-	1,598,528	27,469,313
Fund Balances, End of Year	<u>\$ 19,623,299</u>	<u>\$ 5,454,294</u>	<u>\$ -</u>	<u>\$ 1,463,533</u>	<u>\$ 26,541,126</u>

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, 2013

Net change in fund balances – total governmental funds \$ (928,187)

Amounts reported for governmental activities in the statement
of activities are different because:

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.

Equipment purchases	\$ 725,691	
Current depreciation expense	<u>(640,803)</u>	84,888

Loss on retirement of assets		(118,437)
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Internal service funds are used by management to charge the costs of health care to individual funds. Change in net position is reported with governmental activities.		<u>433,755</u>
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Change in net position		<u>\$ (527,981)</u>
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The notes to the financial statements are an integral part of this statement.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF NET POSITION
June 30, 2013

	<u>Internal Service Funds</u>
<u>ASSETS</u>	
Equity in Central Treasury	\$ 7,054,297
Equity in Central Treasury - Restricted for Healthcare	<u>3,318,306</u>
 Total assets	 <u><u>\$ 10,372,603</u></u>
<u>LIABILITIES</u>	
Current Liabilities	
Health Claims Payable (IBNR)	\$ 4,366,000
Contributions Collected from Employees in Excess of Negotiated Agreement	1,120,892
Compensated Absences	<u>40,806</u>
Total Current Liabilities	5,527,698
Noncurrent Liabilities	
Compensated Absences, net of current portion	<u>3,313,391</u>
 Total Liabilities	 <u><u>\$ 8,841,089</u></u>
<u>NET POSITION</u>	
Net Position - Unrestricted	<u>1,531,514</u>
 Total Net Position	 <u><u>\$ 1,531,514</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 POSITION
For the Year Ended June 30, 2013

	<u>Internal Service Funds</u>
Operating Revenues:	
Charges to Other Funds	\$ 3,345,060
Employer Contributions	17,624,414
Employee Contributions, Net of Excess Contributions of \$493,274	<u>4,505,891</u>
 Total Operating Revenues	 <u>25,475,365</u>
Operating Expenses:	
Administrative services	3,345,060
Healthcare Claims and Administrative Fees, Net of Increase in IBNR of \$162,000	<u>21,703,380</u>
 Total operating expenses	 <u>25,048,440</u>
 Operating income	 <u>426,925</u>
 Nonoperating Revenues - Interest Income	 <u>6,830</u>
 Increase in net position	 433,755
 Total net position, beginning of year	 <u>1,097,759</u>
 Total net position, end of year	 <u><u>\$ 1,531,514</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
Year Ended June 30, 2013

	<u>Internal Service Funds</u>
Cash flows from operating activities:	
Payments for interfund services provided	\$ 3,345,060
Payments to employees	(3,339,297)
Receipts from employer - current year contributions	17,624,413
Receipts from employees - current year contributions	3,625,250
Payments for claims and services	<u>(21,541,380)</u>
Net cash flow from operating activities	<u>(285,954)</u>
Cash flows from investing activities - interest income earned	<u>6,830</u>
Net decrease in cash and cash equivalents	<u>(279,124)</u>
Cash and cash equivalents, beginning of year	<u>10,651,727</u>
Cash and cash equivalents, end of year	<u><u>\$ 10,372,603</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 426,925
Increase in compensated absences payable	5,763
Increase in Health care payable	162,000
Contributions used from employees health care reserve per negotiated agreement	<u>(880,642)</u>
Net cash (used) provided by operating activities	<u><u>\$ (285,954)</u></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, 2013

	Student Activity Agency Fund
Assets:	
Equity in Central Treasury	\$ 2,667,973
Cash	28,149
Total Assets	\$ 2,696,122
Liabilities:	
Accounts Payable	\$ -
Amounts Due to Student Groups	2,696,122
Total Liabilities	\$ 2,696,122

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, 2013

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, 2013, the School District recorded in-kind services provided by the Borough for school operations as follows:

Custodial	\$ 119,318
Utilities	68,739
Maintenance	6,570,596
Insurance	1,884,254
Audit	<u>48,560</u>
	<u>\$8,691,467</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.

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, 2012.

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 used to account for ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. The only Proprietary Funds that the District has are Internal Service Funds. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. Operating expenses for Internal Service Funds include salaries, benefits, administrative expenses, and claims paid. All items not meeting this definition are reported as nonoperating revenues and expenses.

Internal Service Funds – Internal Service Funds are used to account for the financing of goods and services provided by one department to another on a cost reimbursement basis. The District has two Internal Service Funds, one for healthcare, and one for compensated absences.

Governmental Accounting Standards Board (GASB) Statement 34 requires Net Position 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 position 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 Position.

Fiduciary Funds This fund category is used to account for those assets which the School District holds on behalf of others as their agent. The fiduciary funds are prepared under the economic resources measurement focus and the accrual basis of accounting.

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 Position 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 Assets and Liabilities 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 position represents the difference between assets and liabilities. Net investment in capital assets 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 position 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 final changes were 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. Over the past two years, the legislature has provided additional funding as "one time" lump sums as well as a change to the Foundation funding formula to add funds for Career and Technical Education (CTE). With the HB273 changes complete and no additional plan for forward funding beyond FY13, the outlook for FY14 and beyond is uncertain.

The FY13 budget was developed and approved with an estimated enrollment of 8,871 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.

Prior Year Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2012, from which the summarized information was derived.

The budget amendments are detailed as follows:

**Kenai Peninsula Borough School District
FY13 Revenue Budget and Planned Use of Fund Balance Change - General Fund**

<u>Revenue Source</u>	4/2/2012 KPBSD Original Budget	7/9/2012 KPBSD Budget Revision	12/3/2012 KPBSD Budget Revision	6/3/2013 KPBSD Budget Revision	KPBSD Final Budget
Borough In-Kind	\$ 9,384,253	\$ (190,839)	\$ -	\$ -	\$ 9,193,414
Borough Appropriation	35,115,747	(1,309,161)	-	-	33,806,586
Earnings on Investments	1,000,000	-	-	-	1,000,000
E-Rate	646,000	-	-	-	646,000
Miscellaneous	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000</u>
Total Local Revenue	<u>46,226,000</u>	<u>(1,500,000)</u>	<u>-</u>	<u>-</u>	<u>44,726,000</u>
Foundation Program	72,011,556	3,095,321	899,190	(460,931)	75,545,136
State One-Time Funding	-	1,752,986	-	-	1,752,986
TRS On-Behalf Payment	19,312,953	-	-	-	19,312,953
PERS On-Behalf Payment	2,253,042	-	-	-	2,253,042
Quality Schools	<u>272,650</u>	<u>1,165</u>	<u>2,533</u>	<u>(415)</u>	<u>275,933</u>
Total State Revenue	<u>93,850,201</u>	<u>4,849,472</u>	<u>901,723</u>	<u>(461,346)</u>	<u>99,140,050</u>
Medicaid	<u>450,000</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>450,000</u>
Total General Fund Revenue	<u>140,526,201</u>	<u>3,349,472</u>	<u>901,723</u>	<u>(461,346)</u>	<u>144,316,050</u>
Planned Use of Fund Balance	<u>2,481,443</u>	<u>280,677</u>	<u>(494,252)</u>	<u>(608,002)</u>	<u>1,659,866</u>
Total General Fund Revenue and Planned Use of Fund Balance	<u>\$ 143,007,644</u>	<u>\$ 3,630,149</u>	<u>\$ 407,471</u>	<u>\$ (1,069,348)</u>	<u>\$ 145,975,916</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, 2013 is as follows:

	Carrying Value of Equity in Central Treasury	Due to (from) other funds	Reported Equity in Central Treasury
General Fund	\$ 23,103,653	\$ (2,775,795)	\$ 20,327,858
Equipment Fund	5,454,294	-	5,454,294
Title I Fund	-	1,539,670	1,539,670
Other Governmental Funds	1,285,560	1,236,125	2,521,685
Internal Service Fund	<u>10,372,603</u>	-	<u>10,372,603</u>
Governmental Fund Total	<u>\$ 40,216,110</u>	<u>\$ -</u>	<u>\$ 40,216,110</u>
Agency Fund	<u>\$ 2,667,973</u>	<u>\$ -</u>	<u>\$ 2,667,973</u>

NOTE 3 - RECEIVABLES

Receivables at June 30, 2013, consist of the following:

	General Fund	Special Revenue Funds	Total
Accounts Receivable	\$ 298,375	\$ 6,237	\$ 304,612
Intergovernmental:			
Major Special Revenue:			
Federal – Through the State	-	1,544,834	1,544,834
Non-Major Special Revenue:			
Local	-	61,071	61,071
State	-	291,010	291,010
Federal – Through the State	-	665,214	665,214
Federal – Direct	-	182,122	182,122
Total Receivables	<u>\$ 298,375</u>	<u>\$ 2,750,488</u>	<u>\$ 3,048,863</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, 2013, were as follows:

	July 1, 2012 Balance	Additions	Deletions	June 30, 2013 Balance
Governmental activities:				
Furniture and equipment	\$ 7,423,518	\$ 725,691	\$ (298,667)	\$ 7,850,542
Less accumulated depreciation for furniture and equipment	<u>(4,335,140)</u>	<u>(640,803)</u>	<u>180,230</u>	<u>(4,795,713)</u>
Governmental activities capital assets, net	<u>\$ 3,088,378</u>	<u>\$ 84,888</u>	<u>\$ (118,437)</u>	<u>\$ 3,054,829</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 145,727
Special education instruction	5,702
Support services instruction	13,533
School administration	1,020
School administration support services	13,028
District administration	4,940
District administration support services	112,693
Operations and maintenance of plant	60,597
Student activities	177,726
Student transportation	71,226
Food services	<u>34,611</u>
Total depreciation expense	<u>\$ 640,803</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, 2013 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, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Total June 30, 2013</u>	<u>Amount due in one year</u>
Compensated Absences	\$3,348,434	\$ 3,345,060	\$(3,339,297)	\$ 3,354,197	\$ 40,806
Total Long -Term Debt	<u>\$ 3,348,434</u>	<u>\$ 3,345,060</u>	<u>\$(3,339,297)</u>	<u>\$ 3,354,197</u>	<u>\$ 40,806</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 legislation 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.

That same year, the State of Alaska passed additional legislation which statutorily capped the employer contribution, established a state funded "on-behalf" contribution, and required that employer contributions be calculated against all PERS eligible wages, including wages attributable to the defined contribution plan described later in these footnotes.

Funding Policy

Employee Contribution Rates

Regular employees are required to contribute 6.75% of their annual covered salary (2.97% for pension and 3.78% for healthcare) for PERS and 8.65% (4.45% for pension and 4.20% for healthcare) for TRS.

Employer and Other Contribution Rates

There are three contribution rates associated with the pension and healthcare contributions and related liabilities:

Contractual Rate: This is the required funding rate for participating employers. The contractual PERS rate is statutorily capped at 22% of eligible wages, subject to a wage floor, and other termination events. The contractual TRS rate is statutorily capped at 12.56%. Both PERS and TRS contributions are calculated against all participating PERS and TRS payroll, respectively, including those wages attributable to employees in the defined contribution plans.

ARM Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined to calculate annual funding requirements of the Plans, without regard to the statutory rate caps. There are no constraints or restrictions on the actuarial cost method or other assumptions used in this valuation, other than those established and agreed to by the ARM Board.

Current legislation provides that the State of Alaska will contribute the difference between the ARM Board adopted rate and the contractual (statutory) rate. These additional contributions are recognized by each employer as an on-behalf payment and are reflected as revenue and expense/expenditure within the financial statements.

GASB 43 Rate: This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. For FY13, the rate uses an 8.00% pension discount rate for both PERS and TRS and a 6.88% and 5.01% healthcare discount rate for PERS and TRS, respectively. Additionally, the GASB 43 rate disregards all future Medicare Part D payments.

The GASB 43 rate differs significantly from the ARM Board adopted rate as a direct result of differences in the actuarial valuation methodology and assumptions.

Contribution rates for the year ended June 30, 2013 was determined as part of the June 30, 2010 actuarial valuation and are as follows:

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.

<u>PERS</u>	<u>Contractual Rate</u>	<u>ARM Board Adopted Rate</u>	<u>GASB 43 Rate</u>
Defined Benefit Pension	9.67%	15.45%	24.95%
Defined Contribution Pension	0.00%	3.01%	
Postemployment healthcare	<u>12.33%</u>	<u>17.38%</u>	<u>39.93%</u>
Total contribution rate	<u>22.00%</u>	<u>35.84%</u>	<u>64.88%</u>

<u>TRS</u>	<u>Contractual Rate</u>	<u>ARM Board Adopted Rate</u>	<u>GASB 43 Rate</u>
Defined Benefit Pension	6.46%	30.53%	47.23%
Defined Contribution Pension	0.00%	3.11%	
Postemployment healthcare	<u>6.10%</u>	<u>19.03%</u>	<u>60.07%</u>
Total contribution rate	<u>12.56%</u>	<u>52.67%</u>	<u>107.30%</u>

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 13.84% 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 \$3,039,655 as revenue and expenditures. This includes \$409,945 on-behalf payments received by the Kenai Peninsula Borough for maintenance in-kind services, and \$2,629,710 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 Contri- butions</u>	<u>% of TBC Contributed</u>
2013	1,093,355	1,394,370	2,487,725	2,487,725	100%
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%

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 40.11% 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 \$19,868,298 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 Contri- butions</u>	<u>% of TBC Contributed</u>
2013	2,279,918	2,153,133	4,433,051	4,433,051	100%
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%

Defined Contribution Pension Plan

Employees hired after July 1, 2006 participate in PERS Tier IV and TRS Tier III Defined Contribution Retirement Plans. Both Plans are administered by the State of Alaska, Department of Administration. 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 Plans 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.

Employee Contribution Rates

Employees are required to contribute 8.0% of their annual covered salary. This amount goes directly to the individual's account.

Employer Contribution Rates

The District is required to contribute the following amounts based on covered salary:

	<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	0.48	0.49
Occupational death and disability benefits	<u>0.14</u>	<u>0.00</u>
	<u>8.62 %</u>	<u>10.49 %</u>

In addition, the employer must contribute to the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of **all employees of all employers** in the plan". As of July 1, 2012, for actual remittance, this amount is calculated as a flat rate for each full time or part-time employee per pay period and approximates \$1,848 per year for each full-time employee and \$1.18 per hour for each part-time employee.

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, 2013 were \$1,474,933 and \$535,776, respectively. The District and employee contributions to TRS for the year ended June 30, 2013 were \$1,837,363 and \$1,172,177, 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 \$139,253 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, 2013 are as follows:

	<u>Receivable</u>	<u>Payable</u>
Major Fund - General Fund	\$ 2,775,795	\$ -
Major Fund – Title IA	-	1,539,670
Non-major governmental funds	-	1,236,125
	<u>\$ 2,775,795</u>	<u>\$ 2,775,795</u>

Interfund Transfers

Transfers between funds for the year ended June 30, 2013 were as follows:

Transfer Out:	Transfer In:	
From the General Fund to		
Non-Major Governmental	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Funds for operating	<u>\$816,836</u>	<u>\$816,836</u>
subsidies		

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 allocates the costs of 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 position of the fund is designated for future catastrophic losses.

	<u>2013</u>	<u>2014</u>
Beginning of fiscal year liability	\$ 1,267,885	\$ 1,216,665
Current year claims incurred and changes in estimates for claims incurred in prior years	1,823,979	813,272
Claims and expenses paid	<u>(956,576)</u>	<u>(762,052)</u>
End of fiscal year liability	<u>\$ 2,135,288</u>	<u>\$ 1,267,885</u>

Included above is a liability for incurred but not reported (IBNR) claims of \$912,268. 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 \$21,703,380; net of stop loss reimbursements of \$3,149,795, for the year ended June 30, 2013 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, 2011, 2012 and 2013 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>
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
2012 – 2013	4,204,000	25,015,175	(24,853,175)	4,366,000

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, 2013.

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, 2013, 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, 2013, will not have a material effect on the financial statements as of and for the year ended June 30, 2013.

NOTE 12 - SUBSEQUENT EVENTS

The district has no subsequent events to report.

NOTE 13 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Change in Accounting Principle - The Kenai Peninsula Borough School District has adopted newly issued GASB pronouncements 63 and 65, resulting in change in presentation of the government-wide and fund level financial statements. The new pronouncements require reporting two new categories of accounts. Certain items previously reported as assets are now categorized as *deferred outflows*. A *deferred outflow* represents the consumption of the government's net assets or fund balance that is applicable to a future reporting period. The Kenai Peninsula Borough School District did not have any *deferred outflows* in 2012. Other items

previously categorized as liabilities are now categorized as *deferred inflows*. A *deferred inflow* represents the acquisition of net assets or fund balance that is applicable to a future reporting period. For example, revenues that have been earned but are not yet available in the government funds are now reported as *deferred inflows*. In the government-wide financial statements the residual net of all of the accounts is now called *net position*. The adoption of these statements has no effect on previously reported net assets.

NOTE 14 – 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 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.

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 – 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

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, 2013

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Local	\$ 43,000,000	\$ 43,000,000	\$ 43,000,000	\$ -
State	98,699,673	99,140,050	100,482,008	1,341,958
Federal-Through the State	450,000	450,000	164,384	(285,616)
Earnings on Investments	1,000,000	1,000,000	55,918	(944,082)
E-Rate	646,000	646,000	590,640	(55,360)
Other Local Revenues	80,000	80,000	200,605	120,605
Total Revenues	143,875,673	144,316,050	144,493,555	177,505
Expenditures:				
Instruction	71,481,714	70,418,155	68,682,299	(1,735,856)
Special Education - Instruction	18,575,283	19,451,928	19,959,414	507,486
Special Education Support Services - Student	6,186,464	6,093,652	6,106,612	12,960
Support Services - Student	4,552,404	4,786,033	4,741,287	(44,746)
Support Services - Instruction	2,506,668	3,448,758	3,495,584	46,826
School Administration	6,900,550	7,047,394	6,865,731	(181,663)
School Administration Support Services	4,503,540	4,617,657	4,768,282	150,625
District Administration	1,135,605	1,205,279	1,132,748	(72,531)
District Administration Support Services	5,995,256	6,214,646	5,846,605	(368,041)
Operations and Maintenance of Plant	21,960,258	21,072,452	20,647,930	(424,522)
Student Activities	2,290,051	2,345,366	2,171,206	(174,160)
Total Expenditures	146,087,793	146,701,320	144,417,698	(2,283,622)
Excess (Deficiency) of Revenues over Expenditures	(2,212,120)	(2,385,270)	75,857	2,461,127
Other Financing Uses:				
Transfers Out - Special Revenue Fund	(550,000)	(550,000)	(816,836)	(266,836)
Total Other Financing Uses:	(550,000)	(550,000)	(816,836)	(266,836)
Net Changes in Fund Balances	\$ (2,762,120)	\$ (2,935,270)	(740,979)	\$ 2,194,291
Fund Balance, Beginning of Year			20,364,278	
Fund Balance, End of Year			\$ 19,623,299	

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Earnings on Investment	\$ -	\$ -	\$ 22,783	\$ 22,783
Expenditures:				
Instruction	5,439,660	5,416,656	8,331	5,408,325
Operations and Maintenance of Plant	-	89,851	66,665	23,186
Total Expenditures	<u>5,439,660</u>	<u>5,506,507</u>	<u>74,996</u>	<u>5,431,511</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (5,439,660)</u>	<u>\$ (5,506,507)</u>	\$ (52,213)	<u>\$ 5,454,294</u>
Fund Balances, Beginning of Year			<u>5,506,507</u>	
Fund Balances, End of Year			<u>\$ 5,454,294</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal-Through the State	3,651,926	3,651,926	3,340,180	(311,746)
Expenditures:				
Instruction	3,498,234	3,511,219	3,202,281	308,938
District Administration Support Services	141,062	140,707	137,899	-
Operations and Maintenance of Plant	-	-	-	2,808
Student Activities	12,630	-	-	-
Total Expenditures	3,651,926	3,651,926	3,340,180	311,746
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -
Fund Balances, Beginning of Year			-	
Fund Balances, End of Year			\$ -	

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
BALANCE SHEET
June 30, 2013 and 2012

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Cash on hand	\$ 24,804	\$ 25,239
Equity in Central Treasury	23,103,653	22,665,467
Accounts receivable	298,375	216,832
Prepaid Items	1,017,300	1,257,300
Due from Special Revenue Funds	2,775,795	3,459,466
Inventory	<u>698,412</u>	<u>721,310</u>
Total Assets	<u>\$ 27,918,339</u>	<u>\$ 28,345,614</u>
 <u>LIABILITIES AND FUND BALANCE</u> 		
Liabilities:		
Accounts payable	<u>\$ 763,027</u>	<u>\$ 777,473</u>
Accrued liabilities:		
Payroll	5,378,153	5,140,332
Retirement	74,101	102,662
Payroll taxes	2,048,559	1,920,202
Payroll deductions	<u>31,200</u>	<u>40,667</u>
Total Accrued Liabilities	<u>7,532,013</u>	<u>7,203,863</u>
Total Liabilities	<u>8,295,040</u>	<u>7,981,336</u>
Fund Balance:		
Nonspendable	1,715,712	1,978,610
Restricted	1,485,931	983,984
Assigned	10,131,139	10,593,166
Unassigned	<u>6,290,517</u>	<u>6,808,518</u>
Total Fund Balance	<u>19,623,299</u>	<u>20,364,278</u>
Total Liabilities and Fund Balance	<u>\$ 27,918,339</u>	<u>\$ 28,345,614</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF CHANGES IN FUND BALANCE
For the Years Ended June 30, 2013 and 2012

	2013	2012
Fund Balance, Beginning of Year	\$ 20,364,278	\$ 23,359,042
Add Revenues and Other Financing Sources	144,493,555	136,001,226
Deduct Expenditures and Other Financing Uses	(145,234,534)	(138,995,990)
Fund Balance, End of Year	\$ 19,623,299	\$ 20,364,278

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance Positive (Negative)	
Revenues:					
Local:					
Kenai Peninsula Borough - Direct Appropriation	\$ 35,115,747	\$ 33,806,586	\$ 33,806,586	\$ -	\$ 33,666,882
Kenai Peninsula Borough - In-Kind Services	9,384,253	9,193,414	9,193,414	-	9,584,253
Total Local	\$ 44,500,000	43,000,000	43,000,000	-	43,251,135
State:					
Public School Funding	72,011,556	75,545,136	75,563,384	18,248	71,912,349
One-Time State Funding	-	1,752,986	1,734,738	-	1,388,134
LOG/Quality Schools	272,650	275,933	275,933	-	270,389
Retirement: TRS On-Behalf	19,312,953	19,312,953	19,868,298	555,345	15,417,040
Retirement: PERS On-Behalf	2,253,042	2,253,042	2,629,710	376,668	2,053,581
Retirement: PERS On-Behalf Passed Through KPB	-	-	409,945	409,945	333,193
Total State	93,850,201	99,140,050	100,482,008	1,360,206	91,374,686
Federal - Through the State:					
Medicaid - Direct Reimbursement	450,000	450,000	164,384	(285,616)	337,928
Medicaid - Allowance: State of Alaska	-	-	-	-	5,689
Total Federal - Through the State	450,000	450,000	164,384	(285,616)	343,617
Earnings on Investments	1,000,000	1,000,000	55,918	(944,082)	697,556
E-Rate	646,000	646,000	590,640	(55,360)	118,707
Other Local Revenues:					
Facilities Rental	30,000	30,000	28,100	(1,900)	35,000
Miscellaneous	50,000	50,000	172,505	122,505	180,525
Total Other Local Revenues:	80,000	80,000	200,605	120,605	215,525
Total Revenues	140,526,201	144,316,050	144,493,555	195,753	136,001,226
Other Financing Sources:					
Fund Balance Appropriation	2,481,443	1,659,666	-	(1,659,666)	-
Total Revenues and Other Financing Sources	\$ 143,007,644	\$ 145,975,716	\$ 144,493,555	\$ (1,463,913)	\$ 136,001,226

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Instruction:					
Certificated Salaries	\$ 33,582,872	\$ 32,623,282	\$ 32,490,040	\$ 133,242	\$ 31,855,952
Non-Certificated Salaries	2,486,563	2,551,129	2,459,447	91,682	2,417,882
Employee Benefits	27,874,056	27,573,365	26,940,933	632,432	23,458,351
Professional and Technical Services	224,965	252,554	226,615	25,939	212,795
Staff Travel	182,429	241,841	197,444	44,397	159,777
Student Travel	20,325	30,566	19,478	11,088	33,452
Utility Services	286,660	285,305	270,588	14,717	250,312
Other Purchased Services	536,544	602,977	546,837	56,140	467,745
Supplies, Materials, and Media	3,725,554	3,775,360	3,671,293	104,067	4,561,902
Other Expenses	892,226	336,188	100,891	235,297	129,003
Equipment	1,669,520	2,145,588	1,758,733	386,855	1,109,071
	<u>71,481,714</u>	<u>70,418,155</u>	<u>68,682,299</u>	<u>1,735,856</u>	<u>64,656,242</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Special Education Instruction:					
Certificated Salaries	\$ 6,540,621	\$ 6,497,032	\$ 6,514,097	\$ (17,065)	\$ 6,211,968
Non-Certificated Salaries	3,532,062	3,997,064	4,056,740	(59,676)	3,616,764
Employee Benefits	8,213,338	8,500,583	8,777,060	(276,477)	7,337,970
Professional and Technical Services	9,000	3,994	36,828	(32,834)	22,750
Staff Travel	28,200	45,442	79,945	(34,503)	39,818
Student Travel	1,700	532	535	(3)	1,905
Utility Services	845	800	322	478	626
Other Purchased Services	3,100	17,233	61,174	(43,941)	288
Supplies, Materials, and Media	82,417	245,152	263,142	(17,990)	290,964
Other Expenses	162,100	10,522	10,521	1	136,031
Equipment	1,900	133,574	159,050	(25,476)	17,330
	<u>18,575,283</u>	<u>19,451,928</u>	<u>19,959,414</u>	<u>(507,486)</u>	<u>17,676,414</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Special Education Support Services - Student:					
Certificated Salaries	\$ 2,796,373	\$ 2,705,796	\$ 2,744,456	\$ (38,660)	\$ 2,715,805
Non-Certificated Salaries	342,748	321,166	360,949	(39,783)	293,878
Employee Benefits	2,368,459	2,343,807	2,295,968	47,839	1,964,901
Professional and Technical Services	556,400	569,802	546,645	23,157	463,945
Staff Travel	78,300	84,691	87,795	(3,104)	91,235
Utility Services	4,200	4,097	4,110	(13)	4,189
Other Purchased Services	6,675	2,038	1,717	321	2,021
Supplies, Materials, and Media	32,709	60,619	63,338	(2,719)	38,463
Other Expenses	600	681	681	-	1,816
Equipment	-	955	953	2	37,773
	<u>6,186,464</u>	<u>6,093,652</u>	<u>6,106,612</u>	<u>(12,960)</u>	<u>5,614,026</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Support Services - Student:					
Certificated Salaries	\$ 1,012,617	\$ 1,106,770	\$ 1,118,744	\$ (11,974)	\$ 1,024,441
Non-Certificated Salaries	1,413,599	1,447,769	1,421,924	25,845	1,335,136
Employee Benefits	2,014,556	2,101,141	2,083,085	18,056	1,775,179
Professional and Technical Services	2,000	300	-	300	100
Staff Travel	58,177	66,700	62,662	4,038	51,043
Student Travel	-	798	798	-	1,201
Utility Services	959	738	718	20	630
Other Purchased Services	3,161	9,918	4,839	5,079	3,194
Supplies, Materials, and Media	41,437	43,134	41,182	1,952	46,029
Other Expenses	5,898	6,731	6,101	630	506
Equipment	-	2,034	1,234	800	1,053
	<u>4,552,404</u>	<u>4,786,033</u>	<u>4,741,287</u>	<u>44,746</u>	<u>4,238,512</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Support Services - Instruction:					
Certificated Salaries	\$ 788,911	\$ 1,213,888	\$ 1,209,721	\$ 4,167	\$ 909,659
Non-Certificated Salaries	512,869	544,089	533,798	10,291	504,231
Employee Benefits	871,989	1,168,360	1,260,941	(92,581)	1,046,600
Professional and Technical Services	98,087	84,514	76,614	7,900	51,997
Staff Travel	44,104	87,008	86,101	907	77,692
Student Travel	500	500	32	468	183
Utility Services	9,200	10,631	11,878	(1,247)	10,105
Other Purchased Services	54,377	71,796	67,373	4,423	56,673
Supplies, Materials, and Media	121,496	231,205	215,971	15,234	136,831
Other Expenses	3,135	6,386	6,386	-	1,629
Equipment	2,000	30,381	26,769	3,612	78,635
	<u>2,506,668</u>	<u>3,448,758</u>	<u>3,495,584</u>	<u>(46,826)</u>	<u>2,874,235</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
School Administration:					
Certificated Salaries	\$ 4,104,530	\$ 4,218,820	\$ 4,044,676	\$ 174,144	\$ 3,867,947
Non-Certificated Salaries	13,680	9,298	12,660	(3,362)	11,772
Employee Benefits	2,673,288	2,678,784	2,685,014	(6,230)	2,219,357
Professional and Technical Services	650	950	-	950	416
Staff Travel	64,725	92,209	79,643	12,566	82,008
Utility Services	500	500	-	500	51
Supplies, Materials, and Media	11,020	13,364	9,934	3,430	6,955
Other Expenses	32,157	32,713	31,410	1,303	31,806
Equipment	-	756	2,394	(1,638)	2,839
	<u>6,900,550</u>	<u>7,047,394</u>	<u>6,865,731</u>	<u>181,663</u>	<u>6,223,151</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
School Administration Support Services:					
Certificated Salaries	\$ 65,000	\$ 67,000	\$ 119,121	(52,121)	\$ 137,954
Non-Certificated Salaries	2,041,446	2,105,233	2,213,249	(108,016)	2,048,522
Employee Benefits	1,702,487	1,770,826	1,788,634	(17,808)	1,678,091
Professional and Technical Services	-	200	-	200	182
Staff Travel	9,900	11,937	9,583	2,354	11,853
Utility Services	578,070	529,387	516,002	13,385	527,183
Other Purchased Services	14,300	13,225	7,975	5,250	17,867
Supplies, Materials, and Media	59,195	84,886	80,321	4,565	85,742
Other Expenses	33,142	22,866	18,019	4,847	18,841
Equipment	-	12,097	15,378	(3,281)	20,611
	<u>4,503,540</u>	<u>4,617,657</u>	<u>4,768,282</u>	<u>(150,625)</u>	<u>4,546,846</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
District Administration:					
Certificated Salaries	\$ 275,106	\$ 298,889	\$ 295,260	\$ 3,629	\$ 266,272
Non-Certificated Salaries	194,548	184,506	142,577	41,929	213,251
Employee Benefits	357,931	363,741	366,093	(2,352)	320,362
Professional and Technical Services	102,500	144,176	135,140	9,036	77,483
Staff Travel	81,873	83,639	76,075	7,564	72,542
Utility Services	18,000	20,947	18,913	2,034	17,441
Other Purchased Services	13,670	10,262	8,721	1,541	7,009
Supplies, Materials, and Media	20,725	26,798	19,735	7,063	18,347
Tuition and Stipends	33,600	33,600	33,600	-	33,600
Other Expenses	37,652	33,135	31,721	1,414	33,483
Equipment	-	5,586	4,913	673	984
	<u>1,135,605</u>	<u>1,205,279</u>	<u>1,132,748</u>	<u>72,531</u>	<u>1,060,774</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
District Administrative Support Services:					
Certificated Salaries	\$ 249,322	\$ 181,529	\$ 181,526	\$ 3	\$ 285,759
Non-Certificated Salaries	2,188,081	2,301,170	2,390,148	(88,978)	2,214,441
Employee Benefits	1,641,487	1,590,421	1,586,461	3,960	1,442,568
Professional and Technical Services	127,200	125,519	115,128	10,391	161,240
Staff Travel	104,380	109,421	109,623	(202)	108,413
Utility Services	33,364	35,826	36,978	(1,152)	32,594
Other Purchased Services	274,749	444,709	329,833	114,876	940,336
Insurance and Bond Premiums	804,155	804,155	804,155	-	902,163
Supplies, Materials, and Media	251,880	405,964	397,414	8,550	318,364
Other Expenses	112,523	44,353	30,673	13,680	27,724
Indirect Costs	124,500	(347,173)	(274,904)	(72,269)	(343,629)
Equipment	83,615	518,752	139,570	379,182	520,673
	<u>5,995,256</u>	<u>6,214,646</u>	<u>5,846,605</u>	<u>368,041</u>	<u>6,610,646</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Operations and Maintenance of Plant:					
Certificated Salaries	\$ -	\$ -	\$ -	\$ -	\$ 60
Non-Certificated Salaries	3,727,874	3,125,822	3,120,912	4,910	3,041,191
Employee Benefits	3,400,549	2,730,771	2,933,749	(202,978)	2,739,907
Professional and Technical Services	-	1,565	1,565	-	1,229
Travel	7,225	8,459	5,982	2,477	5,244
Utility Services	371,695	391,777	389,434	2,343	356,853
Energy	5,724,674	5,540,248	5,585,135	(44,887)	5,929,922
Other Purchased Services	7,898,973	7,696,841	7,185,068	511,773	8,006,420
Insurance and Bond Premiums	525,873	525,873	525,873	-	956,749
Supplies, Materials, and Media	303,195	438,927	384,089	54,838	485,895
Other Expenses	200	200	32	168	1,735
Equipment	-	611,969	516,091	95,878	268,081
	<u>21,960,258</u>	<u>21,072,452</u>	<u>20,647,930</u>	<u>424,522</u>	<u>21,793,286</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013
 With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Student Activities:					
Certificated Salaries	\$ 881,316	\$ 874,417	\$ 783,947	\$ 90,470	\$ 775,614
Non-Certificated Salaries	430,361	432,677	424,712	7,965	433,133
Employee Benefits	530,484	530,768	479,348	51,420	412,664
Professional and Technical Services	-	-	-	-	-
Staff Travel	4,400	13,216	13,343	(127)	10,512
Student Travel	305,334	308,018	298,862	9,156	342,849
Utility Services	100	100	-	100	-
Other Purchased Services	92,000	41,556	40,653	903	42,631
Supplies, Materials, and Media	10,420	96,098	81,992	14,106	68,008
Other Expenses	35,636	39,082	38,916	166	35,605
Equipment	-	9,434	9,433	1	16,592
	<u>2,290,051</u>	<u>2,345,366</u>	<u>2,171,206</u>	<u>174,160</u>	<u>2,137,608</u>
 Total Expenditures	 <u>146,087,793</u>	 <u>146,701,320</u>	 <u>144,417,698</u>	 <u>2,283,622</u>	 <u>137,431,740</u>
 Other Financing Uses:					
Transfer To Internal Health Care Fund	-	-	-	-	889,250
Transfer To Community Theater Fund	25,000	25,000	25,000	-	75,000
Transfer To Food Service Fund	525,000	525,000	791,836	(266,836)	600,000
Total Other Financing Uses	<u>550,000</u>	<u>550,000</u>	<u>816,836</u>	<u>(266,836)</u>	<u>1,564,250</u>
 Total Expenditures and Other Financing Uses	 <u>\$ 146,637,793</u>	 <u>\$ 147,251,320</u>	 <u>\$ 145,234,534</u>	 <u>\$ 2,016,786</u>	 <u>\$ 138,995,990</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 SCHEDULE OF COMPLIANCE - AS 14.17.505
 Year Ended June 30, 2013

Total fund balance - School Operating Fund		\$ 19,623,299
less exemptions per 4 ACC 09.160(a)		
Encumbrances		1,060,389
Inventory		698,412
Prepaid items		1,017,300
Self insurance		<u>4,284,173</u>
Total exemptions		7,060,274
Fund balance subject to 10% limitation		<u><u>\$ 12,563,025</u></u>

Nonexempt fund balance as a percentage of current year expenditures:

Fund balance subject to limitation		12,563,025			
	=		=		<u>8.69%</u>
Current year expenditures		144,417,698			

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 SCHEDULE OF COMPLIANCE - AS 14.17.520
 For the Year Ended June 30, 2013

Instruction:

Regular Instruction	\$ 68,682,299	
Special Education Instruction	19,959,414	
Special Education Support Services - Student	6,106,612	
Support Services - Student	4,741,287	
Support Services - Instruction	3,495,584	
School Administration	<u>6,865,731</u>	
Total Instruction	<u>109,850,927</u>	76.06%

Non-Instruction:

School Administration Support Services	4,768,282	
District Administration	1,132,748	
District Administration Support Services	5,846,605	
Operations and Maintenance of Plant	20,647,930	
Student Activities	<u>2,171,206</u>	
Total Non-Instruction	<u>34,566,771</u>	23.94%
Total Expenditures	<u>144,417,698</u>	

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 BALANCE SHEET - MAJOR FUND - EQUIPMENT
 June 30, 2013

With Comparative Totals as of June 30, 2012

	2013	2012
ASSETS		
Equity in Central Treasury	\$ 5,454,294	\$ 5,506,507
Total Assets	\$ 5,454,294	\$ 5,506,507
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ -	\$ -
Due to General Fund	-	-
Total Liabilities	-	-
Assigned	5,454,294	5,506,507
Total Fund Balance:	5,454,294	5,506,507
Total Liabilities and Fund Balances	\$ 5,454,294	\$ 5,506,507

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 BALANCE SHEET - MAJOR FUND - EQUIPMENT
 June 30, 2013

With Comparative Totals as of June 30, 2012

	2013	2012
ASSETS		
Equity in Central Treasury	\$ 5,454,294	\$ 5,506,507
Total Assets	\$ 5,454,294	\$ 5,506,507
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ -	\$ -
Due to General Fund	-	-
Total Liabilities	-	-
Assigned	5,454,294	5,506,507
Total Fund Balance:	5,454,294	5,506,507
Total Liabilities and Fund Balances	\$ 5,454,294	\$ 5,506,507

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
BALANCE SHEET - MAJOR FUND - TITLE I
June 30, 2013

With Comparative Totals as of June 30, 2012

	2013	2012
ASSETS		
Assets:		
Due from other Governments	\$ 1,544,834	\$ 1,589,223
Total Assets	\$ 1,544,834	\$ 1,589,223
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 5,164	\$ (407)
Due to General Fund	1,539,670	1,589,630
Total Liabilities	1,544,834	1,589,223
Fund Balance:	-	-
Total Liabilities and Fund Balances	\$ 1,544,834	\$ 1,589,223

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MAJOR FUND - TITLE I
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013			Variance- Positive (Negative)	2012 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 3,651,926	\$ 3,651,926	\$ 3,340,180	\$ (311,746)	\$ 3,776,208
Expenditures:					
Instruction					
Certificated Salaries	1,430,083	1,566,130	1,550,366	15,764	1,719,331
Non-Certificated Salaries	213,381	273,525	247,085	26,440	228,244
Employee Benefits	625,748	648,983	683,117	(34,134)	672,488
Professional and Technical Service	366,390	607,581	387,671	219,910	339,719
Staff Travel	96,693	212,646	178,418	34,228	275,697
Student Travel	20,500	21,000	1,000	20,000	2,420
Utility Services	3,790	4,410	4,204	206	3,857
Other Purchased Services	12,500	27,268	28,471	(1,203)	119,459
Supplies, Materials, and Media	55,940	131,976	105,894	26,082	183,153
Other Expenses	662,209	12,700	11,514	1,186	17,484
Equipment	11,000	5,000	4,541	459	42,206
Total Regular Instruction	<u>3,498,234</u>	<u>3,511,219</u>	<u>3,202,281</u>	<u>308,938</u>	<u>3,604,058</u>
Support Services - Instruction					
Non-Certified Salaries	-	-	-	-	7,783
Employee Benefits	-	-	-	-	724
Total Support Services - Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,507</u>
District Administration Support Services					
Indirect Costs	<u>141,062</u>	<u>140,707</u>	<u>137,899</u>	<u>2,808</u>	<u>161,354</u>
Operations and Maintenance of Plant					
Non-Certificated Salaries	-	-	-	-	2,126
Employee Benefits	-	-	-	-	163
Total Operations and Maintenance of Plant	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,289</u>
Student Activities					
Non-Certificated Salaries	<u>12,630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>3,651,926</u>	<u>3,651,926</u>	<u>3,340,180</u>	<u>311,746</u>	<u>3,776,208</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

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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 | Legislative Student Nutrition |
| Artist in Schools | McKinney – Vento Homeless |
| ASDN Leadership | Mentor Project |
| AASB Artist Tops | Migrant Education |
| Building Trades | National Space Grant |
| Carl Perkins – Basic | Principal Coach |
| Community Theater | School Improvement |
| Corporate & Miscellaneous Grants | Staff Development Mini-Grants |
| Education Jobs | Student Transportation |
| Food Service | Title I-D, Delinquent |
| Food Service – FFVP | Title VI-B, IDEA |
| Food Service – Nutritional Alaskan Foods | Title VII, Indian Education |
| Fourth R Training | Upward Bound |
| Gear Up Kenai Peninsula | Youth First |
| Governor's Alternative Schools | Youth in Detention |
| Legislative Equipment Fund | Youth Risk Behavior Survey |

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.

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.

Food Service – Nutritional Alaskan Foods program is to purchase Alaskan grown produce, seafood, aquatic protein or livestock products for use in school lunch programs.

Fourth R Training program is designed to reduce violence and risk behaviors. It focuses on healthy relationships and decision making relevant to adolescents.

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 awarded direct funding for schools to purchase equipment and supplies.

Legislative Student Nutrition Fund awarded direct funding for the student nutrition department to purchase equipment.

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

Mentor Project is designed to match mentors with first year teachers. By mentoring new teachers, Alaska can improve the quality of instruction, increase teacher retention and improve student achievement.

Migrant Education grant provides additional resources to Migrant eligible students.

National Space Grant is designed to increase math, science and engineering opportunities to students through the use of technology.

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.

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.

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

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 VI-B, Individuals with Disabilities Education Act (IDEA) 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, 2013
 With Comparative Totals as of June 30, 2012

	Alaska Works CEF	ASDN Leadership	Building Trades	Carl Perkins Basic
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other Governments	61,071	8,417	-	73,689
Inventory	-	-	60,618	-
Total Assets	\$ 61,071	\$ 8,417	\$ 60,618	\$ 73,689
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ 166
Due to General Fund	61,071	8,417	44,976	73,523
Total Liabilities	61,071	8,417	44,976	73,689
Fund Balances:				
Nonspendable	-	-	60,618	-
Assigned	-	-	-	-
Unassigned	-	-	(44,976)	-
Total Fund Balances	-	-	15,642	-
Total Liabilities and Fund Balances	\$ 61,071	\$ 8,417	\$ 60,618	\$ 73,689

Continued

	Community Theater	Corporate & Miscellaneous Grants	Food Service	Gear - Up Kenai
ASSETS				
Equity in Central Treasury	\$ 69,601	\$ 7,777	\$ 677	\$ -
Accounts receivable	3,095	3,120	-	-
Due from other Governments	-	-	-	54,225
Inventory	-	-	157,680	-
Total Assets	<u>\$ 72,696</u>	<u>\$ 10,897</u>	<u>\$ 158,357</u>	<u>\$ 54,225</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ 677	\$ -
Due to General Fund	-	-	-	54,225
Total Liabilities	<u>-</u>	<u>-</u>	<u>677</u>	<u>54,225</u>
Fund Balances:				
Nonspendable	-	-	157,680	-
Assigned	72,696	10,897	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>72,696</u>	<u>10,897</u>	<u>157,680</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 72,696</u>	<u>\$ 10,897</u>	<u>\$ 158,357</u>	<u>\$ 54,225</u>

Continued

	Governor's Alternative	McKinney-Vento Homeless	Mentor Project	Migrant Education
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	22	-	-
Due from other Governments	34,331	6,270	77,867	28
Inventory	-	-	-	-
Total Assets	\$ 34,331	\$ 6,292	\$ 77,867	\$ 28
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to General Fund	34,331	6,292	77,867	28
Total Liabilities	34,331	6,292	77,867	28
Fund Balances:				
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	\$ 34,331	\$ 6,292	\$ 77,867	\$ 28

Continued

	Principal Coach	School Improvement	Student Transportaion	Title I-D Delinquent
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ 1,206,707	\$ -
Accounts receivable	-	-	-	-
Due from other Governments	239,565	12,510	-	10,295
Inventory	-	-	-	-
Total Assets	\$ 239,565	\$ 12,510	\$ 1,206,707	\$ 10,295
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 8,011	\$ -	\$ 89	\$ -
Due to General Fund	231,554	12,510	-	10,295
Total Liabilities	239,565	12,510	89	10,295
Fund Balances:				
Nonspendable	-	-	-	-
Assigned	-	-	1,206,618	-
Unassigned	-	-	-	-
Total Fund Balances	-	-	1,206,618	-
Total Liabilities and Fund Balances	\$ 239,565	\$ 12,510	\$ 1,206,707	\$ 10,295

Continued

	Title VI-B IDEA	Title VII Indian Education	Youth First	Youth in Detention
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ 798
Accounts receivable	-	-	-	-
Due from other Governments	476,138	127,897	17,114	-
Inventory	-	-	-	-
Total Assets	\$ 476,138	\$ 127,897	\$ 17,114	\$ 798
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 113	\$ -	\$ -	\$ 798
Due to General Fund	476,025	127,897	17,114	-
Total Liabilities	476,138	127,897	17,114	798
Fund Balances:				
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	\$ 476,138	\$ 127,897	\$ 17,114	\$ 798

Concluded

	<u>Total June 30, 2013</u>	<u>Total June 30, 2012</u>
ASSETS		
Equity in Central Treasury	\$ 1,285,560	\$ 1,285,663
Accounts receivable	6,237	6,075
Due from other Governments	1,199,417	1,825,281
Inventory	<u>218,298</u>	<u>366,559</u>
Total Assets	<u>\$ 2,709,512</u>	<u>\$ 3,483,578</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 9,854	\$ 15,214
Due to General Fund	<u>1,236,125</u>	<u>1,869,836</u>
Total Liabilities	<u>1,245,979</u>	<u>1,885,050</u>
Fund Balances:		
Nonspendable	218,298	366,559
Assigned	1,290,211	1,276,945
Unassigned	<u>(44,976)</u>	<u>(44,976)</u>
Total Fund Balances	<u>1,463,533</u>	<u>1,598,528</u>
Total Liabilities and Fund Balances	<u>\$ 2,709,512</u>	<u>\$ 3,483,578</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

With Comparative Totals for the Year Ended June 30, 2012

	Alaska Works CEF	Artist in Schools	ASDN Leadership	AASB Artist Tops
Revenues:				
State	\$ -	\$ 2,753	\$ -	\$ -
Federal-Direct	-	-	-	-
Federal-Through the State	-	2,752	28,975	4,160
Federal-Through other Intermediate Agencies	-	-	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	184,119	3,993	-	-
Total Revenues	<u>184,119</u>	<u>9,498</u>	<u>28,975</u>	<u>4,160</u>
Expenditures:				
Current:				
Instruction	176,153	9,498	-	4,160
Special Education - Instruction	-	-	-	-
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
School Administration	-	-	28,975	-
School Administration Support Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Activities	-	-	-	-
Community Services	-	-	-	-
District Administration Support Services	7,966	-	-	-
Student Transportation	-	-	-	-
Food Services	-	-	-	-
Total Expenditures	<u>184,119</u>	<u>9,498</u>	<u>28,975</u>	<u>4,160</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	Carl Perkins - Basic	Community Theater	Corporate & Miscellaneous Grants
Revenues:				
State	\$ -	\$ -	\$ -	\$ -
Federal-Direct	-	-	-	-
Federal-Through the State	-	216,359	-	-
Federal-Through other Intermediate Agencies	-	-	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	41,945	56,340
Other Local	-	-	-	-
Total Revenues	<u>-</u>	<u>216,359</u>	<u>41,945</u>	<u>56,340</u>
Expenditures:				
Current:				
Instruction	-	207,473	-	23,414
Special Education - Instruction	-	-	-	3,000
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
School Administration	-	-	-	-
School Administration Support Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Activities	-	-	-	22,070
Community Services	-	-	48,786	-
District Administration Support Services	-	8,886	-	-
Student Transportation	-	-	-	-
Food Services	-	-	-	-
Total Expenditures	<u>-</u>	<u>216,359</u>	<u>48,786</u>	<u>48,484</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>(6,841)</u>	<u>7,856</u>
Other Financing Sources (Uses):				
Transfers in	-	-	25,000	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Net Changes In Fund Balances	-	-	18,159	7,856
Fund Balances, Beginning of Year	<u>15,642</u>	<u>-</u>	<u>54,537</u>	<u>3,041</u>
Fund Balances, End of Year	<u>\$ 15,642</u>	<u>\$ -</u>	<u>\$ 72,696</u>	<u>\$ 10,897</u>

Continued

	Education Jobs	Food Service	Food Service FFVP	Food Service Nutritional Alaskan Foods
Revenues:				
State	\$ -	\$ -	\$ -	\$ 26,161
Federal-Direct	-	-	-	-
Federal-Through the State	37,993	2,283,790	120,722	-
Federal-Through other Intermediate Agencies	-	-	-	-
Food sales	-	703,256	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	4,098	-	-
Total Revenues	<u>37,993</u>	<u>2,991,144</u>	<u>120,722</u>	<u>26,161</u>
Expenditures:				
Current:				
Instruction	37,993	-	-	-
Special Education - Instruction	-	-	-	-
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
School Administration	-	-	-	-
School Administration Support Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Activities	-	-	-	-
Community Services	-	-	-	-
District Administration Support Services	-	-	-	-
Student Transportation	-	-	-	-
Food Services	-	4,056,335	120,722	26,161
Total Expenditures	<u>37,993</u>	<u>4,056,335</u>	<u>120,722</u>	<u>26,161</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(1,065,191)</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers in	-	791,836	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>791,836</u>	<u>-</u>	<u>-</u>
Net Changes In Fund Balances	-	(273,355)	-	-
Fund Balances, Beginning of Year	-	431,035	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ 157,680</u>	<u>\$ -</u>	<u>\$ -</u>

Continued

	Fourth R Training	Gear Up Kenai Peninsula	Governor's Alternative Schools	Legislative Equipment
Revenues:				
State	\$ -	\$ -	\$ 41,635	\$ 965,267
Federal-Direct	-	148,835	-	-
Federal-Through the State	6,600	-	1,227	-
Federal-Through other Intermediate Agencies	-	-	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	-	-
Total Revenues	6,600	148,835	42,862	965,267
Expenditures:				
Current:				
Instruction	6,600	142,018	40,899	236,691
Special Education - Instruction	-	-	-	-
Support Services - Students	-	-	-	338
Support Services - Instruction	-	-	-	-
School Administration	-	-	-	-
School Administration Support Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	728,238
Student Activities	-	-	-	-
Community Services	-	-	-	-
District Administration Support Services	-	6,817	1,963	-
Student Transportation	-	-	-	-
Food Services	-	-	-	-
Total Expenditures	6,600	148,835	42,862	965,267
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

	Legislative Student Nutrition	McKinney - Vento Homeless	Mentor Project	Migrant Education
Revenues:				
State	\$ 40,000	\$ -	\$ -	\$ -
Federal-Direct	-	-	-	-
Federal-Through the State	-	25,247	199,612	2,256
Federal-Through other Intermediate Agencies	-	-	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	-	-
Total Revenues	<u>40,000</u>	<u>25,247</u>	<u>199,612</u>	<u>2,256</u>
Expenditures:				
Current:				
Instruction	-	24,091	191,827	2,228
Special Education - Instruction	-	-	-	-
Support Services - Students	40,000	-	-	-
Support Services - Instruction	-	-	-	-
School Administration	-	-	-	-
School Administration Support Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Activities	-	-	-	-
Community Services	-	-	-	-
District Administration Support Services	-	1,156	7,785	28
Student Transportation	-	-	-	-
Food Services	-	-	-	-
Total Expenditures	<u>40,000</u>	<u>25,247</u>	<u>199,612</u>	<u>2,256</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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Continued

	National Space	Principal Coach	School Improvement	Staff Development Mini-Grants
Revenues:				
State	\$ -	\$ 421,699	\$ -	\$ 11,497
Federal-Direct	-	-	-	-
Federal-Through the State	-	-	46,126	-
Federal-Through other Intermediate Agencies	2,500	-	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	-	-
Total Revenues	<u>2,500</u>	<u>421,699</u>	<u>46,126</u>	<u>11,497</u>
Expenditures:				
Current:				
Instruction	2,500	-	46,126	11,497
Special Education - Instruction	-	-	-	-
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
School Administration	-	385,061	-	-
School Administration Support Services	-	36,638	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Activities	-	-	-	-
Community Services	-	-	-	-
District Administration Support Services	-	-	-	-
Student Transportation	-	-	-	-
Food Services	-	-	-	-
Total Expenditures	<u>2,500</u>	<u>421,699</u>	<u>46,126</u>	<u>11,497</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

	Student Transportation	Title I-D Delinquent	Title VI-B IDEA	Title VII Indian Education
Revenues:				
State	\$ 7,604,516	\$ -	\$ -	\$ -
Federal-Direct	-	-	-	306,742
Federal-Through the State	-	10,518	1,776,037	-
Federal-Through other Intermediate Agencies	-	-	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	-	-
Total Revenues	7,604,516	10,518	1,776,037	306,742
Expenditures:				
Current:				
Instruction	-	10,355	-	292,693
Special Education - Instruction	-	-	1,694,906	-
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
School Administration	-	-	-	-
School Administration Support Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Activities	18,202	-	-	-
Community Services	-	-	-	-
District Administration Support Services	-	163	81,131	14,049
Student Transportation	7,473,969	-	-	-
Food Services	-	-	-	-
Total Expenditures	7,492,171	10,518	1,776,037	306,742
Excess (Deficiency) of Revenues over Expenditures	112,345	-	-	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes In Fund Balances	112,345	-	-	-
Fund Balances, Beginning of Year	1,094,273	-	-	-
Fund Balances, End of Year	\$ 1,206,618	\$ -	\$ -	\$ -

Continued

	Upward Bound	Youth First	Youth In Detention	Youth Risk Behavior Survey
Revenues:				
State	\$ -	\$ 85,000	\$ 69,143	\$ 9,750
Federal-Direct	-	-	-	-
Federal-Through the State	24,732	-	-	-
Federal-Through other Intermediate Agencies	-	-	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	-	-
Total Revenues	24,732	85,000	69,143	9,750
Expenditures:				
Current:				
Instruction	24,732	66,243	65,976	9,750
Special Education - Instruction	-	-	-	-
Support Services - Students	-	14,864	-	-
Support Services - Instruction	-	-	-	-
School Administration	-	-	-	-
School Administration Support Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Activities	-	-	-	-
Community Services	-	-	-	-
District Administration Support Services	-	3,893	3,167	-
Student Transportation	-	-	-	-
Food Services	-	-	-	-
Total Expenditures	24,732	85,000	69,143	9,750
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

	Total June 30, 2013	Total June 30, 2012
Revenues:		
State	\$ 9,277,421	\$ 7,076,188
Federal-Direct	455,577	424,110
Federal-Through the State	4,787,106	6,494,210
Federal-Through other Intermediate Agencies	2,500	-
Food sales	703,256	781,299
Corporate grants and user fees	98,285	117,033
Other Local	192,210	152,754
Total Revenues	<u>15,516,355</u>	<u>15,045,594</u>
Expenditures:		
Current:		
Instruction	1,632,917	1,928,434
Special Education - Instruction	1,697,906	2,293,005
Support Services - Students	55,202	74,692
Support Services - Instruction	-	621,137
School Administration	414,036	451,336
School Administration Support Services	36,638	32,468
Operations and Maintenance of Plant	728,238	-
Student Activities	40,272	57,000
Community Services	48,786	64,493
District Administration Support Services	137,004	167,755
Student Transportation	7,473,969	6,092,404
Food Services	4,203,218	3,870,392
Total Expenditures	<u>16,468,186</u>	<u>15,653,116</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(951,831)</u>	<u>(607,522)</u>
Other Financing Sources (Uses):		
Transfers in	816,836	675,000
Transfers Out	-	-
Total Other Financing Sources (Uses):	<u>816,836</u>	<u>675,000</u>
Net Changes In Fund Balances	(134,995)	67,478
Fund Balances, Beginning of Year	<u>1,598,528</u>	<u>1,531,050</u>
Fund Balances, End of Year	<u>\$ 1,463,533</u>	<u>\$ 1,598,528</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
ALASKA WORKS - CONSTRUCTION EDUCATION FOUNDATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Other Local	\$ 185,000	\$ 185,000	\$ 184,119	\$ (881)	\$ 147,290
Expenditures:					
Instruction					
Certificated Salaries	32,500	25,000	27,300	(2,300)	17,770
Non-Certificated Salaries	33,290	34,487	35,347	(860)	35,853
Employee Benefits	28,330	28,689	27,109	1,580	24,765
Staff Travel	1,500	1,500	1,404	96	2,197
Other Purchased Services	-	-	75	(75)	150
Supplies, Materials, and Media	78,044	77,118	74,730	2,388	59,147
Equipment	3,000	10,200	10,188	12	498
Total Instruction	176,664	176,994	176,153	841	140,380
District Administration Support Services					
Indirect Costs	8,336	8,006	7,966	40	6,910
Total Expenditures	185,000	185,000	184,119	881	147,290
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	\$ -
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
ARTISTS IN SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013			Variance- Positive (Negative)	2012 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ 625	\$ 2,753	\$ 2,753	\$ -	\$ 335
Federal - Through the State	625	2,752	2,752	-	335
Other Local	<u>1,250</u>	<u>3,993</u>	<u>3,993</u>	-	<u>1,638</u>
Total Revenues	<u>2,500</u>	<u>9,498</u>	<u>9,498</u>	-	<u>2,308</u>
Expenditures:					
Instruction					
Professional and Technical Services	2,500	8,010	8,010	-	2,308
Student Travel	-	156	155	1	-
Other Purchased Services	-	145	145	-	-
Supplies, Materials, and Media	<u>-</u>	<u>1,187</u>	<u>1,188</u>	<u>(1)</u>	<u>-</u>
Total Expenditures	<u>2,500</u>	<u>9,498</u>	<u>9,498</u>	-	<u>2,308</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
ALASKA STAFF DEVELOPMENT NETWORK - LEADERSHIP
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013			Variance- Positive (Negative)	2012 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal - Through the State	\$ 29,261	\$ 29,261	\$ 28,975	\$ (286)	\$ 26,524
Expenditures:					
School Administration					
Staff Travel	24,761	24,761	24,478	283	23,014
Supplies, Materials, and Media	4,500	4,500	4,497	3	3,510
Total Expenditures	29,261	29,261	28,975	286	26,524
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
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013			Variance- Positive (Negative)	2012 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal - Through the State	\$ 1,600	\$ 4,160	\$ 4,160	\$ -	\$ 6,795
Expenditures:					
Instruction					
Professional and Technical Services	1,200	900	900		
Supplies, Materials, and Media	400	3,260	3,260	-	6,795
Total Expenditures	1,600	4,160	4,160	-	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
 FOR THE YEAR ENDED JUNE 30, 2013
 With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 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
 FOR THE YEAR ENDED JUNE 30, 2013
 With Comparative Actual Totals for the Year Ended June 30, 2012

	2013			Variance- Positive (Negative)	2012 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ -	\$ -	\$ -	\$ -	\$ 25,562
Expenditures:					
Support Services - Instruction					
Professional and Technical Services	-	-	-	-	25,562
Total Expenditures	-	-	-	-	25,562
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
 FOR THE YEAR ENDED JUNE 30, 2013
 With Comparative Actual Totals for the Year Ended June 30, 2012

	2013			Variance- Positive (Negative)	2012 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal - Through the State	\$ 195,976	\$ 240,684	\$ 216,359	\$ (24,325)	\$ 250,081
Expenditures:					
Instruction					
Certificated Salaries	64,225	77,777	64,029	13,748	70,416
Non-Certificated Salaries	17,427	7,250	8,510	(1,260)	9,800
Employee Benefits	23,404	23,704	16,084	7,620	16,716
Professional and Technical Services	14,300	16,350	16,498	(148)	31,848
Staff Travel	11,837	25,778	25,277	501	25,719
Student Travel	1,900	10,900	8,862	2,038	8,091
Other Purchased Services	1,000	1,000	416	584	950
Supplies, Materials, and Media	44,200	45,265	44,672	593	59,786
Other Expenses	310	310	775	(465)	140
Equipment	8,800	22,350	22,350	-	15,576
Total Instruction	<u>187,403</u>	<u>230,684</u>	<u>207,473</u>	<u>23,211</u>	<u>239,042</u>
District Administration Support Services					
Indirect Costs	<u>8,573</u>	<u>10,000</u>	<u>8,886</u>	<u>1,114</u>	<u>11,039</u>
Total Expenditures	<u>195,976</u>	<u>240,684</u>	<u>216,359</u>	<u>24,325</u>	<u>250,081</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
COMMUNITY THEATER
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013			Variance- Positive (Negative)	2012 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Corporate Grants and User Fees	\$ -	\$ -	\$ 41,945	\$ 41,945	\$ 44,030
Expenditures:					
Community Services:					
Non-Certificated Salaries	-	-	31,812	(31,812)	43,025
Employee Benefits	-	-	8,834	(8,834)	11,539
Staff Travel	-	-	1,730	(1,730)	2,503
Utility Services	-	-	828	(828)	1,433
Other Purchased Services	-	-	-	-	432
Supplies, Materials, and Media	-	-	5,582	(5,582)	5,561
Total Expenditures	-	-	48,786	(48,786)	64,493
Excess (Deficiency) of Revenue over Expenditures	-	-	(6,841)	(6,841)	(20,463)
Other Financing Sources:					
Transfers In	\$ -	\$ -	25,000	\$ 25,000	75,000
Fund Balance, Beginning of Year			54,537		-
Fund Balance, End of Year			\$ 72,696		\$ 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
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Corporate Grants and User Fees	2,999	57,418	56,340	1,078	73,003
Expenditures:					
Instruction:					
Certificated Salaries	874	525	525	-	2,788
Non-Certificated Salaries	-	205	205	-	771
Employee Benefits	157	90	89	1	446
Professional and Technical Service	-	1,600	1,600	-	3,245
Student Travel	-	6,580	5,189	1,391	4,010
Utility Services	-	-	-	-	53
Other Purchased Services	-	-	150	(150)	3,763
Supplies, Materials, and Media	2,010	23,731	15,493	8,238	19,318
Equipment	-	2,409	163	2,246	3,100
Total Instruction	3,041	35,140	23,414	11,726	37,494
Expenditures:					
Special Education - Instruction					
Equipment	2,999	2,999	3,000	(1)	-
Student Activities:					
Student Travel	-	2,200	2,200	-	7,466
Other Purchased Services	-	2,500	2,500	-	7,458
Supplies, Materials, and Media	-	17,070	17,070	-	16,002
Other Expenses	-	300	300	-	200
Equipment	-	250	-	250	11,392
Total Student Activities	-	22,320	22,070	250	42,518
Total Expenditures	6,040	60,459	48,484	11,975	80,012
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,041)	\$ (3,041)	7,856	\$ 10,897	(7,009)
Fund Balance, Beginning of Year			3,041		10,050
Fund Balance, End of Year			\$ 10,897		\$ 3,041

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
EDUCATION JOBS GRANT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal - Through the State	\$ 37,993	\$ 37,993	\$ 37,993	\$ -	\$ 1,368,815
Expenditures:					
Instruction:					
Certificated Salaries	-	33,150	33,150	-	461,578
Non-Certificated Salaries	-	-	-	-	28,607
Employee Benefits	-	4,843	4,843	-	184,607
Staff Travel	-	-	-	-	280
Supplies, Materials, and Media	-	-	-	-	1,325
Other Expenses	37,993	-	-	-	360
Total Instruction	37,993	37,993	37,993	-	676,757
Support Services - Students:					
Certificated Salaries	-	-	-	-	53,645
Employee Benefits	-	-	-	-	21,047
Total Support Services - Students	-	-	-	-	74,692
Support Services - Instruction:					
Certificated Salaries	-	-	-	-	439,358
Employee Benefits	-	-	-	-	154,962
Supplies, Materials, and Media	-	-	-	-	1,255
Total Support Services - Instruction	-	-	-	-	595,575
School Administration:					
Certificated Salaries	-	-	-	-	19,073
Employee Benefits	-	-	-	-	2,718
Total School Administration	-	-	-	-	21,791
Total Expenditures	37,993	37,993	37,993	-	1,368,815
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
FOOD SERVICE
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 2,589,606	\$ 2,589,606	\$ 2,144,537	\$ (445,069)	\$ 2,111,953
Food Sales	880,000	880,000	703,256	(176,744)	781,299
Commodities	110,000	110,000	139,253	29,253	118,288
Other Local Revenues	-	-	4,098	4,098	3,826
Total Revenues	3,579,606	3,579,606	2,991,144	(588,462)	3,015,366
Expenditures:					
Food Services					
Non-Certificated Salaries	1,372,592	1,405,017	1,414,610	(9,593)	1,316,556
Employee Benefits	964,368	961,364	949,397	11,967	842,492
Professional and Technical Services	-	2,700	2,700	-	-
Staff Travel	24,900	25,762	23,667	2,095	19,365
Utility Services	4,075	4,075	2,251	1,824	2,471
Other Purchased Services	54,100	59,085	32,038	27,047	50,426
Supplies, Materials, and Media	1,621,200	1,611,994	1,615,126	(3,132)	1,363,140
Other Expenses	5,950	6,371	4,117	2,254	3,703
Equipment	28,000	28,430	12,429	16,001	132,304
Total Expenditures	4,075,185	4,104,798	4,056,335	48,463	3,730,457
Excess (Deficiency) of Revenue over Expenditures	(495,579)	(525,192)	(1,065,191)	(539,999)	(715,091)
Other Financing Sources:					
Transfers In	\$ 300,000	\$ 525,000	791,836	\$ 266,836	600,000
Fund Balance, Beginning of Year			431,035		546,126
Fund Balance, End of Year			\$ 157,680		\$ 431,035

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
 FOR THE YEAR ENDED JUNE 30, 2013
 With Comparative Actual Totals for the Year Ended June 30, 2012

	2013			Variance- Positive (Negative)	2012 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 21,585	\$ 120,723	\$ 120,722	\$ (1)	\$ 139,935
Expenditures:					
Food Service					
Non-Certificated Salaries	-	-	-	-	3,130
Employee Benefits	-	-	-	-	939
Supplies, Materials, and Media	21,585	120,723	120,722	1	135,866
Total Expenditures	21,585	120,723	120,722	1	139,935
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
FOOD SERVICE - NUTRITIONAL ALASKAN FOODS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 131,135	\$ 131,135	\$ 26,161	\$ (104,974)	\$ -
Expenditures:					
Food Service Supplies, Materials, and Media	131,135	131,135	26,161	104,974	-
Total Expenditures	131,135	131,135	26,161	104,974	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 FOURTH R TRAINING
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013
 With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 4,600	\$ 6,600	\$ 6,600	\$ -	\$ -
Expenditures:					
Instruction					
Certificated Salaries	1,560	260	260	-	-
Non-Certificated Salaries	228	1,063	1,063	-	-
Employee Benefits	142	102	101	1	-
Other Purchased Services	734	786	785	1	-
Supplies, Materials and Media	1,936	4,389	4,391	(2)	-
Total Expenditures	4,600	6,600	6,600	-	-
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
 FOR THE YEAR ENDED JUNE 30, 2013
 With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Direct	\$ 128,000	\$ 191,088	\$ 148,835	\$ (42,253)	\$ 107,127
Expenditures:					
Instruction					
Professional and Technical Service	122,137	182,335	142,018	40,317	102,084
District Administration Support Services					
Indirect Costs	5,863	8,753	6,817	1,936	5,043
Total Expenditures	128,000	191,088	148,835	42,253	107,127
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
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ -	\$ 47,196	\$ 41,635	\$ (5,561)	\$ -
Federal-Through the State	<u>48,423</u>	<u>1,227</u>	<u>1,227</u>	<u>-</u>	<u>26,300</u>
Total Revenues	<u>48,423</u>	<u>48,423</u>	<u>42,862</u>	<u>(5,561)</u>	<u>26,300</u>
Expenditures:					
Instruction:					
Non-Certificated Salaries	-	113	112	1	355
Employee Benefits	-	9	9	-	27
Staff Travel	-	2,000	1,830	170	464
Professional and Technical Services	-	-	-	-	2,500
Other Purchased Services	-	2,500	2,500	-	-
Supplies, Materials, and Media	-	40,863	36,249	4,614	18,834
Other Expenses	46,205	720	199	521	-
Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,025</u>
Total Instruction	<u>46,205</u>	<u>46,205</u>	<u>40,899</u>	<u>5,306</u>	<u>25,205</u>
District Administration Support Services:					
Indirect Costs	<u>2,218</u>	<u>2,218</u>	<u>1,963</u>	<u>255</u>	<u>1,095</u>
Total Expenditures	<u>48,423</u>	<u>48,423</u>	<u>42,862</u>	<u>5,561</u>	<u>26,300</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
 FOR THE YEAR ENDED JUNE 30, 2013
 With Comparative Actual Totals for the Year Ended June 30, 2012

	2013			Variance- Positive (Negative)	2012 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ 52,500	\$ 1,067,500	\$ 965,267	\$ (102,233)	\$ -
Expenditures:					
Instruction:					
Other Purchased Services	-	250	250		
Supplies, Materials, and Media	4,185	55,491	55,491	-	-
Equipment	48,315	180,952	180,950	2	-
Total Instruction	52,500	236,693	236,691	2	-
Support Services - Student					
Supplies, Materials, and Media	-	338	338	-	-
Operations and Maintenance of Plant:					
Supplies, Materials, and Media	-	446,892	375,302	71,590	-
Equipment	-	383,577	352,936	30,641	-
Total Operations and Maintenance of Plant	-	830,469	728,238	102,231	-
Total Expenditures	52,500	1,067,500	965,267	102,233	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 LEGISLATIVE STUDENT NUTRITION
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013
 With Comparative Actual Totals for the Year Ended June 30, 2012

	2013			Variance- Positive (Negative)	2012 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ 40,000	\$ 40,000	\$ 40,000	\$ -	\$ -
Expenditures:					
Support Services - Students					
Other Purchased Services	17,000	-	-	-	-
Supplies, Materials, and Media	5,000	2,995	2,996	(1)	-
Equipment	18,000	37,005	37,004	1	-
Total Expenditures	40,000	40,000	40,000	-	-
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
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 25,421	\$ 25,421	\$ 25,247	\$ (174)	\$ 14,991
Expenditures:					
Instruction					
Staff Travel	-	4,321	4,321	-	380
Student Travel	-	2,190	2,095	95	1,000
Utility Services	-	-	-	-	18
Other Purchased Services	-	880	840	40	340
Supplies, Materials, and Media	-	16,866	16,835	31	12,547
Other Expenses	25,421	-	-	-	-
Total Instruction	25,421	24,257	24,091	166	14,285
District Administration Support Services					
Indirect Costs	-	1,164	1,156	8	706
Total Expenditures	25,421	25,421	25,247	174	14,991
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 MENTOR PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013
 With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 97,985	\$ 374,395	\$ 199,612	\$ (174,783)	\$ -
Expenditures:					
Instruction					
Certificated Salaries	60,000	218,600	133,152	85,448	-
Non-Certificated Salaries	-	-	330	(330)	-
Employee Benefits	20,400	76,110	40,439	35,671	-
Staff Travel	11,876	58,966	16,915	42,051	-
Supplies, Materials and Media	1,940	6,320	991	5,329	-
Total Instruction	94,216	359,996	191,827	168,169	-
District Administration Support Services					
Indirect Costs	3,769	14,399	7,785	6,614	-
Total Expenditures	97,985	374,395	199,612	174,783	-
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
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 6,650	\$ 6,650	\$ 2,256	\$ (4,394)	\$ 3,101
Expenditures:					
Instruction					
Staff Travel	4,771	4,771	578	4,193	432
Supplies, Materials, and Media	<u>1,650</u>	<u>1,650</u>	<u>1,650</u>	-	<u>2,648</u>
Total Instruction	<u>6,421</u>	<u>6,421</u>	<u>2,228</u>	<u>4,193</u>	<u>3,080</u>
District Administration Support Services					
Indirect Costs	<u>229</u>	<u>229</u>	<u>28</u>	<u>201</u>	<u>21</u>
Total Expenditures	<u>6,650</u>	<u>6,650</u>	<u>2,256</u>	<u>4,394</u>	<u>3,101</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
NATIONAL SPACE GRANT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 2,500	\$ 2,500	\$ 2,500	\$ -	\$ -
Expenditures:					
Instruction					
Supplies, Materials, and Media	2,500	2,500	2,500	-	-
Total Expenditures	2,500	2,500	2,500	-	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 PRINCIPAL COACH
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013
 With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 450,000	\$ 450,000	\$ 421,699	\$ (28,301)	\$ 435,489
Expenditures:					
School Administration					
Professional and Technical Services	43,700	118,700	101,524	17,176	43,720
Staff Travel	346,000	252,035	253,254	(1,219)	335,241
Utility Services	3,300	3,300	1,440	1,860	2,358
Other Purchases Services	1,264	11,067	8,445	2,622	1,264
Supplies, Materials, and Media	20,884	14,884	7,576	7,308	19,302
Other Expenses	1,200	1,200	517	683	1,136
Equipment	-	12,305	12,305	-	-
Total School Administration	<u>416,348</u>	<u>413,491</u>	<u>385,061</u>	<u>28,430</u>	<u>403,021</u>
School Administration Support Services					
Non-Certificated Salaries	20,182	21,854	21,854	-	19,504
Employee Benefits	<u>13,470</u>	<u>14,655</u>	<u>14,784</u>	<u>(129)</u>	<u>12,964</u>
Total School Administration Support Services	<u>33,652</u>	<u>36,509</u>	<u>36,638</u>	<u>(129)</u>	<u>32,468</u>
Total Expenditures	<u>450,000</u>	<u>450,000</u>	<u>421,699</u>	<u>28,301</u>	<u>435,489</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
SCHOOL IMPROVEMENT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal - Through the State	\$ 15,811	\$ 50,525	\$ 46,126	\$ (4,399)	\$ 6,291
Expenditures:					
Instruction					
Certificated Salaries	-	10,779	8,154	2,625	5,525
Non-Certificated Salaries	-	4,867	3,061	1,806	-
Employee Benefits	-	1,517	1,128	389	766
Professional and Technical Services	-	20,000	15,610	4,390	-
Staff Travel	-	12,000	16,861	(4,861)	-
Supplies, Materials, and Media	-	1,362	1,312	50	-
Other Expenses	15,811	-	-	-	-
Total Expenditures	15,811	50,525	46,126	4,399	6,291
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
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 550	\$ 14,412	\$ 11,497	\$ (2,915)	\$ 41,027
Expenditures:					
Instruction					
Certificated Salaries	-	480	260	220	3,628
Non-Certificated Salaries	-	-	55	(55)	1,020
Employee Benefits	-	42	24	18	493
Staff Travel	550	13,890	11,158	2,732	25,342
Supplies, Materials, and Media	-	-	-	-	10,544
Total Expenditures	550	14,412	11,497	2,915	41,027
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STUDENT TRANSPORTATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenue:					
State	\$ 7,590,700	\$ 7,604,516	\$ 7,604,516	\$ -	\$ 6,241,927
Expenditures:					
Student Activities					
Non-Certificated Salaries	3,000	1,556	1,554	2	2,050
Employee Benefits	239	128	119	9	157
Staff Travel	2,000	22	22	-	273
Energy	-	1,866	1,938	(72)	2,379
Other Purchased Services	-	1,747	1,829	(82)	1,540
Supplies, Materials, and Media	24,000	6,343	5,874	469	7,458
Other Expenses	1,000	836	836	-	625
Equipment	-	6,030	6,030	-	-
Total Student Activities	<u>30,239</u>	<u>18,528</u>	<u>18,202</u>	<u>326</u>	<u>14,482</u>
Student Transportation					
Non-Certificated Salaries	120,299	156,446	138,549	17,897	123,354
Employee Benefits	63,725	64,347	59,967	4,380	59,805
Staff Travel	9,000	5,448	4,370	1,078	3,344
Utility Services	1,600	1,500	695	805	621
Other Purchased Services	7,336,723	7,353,062	7,258,575	94,487	5,194,069
Supplies, Materials, and Media	28,714	11,614	11,613	1	711,136
Other Expenses	400	100	200	(100)	75
Total Student Transportation	<u>7,560,461</u>	<u>7,592,517</u>	<u>7,473,969</u>	<u>118,548</u>	<u>6,092,404</u>
Total Expenditures	<u>7,590,700</u>	<u>7,611,045</u>	<u>7,492,171</u>	<u>118,874</u>	<u>6,106,886</u>
Excess (Deficiency) of Revenue over Expenditures	<u>-</u>	<u>(6,529)</u>	<u>112,345</u>	<u>118,874</u>	<u>135,041</u>
Fund Balance, Beginning of Year			<u>1,094,273</u>		<u>959,232</u>
Fund Balance, End of Year			<u>\$ 1,206,618</u>		<u>\$ 1,094,273</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
TITLE I-D, DELINQUENT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 12,806	\$ 12,806	\$ 10,518	\$ (2,288)	\$ 21,707
Expenditures:					
Instruction					
Certificated Salaries	-	-	-	-	10,647
Employee Benefits	-	-	-	-	1,537
Professional and Technical Services	-	-	-	-	6,545
Utility Services	-	-	-	-	34
Supplies, Materials, and Media	-	5,577	3,393	2,184	550
Other Expenses	12,806	-	-	-	-
Equipment	-	6,962	6,962	-	1,440
Total Instruction	12,806	12,539	10,355	2,184	20,753
District Administration Support Services					
Indirect Costs	-	267	163	104	954
Total Expenditures	12,806	12,806	10,518	2,288	21,707
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
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013			Variance- Positive (Negative)	2012 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 3,381,363	\$ 3,382,690	\$ 1,776,037	\$ (1,606,653)	\$ 2,405,687
Expenditures:					
Special Education - Instruction					
Certificated Salaries	243,871	393,871	303,964	89,907	279,734
Non-Certificated Salaries	1,006,964	1,253,964	673,257	580,707	1,000,538
Employee Benefits	952,578	1,152,578	577,387	575,191	869,226
Professional and Technical Services	4,500	54,500	7,821	46,679	27,177
Staff Travel	23,801	123,801	99,199	24,602	69,292
Other Purchased Services	29,820	39,606	3,900	35,706	4,690
Supplies, Materials, and Media	921,786	201,883	21,652	180,231	20,644
Other Expenses	40,875	3,100	3,057	43	9,711
Equipment	2,406	4,669	4,669	-	11,993
Total Special Education - Instruction	<u>3,226,601</u>	<u>3,227,972</u>	<u>1,694,906</u>	<u>1,533,066</u>	<u>2,293,005</u>
District Administration Support Services					
Indirect Costs	<u>154,762</u>	<u>154,718</u>	<u>81,131</u>	<u>73,587</u>	<u>112,682</u>
Total Expenditures	<u>3,381,363</u>	<u>3,382,690</u>	<u>1,776,037</u>	<u>1,606,653</u>	<u>2,405,687</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<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
TITLE VII - INDIAN EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013			Variance- Positive (Negative)	2012 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Direct	\$ 374,541	\$ 374,541	\$ 306,742	\$ (67,799)	\$ 316,983
Expenditures:					
Instruction					
Certificated Salaries	54,405	40,000	37,079	2,921	1,720
Non-Certificated Salaries	109,246	116,000	119,428	(3,428)	111,203
Employee Benefits	88,606	87,580	88,634	(1,054)	85,865
Professional and Technical Services	49,021	48,610	24,464	24,146	44,071
Staff Travel	3,500	3,000	2,749	251	4,079
Student Travel	44,308	10,000	10,723	(723)	29,429
Utility Services	800	-	-	-	790
Other Purchased Services	2,500	25	2,420	(2,395)	15,388
Supplies, Materials, and Media	5,000	51,781	6,806	44,975	8,806
Other Expenses	-	390	390	-	710
Total Instruction	<u>357,386</u>	<u>357,386</u>	<u>292,693</u>	<u>64,693</u>	<u>302,061</u>
District Administration Support Services					
Indirect Costs	<u>17,155</u>	<u>17,155</u>	<u>14,049</u>	<u>3,106</u>	<u>14,922</u>
Total Expenditures	<u>374,541</u>	<u>374,541</u>	<u>306,742</u>	<u>67,799</u>	<u>316,983</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<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
UPWARD BOUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013			Variance- Positive (Negative)	2012 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 30,000	\$ 30,000	\$ 24,732	\$ (5,268)	\$ 19,707
Expenditures:					
Instruction					
Certificated Salaries	11,810	11,810	11,810	-	7,894
Non-Certificated Salaries	-	195	196	(1)	3,947
Employee Benefits	1,690	1,687	1,668	19	1,211
Student Travel	3,000	293	293	-	1,010
Supplies, Materials, and Media	2,700	1,206	928	278	382
Other Expenses	10,800	10,800	5,906	4,894	5,263
Equipment	-	4,009	3,931	78	-
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>24,732</u>	<u>5,268</u>	<u>19,707</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
YOUTH FIRST
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 85,000	\$ 85,000	\$ 85,000	\$ -	\$ 80,858
Expenditures:					
Instruction					
Certificated Salaries	26,480	23,000	17,400	5,600	12,800
Non-Certificated Salaries	41,443	22,757	24,315	(1,558)	32,053
Employee Benefits	8,295	18,832	20,343	(1,511)	23,973
Staff Travel	3,352	3,352	2,998	354	2,587
Student Travel	350	350	-	350	1,494
Supplies, Materials, and Media	1,187	1,187	1,187	-	4,145
Total Instruction	<u>81,107</u>	<u>69,478</u>	<u>66,243</u>	<u>3,235</u>	<u>77,052</u>
Support Services - Students					
Non-Certificated Salaries	-	7,123	7,052	71	-
Employee Benefits	-	4,506	7,812	(3,306)	-
Total Support Services-Students	-	11,629	14,864	(3,235)	-
District Administration Support Services					
Indirect Costs	<u>3,893</u>	<u>3,893</u>	<u>3,893</u>	<u>-</u>	<u>3,806</u>
Total Expenditures	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>-</u>	<u>80,858</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
 FOR THE YEAR ENDED JUNE 30, 2013
 With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 69,143	\$ 69,143	\$ 69,143	\$ -	\$ 224,690
Expenditures:					
Instruction:					
Certificated Salaries	4,500	9,499	9,493	6	124,673
Non-Certificated Salaries	25,419	29,268	29,233	35	29,524
Employee Benefits	24,280	24,321	23,958	363	52,330
Supplies, Materials, and Media	11,777	2,888	3,292	(404)	7,586
Total Instruction	65,976	65,976	65,976	-	214,113
District Administration Support Services					
Indirect Costs	3,167	3,167	3,167	-	10,577
Total Expenditures	69,143	69,143	69,143	-	224,690
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 YOUTH RISK BEHAVIOR SURVEY
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013
 With Comparative Actual Totals for the Year Ended June 30, 2012

	2013				2012 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 9,750	\$ 9,750	\$ 9,750	\$ -	\$ -
Expenditures:					
Instruction					
Certificated Salaries	2,800	2,800	3,200	(400)	-
Employee Benefits	400	400	447	(47)	-
Supplies, Materials, and Media	6,550	6,550	6,103	447	-
Total Expenditures	9,750	9,750	9,750	-	-
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 Position
Statement of Revenues, Expenditures, and Changes in Fund Net Position
Statement of Cash Flows

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF NET POSITION
June 30, 2013

	Employee Compensated Leave Fund	Health Care Fund	Total Internal Service Funds
<u>ASSETS</u>			
Equity in Central Treasury	\$ 3,354,197	\$ 3,700,100	\$ 7,054,297
Equity in Central Treasury - Restricted for Healthcare	-	3,318,306	3,318,306
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 3,354,197</u>	<u>\$ 7,018,406</u>	<u>\$ 10,372,603</u>
<u>LIABILITIES</u>			
Current Liabilities			
Health Claims Payable (IBNR)	\$ -	\$ 4,366,000	\$ 4,366,000
Contributions Collected from Employees in Excess of Negotiated Agreement	-	1,120,892	1,120,892
Compensated Absences	40,806	-	40,806
Total Current Liabilities	<hr/> 40,806	<hr/> 5,486,892	<hr/> 5,527,698
Noncurrent Liabilities			
Compensated Absences, net of current portion	3,313,391	-	3,313,391
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>\$ 3,354,197</u>	<u>\$ 5,486,892</u>	<u>\$ 8,841,089</u>
<u>NET POSITION</u>			
Net Position - Unrestricted	-	1,531,514	1,531,514
	<hr/>	<hr/>	<hr/>
Total Net Position	<u>\$ -</u>	<u>\$ 1,531,514</u>	<u>\$ 1,531,514</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
For the Year Ended June 30, 2013

	Employee Compensated Leave Fund	Health Care Fund	Total Internal Service Funds
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
Operating Revenues:			
Charges to Other Funds	\$ 3,345,060	\$ -	\$ 3,345,060
Employer Contributions	-	17,624,414	17,624,414
Employee Contributions, Net of adjustment per negotiated agreement.	-	4,505,891	4,505,891
	<u>3,345,060</u>	<u>22,130,305</u>	<u>25,475,365</u>
Total Operating Revenues			
Operating Expenses:			
Administrative services	3,345,060	-	3,345,060
Healthcare Claims and Administrative Fees	-	21,703,380	21,703,380
	<u>3,345,060</u>	<u>21,703,380</u>	<u>25,048,440</u>
Total operating expenses			
Operating income	-	426,925	426,925
Nonoperating Revenues - Interest Income	-	6,830	6,830
Increase in net position	-	433,755	433,755
Total net position, beginning of year	-	1,097,759	1,097,759
Total net position, end of year	<u>\$ -</u>	<u>\$ 1,531,514</u>	<u>\$ 1,531,514</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2013

	Employee Compensated Leave Fund	Health Care Fund	Total Internal Service Funds
Cash flows from operating activities:			
Payments for interfund services provided	\$ 3,345,060	\$ -	\$ 3,345,060
Payments to employees	(3,339,297)	-	(3,339,297)
Receipts from employer - current year contributions	-	17,624,413	17,624,413
Receipts from employees - current year contributions	-	3,625,250	3,625,250
Payments for claims and services	-	(21,541,380)	(21,541,380)
Net cash flow from operating activities	<u>5,763</u>	<u>(291,717)</u>	<u>(285,954)</u>
Cash flows from financing activities - transfer in	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities - interest income received	<u>-</u>	<u>6,830</u>	<u>6,830</u>
Net increase (decrease) in cash and cash equivalents	<u>5,763</u>	<u>(284,887)</u>	<u>(279,124)</u>
Cash and cash equivalents, beginning of year	<u>3,348,434</u>	<u>7,303,293</u>	<u>10,651,727</u>
Cash and cash equivalents, end of year	<u>\$ 3,354,197</u>	<u>\$ 7,018,406</u>	<u>\$ 10,372,603</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ -	\$ 426,925	\$ 426,925
Increase in compensated absences payable	5,763	-	5,763
Increase in health care payable	-	162,000	162,000
Contributions collected from employees in excess of negotiated agreement	-	(880,642)	(880,642)
Net cash (used) provided by operating activities	<u>\$ 5,763</u>	<u>\$ (291,717)</u>	<u>\$ (285,954)</u>

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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
 For the Year Ended June 30, 2013

<u>Student Activity</u>	<u>Total June 30, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Total June 30, 2013</u>
Assets:				
Cash	\$ 36,352	\$ -	\$ 8,203	\$ 28,149
Equity in Central Treasury	<u>2,735,527</u>	<u>3,447,555</u>	<u>3,515,109</u>	<u>2,667,973</u>
Total Assets:	<u><u>\$ 2,771,879</u></u>	<u><u>\$ 3,447,555</u></u>	<u><u>\$ 3,523,312</u></u>	<u><u>\$ 2,696,122</u></u>
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Amount Due Student Groups	<u>2,771,879</u>	<u>3,447,555</u>	<u>3,523,312</u>	<u>2,696,122</u>
Total Liabilities:	<u><u>\$ 2,771,879</u></u>	<u><u>\$ 3,447,555</u></u>	<u><u>\$ 3,523,312</u></u>	<u><u>\$ 2,696,122</u></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
 For the Year Ended June 30, 2013

	General Capital Assets June 30, 2012	Additions	Deletions	Transfers	General Capital Assets June 30, 2013
Administration	\$ 2,476,230	\$ 177,389	\$ (261,036)	\$ 58,548	\$ 2,334,035
Schools	4,947,288	548,302	(37,631)	(58,548)	5,516,507
	<u>\$ 7,423,518</u>	<u>\$ 725,691</u>	<u>\$ (298,667)</u>	<u>\$ -</u>	<u>\$ 7,850,542</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SCHEDULE OF GENERAL CAPITAL ASSETS - BY LOCATION
June 30, 2013

	Equipment		Equipment
Administration:		Kenai:	
District Office and		High School	863,087
Warehouse	\$ 2,334,035	Kaleidoscope	46,373
Total Administration	2,334,035	Kenai Alternative	6,780
		Middle School	208,498
Schools:		Mt. View Elementary	44,612
Outside Cities:		Total Kenai	1,169,350
Aurora Borealis	137,992		
Chapman Elementary	26,113	Seldovia:	
Cooper Landing	20,470	Susan B. English	112,397
Hope	38,236	Total Seldovia	112,397
Kachemak Selo	16,165		
K-Beach	63,660	Seward:	
McNeil Canyon	36,206	Elementary	36,889
Moose Pass	6,499	High School	396,505
Nanwalek	31,496	Middle	35,436
Nikiski High	550,384	Total Seward	468,830
Nikiski North Star	61,546		
Nikolaevsk	121,547	Soldotna:	
Ninilchik	242,772	Connections	24,548
Port Graham	19,486	Elementary	85,503
Skyview High	475,758	High School	609,793
Sterling	39,067	Middle School	138,813
Tebughna	47,745	Redoubt Elementary	64,670
Tustumena	43,533	Total Soldotna	923,327
Voznesenka	23,092		
Total Outside Cities	2,001,767	Total Schools	5,516,507
Homer:		Total General Capital Assets	\$ 7,850,542
Fireweed Academy	27,104		
High School	647,031		
Homer Flex	19,327		
Middle School	47,703		
Paul Banks	35,804		
Razdolna	15,900		
West Homer	47,967		
Total Homer	840,836		

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

COMPARATIVE SCHEDULE OF CAPITAL ASSETS - BY SOURCE
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
General Capital Assets:		
Furniture and Equipment	<u>\$ 7,850,542</u>	<u>\$ 7,423,518</u>
Investments in General Capital Assets from:		
General Obligation Bonds	\$ 720,922	\$ 695,337
State and Federal Grants	3,570,222	3,403,135
General Fund Revenue	<u>3,559,398</u>	<u>3,325,046</u>
Total Investment in General Capital Assets:	<u>\$ 7,850,542</u>	<u>\$ 7,423,518</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

For the Year Ended June 30, 2013

	<u>Program Number</u>	<u>Amount Expended</u>
Department of Administration:		
* TRS On Behalf		\$ 19,868,298
* PERS On Behalf		2,629,710
* PERS On Behalf passed through Kenai Peninsula Borough		<u>409,945</u>
Total Department of Administration		<u>22,907,953</u>
Department of Education and Early Development:		
* Foundation		75,563,384
* SB160 One-time State Funding		1,734,738
Quality Schools		275,933
* Student Transportation		7,604,516
Artists in Schools - McNeil Canyon	AIS0004	625
Artists in Schools - Nikiski North Star	AIS0013	550
Artists in Schools - Nikiski Middle / High	AIS0023	803
Artists in Schools - K-Beach	AIS0024	775
Alternative Schools	SH 13.024.01	41,635
Youth In Detention - Marathon	EY 13.024.01	69,143
Youth Risk Behavior Survey	YR 13.024.01	<u>9,750</u>
Total Department of Education and Early Development		<u>85,301,852</u>
Department of Commerce, Community and Economic Development:		
Passed through Kenai Peninsula Borough:		
* School District Equipment	13-DC-446	897,767
I-Touch Project for Lower Peninsula Schools	13-DC-004	52,500
Nikiski High School - Printer / Cutter / Software	13-RR-012	<u>15,000</u>
Total passed through Kenai Peninsula Borough		<u>965,267</u>
Student Nutrition Services	13-DM-195	40,000
Nutritional Alaskan Foods for Schools	13-NAF-025	<u>26,161</u>
Total Department of Commerce, Community and Economic Development		<u>1,031,428</u>
Department of Labor and Workforce Development -		
AYF FY13 Kenai SD - Career Guide	13-210	<u>85,000</u>
Total State Financial Assistance		\$ <u>109,326,233</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
For the Year Ended June 30, 2013

<u>Federal Grantor/Pass-Through Grantor</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grantor's Number</u>	<u>Amount Expended</u>
U.S. Department of Education - Direct:			
Gear Up Kenai Peninsula	84.334A	P334A110121	\$ 148,835
Title VII, Indian Education	84.060A	S060A120799	<u>306,742</u>
Total U.S. Department of Education - Direct			<u>455,577</u>
Passed through Alaska Department of Education and Early Development:			
Title I, Part A Cluster:			
NCLB - Title I	84.010	IP 13.024.01	1,676,968
NCLB - Title I-A Highly Qualified	84.010	IP 13.024.01	412
NCLB - Title I-A 1% Parent Involvement	84.010	IP 13.024.01	16,132
NCLB - Title I-A 10% Professional Development	84.010	IP 13.024.01	195,627
NCLB - Title I-A 20% SES	84.010	IP 13.024.01	103,922
Title I-A, School Improvement 1003 (a)	84.010A	CA 13.024.01	<u>46,126</u>
Total Title I, Part A Cluster			<u>2,039,187</u>
Special Education Cluster:			
Title VI-B	84.027A	SE 13.024.01	1,721,734
Preschool Disabled	84.173A	SE 13.024.01	<u>54,303</u>
Total Special Education Cluster			<u>1,776,037</u>
NCLB - Title I-C Migrant	84.011A	IP 13.024.01	261,530
Migrant Education, Book	84.011A	MB 13.024.01	1,650
Migrant Education, Parent Advisory Council	84.011	MP 13.024.01	<u>606</u>
Total CFDA 84.011			<u>263,786</u>
McKinney - Vento Homeless	84.196A	FR 13.024.01	25,247
Alternative Schools	84.027	SH 13.024.01	1,227
Title I-D, Delinquent (Transitional)	84.013A	CO 13.024.01	10,518
Carl Perkins Basic	84.048A	EK 13.024.01	216,359
Education Jobs	84.410A	EJ 13.024.01	37,993
NCLB - Title III-A English Language Acquisition	84.365A	IP 13.024.01	15,313
NCLB - Title II-A, Training & Recruiting	84.367	IP 13.024.01	<u>1,070,276</u>
Total passed through Alaska Department of Education and Early Development			<u>5,455,943</u>
Passed through University of Alaska Fairbanks:			
UAF-Upward Bound - Seward	84.047A	P047A121760	11,656
UAF-Upward Bound - Nikiski	84.047A	P047A121760	<u>13,077</u>
Total CFDA 84.047			<u>24,733</u>
Alaska Statewide Mentor Project	84.411	U411B110072	<u>199,612</u>
Total passed through University of Alaska Fairbanks			<u>224,345</u>
Passed Through Association of Alaska School Boards:			
Artist Tops - Tebughna	84.356K		1,600
Artist Tops - Port Graham	84.356K		960
Artist Tops - Nanwalek	84.356K		<u>1,600</u>
Total CFDA 84.356K			<u>4,160</u>
Passed Through Alaska Staff Development Network -			
School Leadership	84.363A	U363A80070	<u>28,975</u>
Total U.S. Department of Education			<u>6,169,000</u>
National Aeronautics and Space Administration -			
Passed Through National Space Grant Foundation -			
Summer of Innovation	43.008		<u>2,500</u>

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</u>
National Endowment for the Arts -			
Passed through Alaska Department of Education and Early Development:			
Artists in Schools - McNeil Canyon	45.025	AIS0004	\$ 625
Artists in Schools - Nikiski North Star	45.025	AIS0013	550
Artists in Schools - Nikiski Middle / High	45.025	AIS0023	802
Artists in Schools - K-Beach	45.025	AIS0024	775
Total National Endowment of the Arts			2,752
U.S. Department of Agriculture:			
Passed Through Alaska Department of Education and Early Development:			
Child Nutrition Cluster:			
National School Breakfast Program	10.553	MA 13.024.01	2,885
National School Breakfast Program	10.553	MA 13.024.01	436,669
National School Lunch Program	10.555	MA 13.024.01	1,704,983
Commodities	10.555		139,253
Total Child Nutrition Cluster			2,283,790
Fresh Fruit & Vegetable Program	10.582	FF 13.024.02	120,722
Total U.S. Department of Agriculture			2,404,512
U.S. Department of Health and Human Services -			
Passed Through Alaska Department of Education and Early Development:			
Fourth R Evaluation & Evaluation	93.092	RC 13.024.01	4,600
Fourth R Evaluation & Evaluation	93.092	RC 13.024.02	2,000
Total U.S. Department of Health and Human Services			6,600
Total Expenditures of Federal Awards			\$ 8,585,364

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 Position by Component

Net Expenses, General Revenues, and Change in Net Position

Total Change in Net Position

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 Position by Component
Table II	Net Expenses, General Revenues, and Change in Net Position
Table III	Total Change in Net Position
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 POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR									
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Invested in Capital Assets	\$ 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	\$ 3,054,829
Restricted										
Charter Schools	657,545	979,415	1,010,775	1,641,086	2,394,188	570,373	675,350	507,663	645,261	556,395
Special Revenue Funds	5,253	25,931	29,926	-	-	-	-	-	-	-
Total Restricted	662,798	1,005,346	1,040,701	1,641,086	2,394,188	570,373	675,350	507,663	645,261	556,395
Unrestricted	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	27,516,245
Total Net Position	\$ 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	\$ 31,127,469

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

NET EXPENSES, GENERAL REVENUES, AND CHANGE IN NET POSITION
FROM THE STATEMENT OF ACTIVITIES
LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR									
	2003-2004	2004-2005*	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Expenses										
Government Activities:										
Instruction	\$ 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	\$ 73,207,376
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	21,592,288
Special Education Support Services - Student	-	3,104,193	3,225,301	3,550,817	4,361,409	4,568,803	4,712,605	5,016,857	5,606,638	6,090,491
Support Services - Student	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	4,769,002
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	3,476,192
School Administration	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	7,261,568
School Administration Support Services	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	4,805,263
District Administration	-	792,270	824,772	824,354	951,922	839,511	861,516	957,877	1,065,732	1,134,698
District Administration Support Services	-	2,954,860	3,567,003	3,907,855	4,842,365	4,831,610	6,323,003	5,628,931	6,658,848	6,210,335
Operations and Maintenance of Plant	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	21,254,202
Student Activities	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	2,364,058
Community Service	286,465	258,882	291,539	60,417	56,027	55,605	58,130	64,559	64,408	48,657
Student Transportation	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	7,459,992
Food Service	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	4,226,732
Total expenses	\$ 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	\$ 163,900,854
Program Revenues										
Charges for Services										
Food Service /Community Theater	1,287,270	1,231,122	1,216,514	1,006,322	1,000,689	994,849	950,232	896,109	825,329	745,201
Operating Grants and Contributions	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	18,134,117
Total Program Revenues	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	18,879,318
Total Net(Expense)Governmental Activities	(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)	(145,021,536)
General Revenues:										
Government Activities:										
Borough Direct Appropriation	\$ 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	\$ 43,000,000
Public School Funding Program	42,355,439	46,467,673	50,003,179	59,959,314	60,523,098	62,317,926	64,062,960	69,123,351	71,912,349	75,563,384
Retirement: On-behalf Payments	-	-	-	-	19,322,147	15,227,995	11,901,565	13,615,283	17,803,814	22,907,953
Other State Revenue	-	-	110,355	1,116,108	3,135,060	245,599	250,195	263,359	1,658,523	2,010,671
Earnings on Investment	(252,271)	197,556	494,410	1,067,126	1,746,569	1,563,679	1,351,985	837,735	898,439	55,918
E-Rate Program	491,215	435,323	508,938	657,616	722,223	426,290	575,663	591,046	118,707	590,640
Medicaid Reimbursement	281,073	212,193	526,918	492,697	549,024	288,038	408,492	593,496	343,617	164,384
Other	140,756	318,521	143,758	102,220	228,227	173,326	103,380	145,012	215,525	200,605
Total General Revenues	\$ 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	\$ 144,493,555
Special Item - writeoff NPO/OPEB	-	-	-	-	-	5,024,344	-	-	-	-
Change in Net Position	\$ 808,080	\$ 727,660	\$ (644,320)	\$ 6,972,880	\$ 8,278,233	\$ 10,473,125	\$ (1,185,063)	\$ 2,588,091	\$ (2,505,196)	\$ (527,981)

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR									
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009*	2009-2010	2010-2011	2011-2012	2012-2013
Change in Net Position	\$ 808,080	\$ 727,660	\$ (644,320)	\$ 6,972,880	\$ 8,278,233	\$ 10,473,125	\$ (1,185,063)	\$ 2,588,091	\$ (2,505,196)	\$ (527,981)
Net Position - Beginning	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
Net Position - Ending	<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>	<u>\$ 31,127,469</u>

*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									
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011*	2011-2012	2012-2013
General Fund										
Reserved	\$ 1,549,919	\$ 2,031,509	\$ 2,773,182	\$ 4,308,511	\$ 9,058,171	\$ 9,645,680	\$ 9,071,018	\$ -	\$ -	\$ -
Unreserved	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	\$ 5,437,114	\$ 7,769,970	\$ 8,668,172	\$ 13,491,648	\$ 19,394,111	\$ 21,162,667	\$ 21,001,365	\$ -	\$ -	\$ -
Special Revenue Funds										
Reserved	\$ 29,709	\$ 20,492	\$ 15,642	\$ 288,282	\$ 254,471	\$ 267,430	\$ 393,526	\$ -	\$ -	\$ -
Unreserved	483,324	730,823	656,776	2,112,873	-	-	-	-	-	-
Undesignated	-	-	-	-	5,179,038	8,729,160	7,770,103	-	-	-
Total Special Revenue Funds	\$ 513,033	\$ 751,315	\$ 672,418	\$ 2,401,155	\$ 5,433,509	\$ 8,996,590	\$ 8,163,629	\$ -	\$ -	\$ -
Total Fund Balance	\$ 5,950,147	\$ 8,521,285	\$ 9,340,590	\$ 15,892,803	\$ 24,827,620	\$ 30,159,257	\$ 29,164,994	\$ -	\$ -	\$ -
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,160,675	\$ 1,978,610	\$ 1,715,712
Restricted	-	-	-	-	-	-	-	892,467	983,984	1,485,931
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	14,513,862	10,593,166	10,131,139
Unassigned	-	-	-	-	-	-	-	5,792,038	6,808,518	6,290,517
Total General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,359,042	\$ 20,364,278	\$ 19,623,299
Special Revenue Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 284,397	\$ 366,559	\$ 218,298
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	7,787,245	6,783,452	6,744,505
Unassigned	-	-	-	-	-	-	-	(44,976)	(44,976)	(44,976)
Total Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,026,666	\$ 7,105,035	\$ 6,917,827
Total Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,385,708	\$ 27,469,313	\$ 26,541,126

* 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									
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Federal Sources:										
Federal - Direct	\$ 280,073	\$ 212,193	\$ 270,719	\$ 290,474	\$ 287,390	\$ 306,186	\$ 401,153	\$ 377,756	\$ 424,110	\$ 455,577
Federal - Through the State	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	8,291,671
Federal - Through other Agencies	-	-	-	-	-	3,305	-	-	-	2,500
Total Federal Sources	\$ 7,985,578	\$ 8,136,842	\$ 10,014,633	\$ 8,349,943	\$ 8,555,158	\$ 8,166,115	\$ 14,018,593	\$ 14,925,246	\$ 11,423,242	\$ 8,749,748
State Sources:										
Public School Funding Program	\$ 42,355,439	\$ 46,467,673	\$ 50,113,534	\$ 61,075,422	\$ 63,658,158	\$ 62,563,525	\$ 64,313,155	\$ 69,386,710	\$ 72,182,738	\$ 75,839,317
Retirement: On-behalf Payments	-	-	-	-	19,322,147	15,227,995	11,901,565	13,615,283	17,803,814	22,907,953
One Time State Funding	-	-	-	-	-	-	-	-	1,388,134	1,734,738
Other State Revenue	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	9,278,661
Total All Other Government Funds	\$ 47,401,008	\$ 51,627,911	\$ 55,357,236	\$ 66,679,455	\$ 88,981,698	\$ 84,413,853	\$ 82,984,551	\$ 89,544,506	\$ 98,450,874	\$ 109,760,669
Local Sources:										
Borough Direct Appropriation	\$ 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	\$ 43,000,000
Corporate Grants and User Fees	274,741	284,106	241,800	103,246	123,135	163,808	106,591	84,059	117,033	98,285
Food Sales	1,041,579	995,196	989,802	965,162	955,879	952,018	905,767	853,654	781,299	703,256
Earnings on Investments	(252,271)	197,556	494,410	1,067,126	1,746,569	1,563,679	1,351,985	837,735	898,439	78,701
Other Local Revenue	658,852	771,047	1,393,248	759,836	1,045,833	945,975	868,812	936,737	486,986	982,214
Total All Other Government Funds	\$ 33,358,440	\$ 35,992,512	\$ 38,092,942	\$ 40,837,046	\$ 41,572,533	\$ 44,772,425	\$ 46,216,531	\$ 45,300,320	\$ 45,534,892	\$ 44,862,456
Total Revenue	\$ 88,745,026	\$ 95,757,265	\$ 103,464,811	\$ 115,866,444	\$ 139,109,389	\$ 137,352,393	\$ 143,219,675	\$ 149,770,072	\$ 155,409,008	\$ 163,372,873

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

	FISCAL YEAR									
	2003-2004	2004-2005*	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Expenditures:										
Instruction	\$ 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	\$ 73,540,692
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	21,697,320
Special Education Support Services - Stude	-	3,082,683	3,208,595	3,528,292	4,357,397	4,567,626	4,709,847	5,016,857	5,614,026	6,106,612
Support Services - Student	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	4,741,625
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	3,495,584
School Administration	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	7,279,767
School Administration Support Services	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	4,804,920
District Administration	-	774,266	806,948	826,561	950,172	834,584	855,280	977,921	1,060,774	1,132,748
District Administration Support Services	-	2,701,133	3,393,748	3,765,948	4,815,586	4,837,284	6,312,937	5,873,132	6,954,273	6,121,508
Operations and Maintenance of Plant	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	21,442,833
Student Activities	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	2,211,478
Community Services	285,206	249,130	278,567	56,971	56,027	55,605	58,130	64,559	64,493	48,786
Student Transportation	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	7,473,969
Food Service	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	4,203,218
Total Expenditures	<u>\$ 87,981,905</u>	<u>\$ 93,186,127</u>	<u>\$ 102,645,506</u>	<u>\$ 109,314,231</u>	<u>\$ 130,174,572</u>	<u>\$ 132,020,756</u>	<u>\$ 144,213,938</u>	<u>\$ 147,549,358</u>	<u>\$ 158,436,153</u>	<u>\$ 164,301,060</u>

* 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									
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Excess of revenues over (under) expenditures	\$ 763,121	\$ 2,571,138	\$ 819,305	\$ 6,552,213	\$ 8,934,817	\$ 5,331,637	\$ (994,263)	\$ 2,220,714	\$ (3,027,145)	\$ (928,187)
Other Financing Sources (Uses)										
Capitalized Leases	-	-	-	-	-	-	-	-	-	-
Transfers In	279,212	279,225	385,948	2,722,720	4,293,736	4,451,076	830,279	362,104	675,000	816,836
Transfers Out	(2,229,029)	(279,225)	(385,948)	(2,722,720)	(4,293,736)	(4,451,076)	(830,279)	(362,104)	(1,564,250)	(816,836)
Total other financing sources (Uses)	(1,949,817)	-	-	-	-	-	-	-	(889,250)	-
Net Change in fund balances	\$ (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)	\$ (928,187)

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			
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%
2012-13	6,172,547	810,065	286,399	520,490	32,511	6,716,010	4.50	92.39%

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
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
2012-13	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, 2013
(Unaudited)

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value
Phillips Petroleum Co.	\$ 227,796,982	1	3.39%	\$ 101,661,882	3	2.41%
Hilcorp Alaska, LLC	205,075,910	2	3.05%	-		
Tesoro Alaska	170,579,698	3	2.54%	95,987,062	4	2.27%
Marathon Oil Co.	131,221,450	4	1.95%	59,933,610	7	1.42%
Alaska Communication System	82,870,422	5	1.23%	71,777,121	6	1.70%
CING Storage Alaska, LLC	77,949,400	6	1.16%	-		
XTO Energy, INC.	60,103,270	7	0.89%	42,497,960	8	1.01%
Alaska Pipeline	49,755,928	8	0.74%	-		
Cook Inlet Energy, LLC	29,635,350	9	0.44%	-		
Kenai Kachemak Pipeline	27,637,220	10	0.41%	-		
Agrium, U.S., INC.				190,340,291	2	4.51%
BP Exploration Alaska, INC.				77,783,465	5	1.84%
Forest Oil Corp,				29,451,590	9	0.70%
Phillips Alaska Inc.				26,283,140	10	0.62%
Union Oil/Unocal				358,357,890	1	8.49%
Totals	<u>\$ 1,062,625,630</u>		<u>15.80%</u>	<u>\$ 1,054,074,011</u>		<u>24.97%</u>

This information obtained from the Kenai Peninsula Borough.

Total Assessed value based on total
tax levy for FY2013 and FY2004 respectively.

\$ 6,716,010,000

\$ 4,222,404,000

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

TABLE XI

PRINCIPAL EMPLOYERS
June 30, 2013
(Unaudited)

The State of Alaska has passed legislation that prevents disclosure of the number of employees for each employer.

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
2003-04	27,558,497	27,062,845	98.201%	492,916	27,555,761	99.990%
2004-05	27,820,350	27,446,158	98.655%	373,791	27,819,949	99.999%
2005-06	29,357,626	28,978,909	98.710%	378,227	29,357,136	99.998%
2006-07	31,768,274	31,346,983	98.674%	420,129	31,767,112	99.996%
2007-08	30,042,125	29,651,635	98.700%	388,112	30,039,747	99.992%
2008-09	26,779,449	26,431,968	98.702%	341,934	26,773,902	99.979%
2009-10	28,875,124	28,375,677	98.270%	487,843	28,863,520	99.960%
2010-11	29,058,274	28,630,610	98.528%	375,386	29,005,996	99.820%
2011-12	30,419,493	29,946,804	98.446%	406,802	30,353,606	99.783%
2012-13	30,823,497	30,382,636	98.570%	-	30,382,636	98.570%

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
2003-04	51,733	9,467	4,222,371,000	87,009,000	2.06%	1,682	9,191
2004-05	51,765	9,527	4,264,219,000	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
2012-13	56,369 **	9,065	6,716,010,000	78,765,000	1.20%	1,397	8,689

This information was obtained from the Kenai Peninsula Borough.

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

** Data not available at this time

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, 2013
(Unaudited)

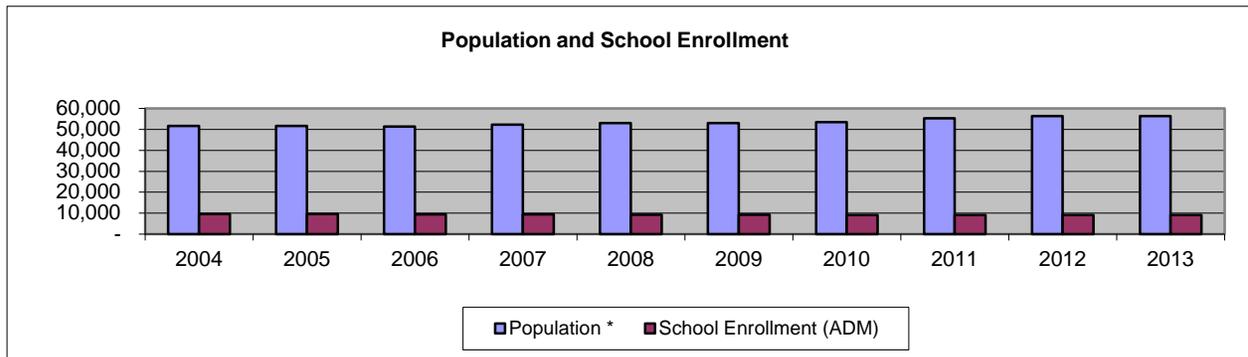
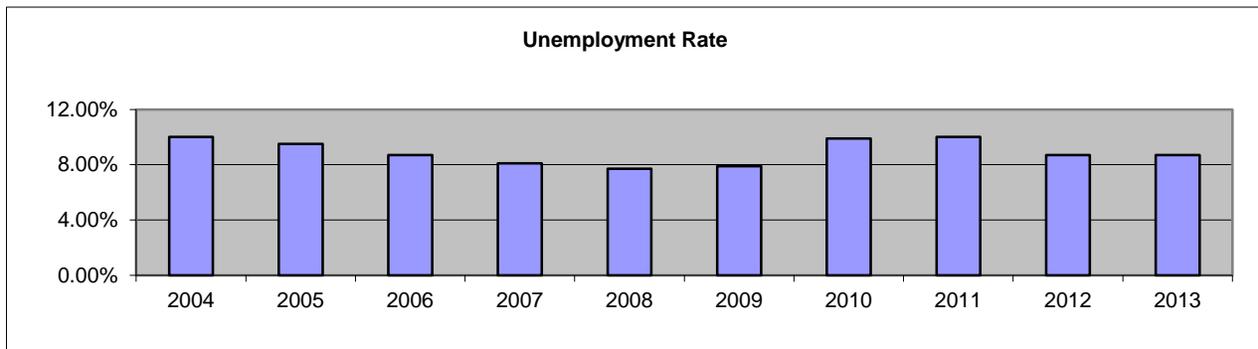
DEMOGRAPHIC DATA

Fiscal Year	Population *	Median Age **	School Enrollment (ADM)	Unemployment rate **
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%
2013	56,369 **	33.8	9,065	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	Instruction	Special Education Instruction	Special Education Support Svcs - Student	Support Services Student	Support Services Instruction	School Administration	School Administration Support Services	District Administration	District Administration Support Services	Operations and Maintenance of Plant	Student Activity	Total FTE
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
2012-13	544.23	216.08	45.21	47.71	31.62	41.18	54.38	5.00	36.50	84.88	2.24	1109.03

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	Instruction	Special Education Instruction	Special Education Support Svcs Student	Support Services Student	Support Services Instruction	School Administration	School Administration Support Services	District Administration	District Administration Support Services	Operations and Maintenance of Plant	Student Activity	Food Service	Student Transportation	Total FTE
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
2012-13	577.07	265.03	45.21	47.71	31.62	41.18	54.38	5.00	37.75	84.88	2.24	47.45	2.00	1241.52

* 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
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
2012-13	145,234,534	0.04	9,065	16,021	0.05

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>
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
2012-13	9,065	(0.2)	6,716,010,000	0.2	740,873

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	2,256
Middle Schools	4	1,036
Elementary Schools	13	3,284
Combined Elem/High School	11	665
Charter Schools	4	710
Alternative Schools	4	196
Correspondence Schools	1	918
Total	43	9,065