

**KENAI PENINSULA BOROUGH SCHOOL DISTRICT**  
**Comprehensive Annual Financial Report for the**  
**Fiscal Year Ended**  
**June 30, 2017**



**Soldotna, Alaska**  
**99669**  
**[www.kpbsd.k12.ak.us](http://www.kpbsd.k12.ak.us)**

# **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, 2017**

**Mr. Sean Dusek, Superintendent of Schools**

**Prepared by Finance Department**

**Dave Jones  
Assistant Superintendent of Instructional Support**

**Elizabeth Hayes  
Director of Finance**

**Jimmy Love  
Accountant**

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Kenai Peninsula Borough School District

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INTRODUCTORY SECTION

**INTRODUCTORY SECTION**

School District Map

Letter of Transmittal

Certificate of Excellence, ASBO

Organizational Chart

Kenai Peninsula Borough School Board and Administration

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## The Kenai Peninsula Borough School District Map



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

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# KENAI PENINSULA BOROUGH SCHOOL DISTRICT

## Assistant Superintendent

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November 10, 2017

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, 2017 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.

More time was required to complete the audit due to circumstances outside the control of the district. Due to the delay, we were not able to complete our audit within the required 90 day window.

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 8, 2017. 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, 2017 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 unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2017 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.

Generally Accepted Accounting Principles (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 component 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 money 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. During FY12, roof replacement work began at eight schools and as of the end of FY13, 18 schools had received total or partial roof replacement. No roof work was performed during FY15. In FY16 work continued on the roofing project and was completed in the summer of 2017.

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 8,800 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 empower all learners to positively shape their futures.

The Alaska Department of Education and Early Development (DEED) selected Data Recognition Corporation (DRC) to administer the statewide summative assessments for grades 3-10 in English language arts (ELA), math and grades 4, 8, and 10 in science. The new assessments in ELA and math was administered for the first time in spring 2017. The PEAKS assessments are intended to measure the skills and concepts in the Alaska English Language Arts and Mathematics Standards adopted in 2012 and will be used as a new baseline for future growth in the new accountability system proposed to Federal Department of Education and waiting for approval.

The Alaska Department of Education and Early Development (DEED) approved testing students in grades 6, 7, and 8 using the online adaptive measurement assessment Performance Series. The Performance Series is a nationally normed online computer-adaptive diagnostic assessment. The subjects available are Reading, Mathematics, Language Arts, Science, Algebra and Geometry. The assessment provides for more accurate student placement, diagnosis of instructional needs, including instructional adjustments and measurement of student gains across reporting periods (fall, winter and spring).

## 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 setbacks over the last several years 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 FY17. The Borough's FY18 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; projected FY18 budgeted sales tax revenue represents about 39% 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 FY17 base student allocation (BSA) used in the Public School Funding Program was \$5,930 per student. By using a portion of fund balance and making some changes to staffing formulas, the District was able to keep abreast of structured salary and benefit increases.

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 did not fund the School District to the maximum allowed under the foundation formula from FY10 through FY15, however the borough assembly voted to provide maximum allowed funding to the district for FY16, and again fell slightly below in FY17. Discussions about the budget will continue to evolve between the borough assembly and board of education.

Changes in enrollment have a dramatic impact on the District's Public School Funding Program revenue from the State. The Alaska Legislature has also made known that cuts enacted in FY16 will likely be increased for FY18 and beyond, as oil revenue continues to be at low levels. More information on this topic is included in the Management's Discussion and Analysis.

### 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, 2016.

This was the twenty-sixth 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 unflinching support for maintaining the highest standards of professionalism in the management of the District's finances.

Respectfully submitted,



Sean Dusek  
Superintendent



Dave Jones  
Assistant Superintendent

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ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Kenai Peninsula Borough School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

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 'Anthony N. Dragona', written over a horizontal line.

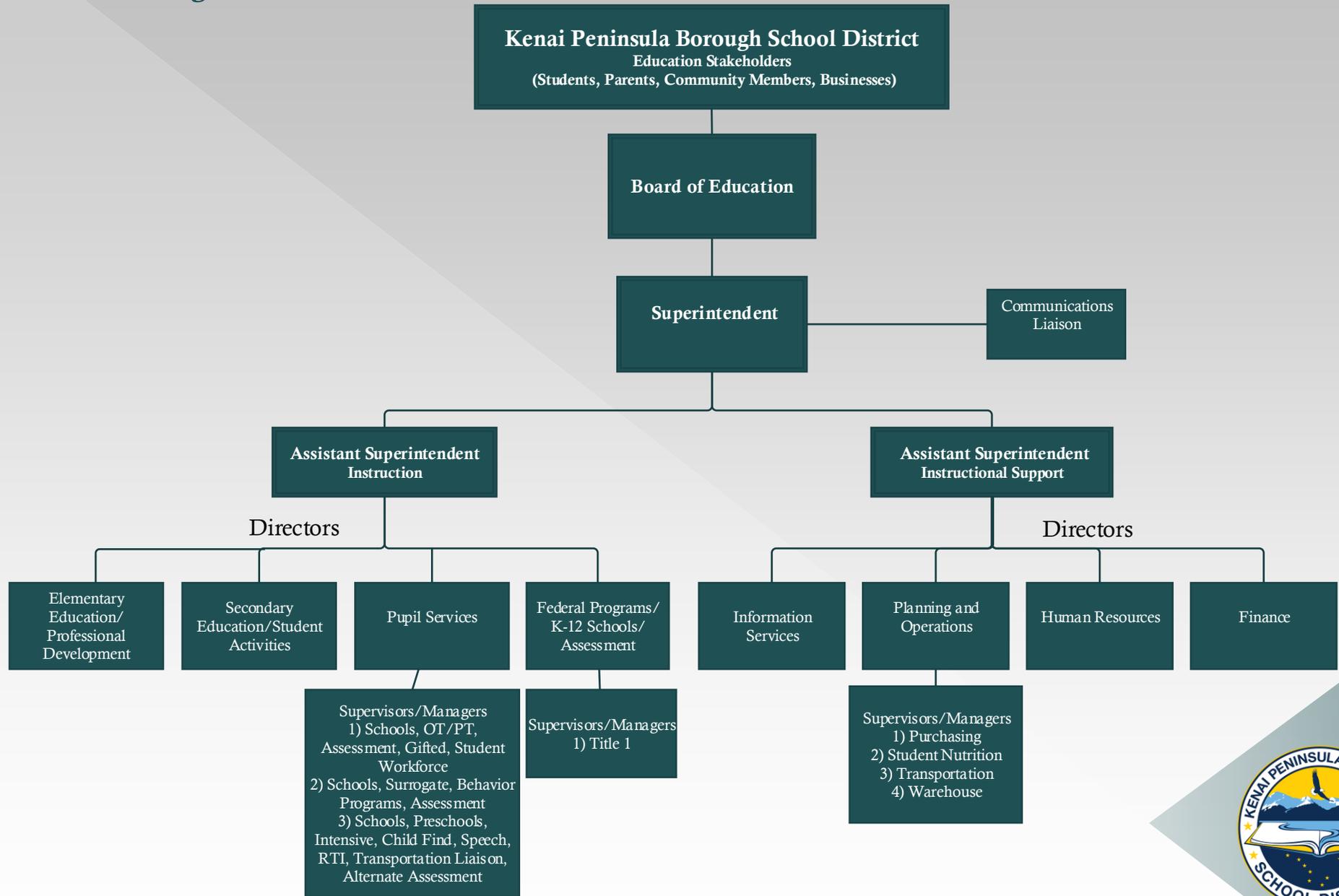
**Anthony N. Dragona, Ed.D., RSBA**  
President

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

**John D. Musso, CAE**  
Executive Director

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# Kenai Peninsula Borough School District 2016-2017 Organizational Chart



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

**SCHOOL BOARD**

**Mr. Joe Arness, President**  
**Mrs. Penny Vadla, Vice President**  
**Mr. Bill Holt, Clerk**  
**Mr. Zen Kelly, Treasurer**  
**Mr. Marty Anderson, Member**  
**Mr. Dan Castimore, Member**  
**Ms. Lynn Hohl, Member**  
**Mr. Michael Illg, Member**  
**Mr. Tim Navarre, Member**  
**Mr. Brian Dusek Student Representative**

**ADMINISTRATION**

**Mr. Sean Dusek, Superintendent of Schools**  
**Mr. John O'Brien, Assistant Superintendent of Instruction**  
**Mr. Dave Jones, Assistant Superintendent of Instructional Support**

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FINANCIAL SECTION

**FINANCIAL SECTION**

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

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## Independent Auditor's Report

Members of the School Board  
Kenai Peninsula Borough School District  
Soldotna, 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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Kenai Peninsula Borough School District, as of June 30, 2017, 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.

### *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, 2016, 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, budgetary comparison information and the schedules of net pension liability and net pension contributions on pages 25–32, 71–73 and 74–77, respectively, 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, 2017 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, 2017 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, 2017 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, 2017.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Kenai Peninsula Borough School District's as of and for the year ended June 30, 2016 (not presented herein), and have issued our report thereon dated November 21, 2016, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The combining and individual fund financial statements, and other schedules for the year ended June 30, 2016 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 financial statements. The 2016 totals were subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those 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 2016 totals were fairly stated in all material respects in relation to the basic financial statements as a whole, for the year ended June 30, 2016.

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.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2017 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  
November 10, 2017

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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, 2017. 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

- There was a substantial change to the net position of the District, due to implementation of the Governmental Accounting Standards Board (GASB) Statement 68, regarding accounting for pension plans. GASB 68 requires that defined benefit pension plan obligations be reported in the financial report of the employer (the District), even though the pension plan is a cost-sharing plan where the obligation to employees of more than one employer are pooled and used to pay the benefits of employees of any employer participating in the plan.
- As a result of implementation of GASB 68, the net position of the District changed on paper, from \$29,738,785 as of June 30, 2014 to (\$69,420,943) as of June 30, 2017. This dramatic change in the district's net position is a result of District's calculated share of net pension liability of (\$93,578,536).
- The District's share of the liability to employees for defined benefit pensions was calculated by the State of Alaska Department of Administration using actuarial valuations of the total pension liability and projections of benefit payments, including adjustments to pensions for various reasons, such as cost-of-living-adjustments.
- As of June 30, 2017, the District's governmental funds reported combined ending fund balances of \$19,933,212, a decrease of \$1,694,238 in comparison to the prior year.
- For the fifth 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, nonexempt fund balance for the General Fund was \$11,079,695 which is 7.95% of current year expenditures, as compared to 8.71% at the end of FY16. This amount is in compliance with Alaska Statute, AS 14.17.505, which states a district may not accumulate in a fiscal year a non-exempt portion of its year-end fund balance greater than 10% of its expenditures for that fiscal year. Of this \$11,079,695 non-exempt fund balance, about 36% or \$3,954,326 is unassigned fund balance and available for spending.
- A portion of the fund balance is restricted for Facilities Maintenance and available for use by the Kenai Peninsula Borough Maintenance Department as a portion of In-Kind Services. \$1,000,000 of the prior year Facilities Maintenance fund balance was reallocated by the Kenai Peninsula Borough for use by the District. The Restricted Fund Balance at the end of FY16 was \$2,288,499 and with the reallocation and a small increase the balance at the end of FY17 is now \$1,321,447.

### Overview of the Financial Statements

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 and the intent of the implementation of GASB 68 is to improve the usefulness of information in the financial reports by recognizing the entire net pension liability of the District. The changes in the Statement of Net Position are intended to improve information about pensions provided by all state and local governmental employers and about financial support for pensions provided by other entities. In our case, this means the state's on-behalf contributions to the retirement system.

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 Activities also recognizes the reductions to revenues and expenditures due to implementation of GASB 68 and recognition of the net pension liability.

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 33 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, for the purposes of this document. Data for the other 30 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 was 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 47-66 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:

Food Service audit by the State of Alaska  
Individuals with Disabilities in Education (IDEA) Part B Compliance Monitoring:  
- State Performance Plan  
- Annual Performance Report  
Intensive Needs Funding Claims Review

The combining and individual fund statements referred to earlier in connection with nonmajor governmental funds can be found on pages 100-147.

### **Governmental-wide Financial Analysis**

In FY17, the District planned for and used a significant amount of fund balance and with budget cuts to the FY18 budget the planned use of fund balance is substantially lower than prior years. Two factors affecting the District that will continue to be an issue are 1. The rising cost of healthcare and 2. Reduction in oil prices, which affect state revenues and levels of funding to the District. Information at this time indicates 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, liabilities exceeded assets by \$69,420,943, on June 30, 2017 compared to \$45,112,140 on June 30, 2016 which was a decrease in total net position of \$24,308,803. This dramatic shift was a direct result of the implementation of GASB 68. 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, 2017</u>	<u>June 30, 2016</u>
Current and Other Assets	\$ 37,572,893	\$ 40,562,482
Capital Assets	3,083,746	3,491,363
Total Assets	<u>40,656,639</u>	<u>44,053,845</u>
Deferred Outflows - Pension related	<u>25,613,868</u>	<u>21,572,426</u>
Total Assets and Deferred Outflows	66,270,507	65,626,271
Current and Other Liabilities	13,438,398	15,105,529
Long-term Liabilities	<u>117,859,093</u>	<u>94,008,657</u>
Total Liabilities	131,297,491	109,114,186
Deferred Inflows - Pension related	<u>4,393,959</u>	<u>1,624,225</u>
Total Liabilities and Deferred Inflows	135,691,450	110,738,411
Net Position		
Net Investment in Capital Assets	3,083,746	3,491,363
Restricted	2,612,510	3,307,934
Unrestricted	<u>(75,117,199)</u>	<u>(51,911,437)</u>
Total Net Position	\$ (69,420,943)	\$ (45,112,140)

**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, 2017</u>	<u>June 30, 2016</u>
Revenues:		
Program revenues		
Charges for Services	\$655,869	\$686,127
Operating Grants and Contributions	17,288,971	18,531,943
General Revenues		
Public School Funding Program	81,595,174	80,573,648
Retirement: On-Behalf Payments	10,867,950	14,492,689
Medicaid Reimbursement	250,781	287,646
E-Rate Program	751,344	1,088,548
Borough Appropriation	48,238,432	48,238,432
Earnings on Investments	83,033	623,325
Other Local Revenue	193,157	139,324
Total Revenues	<u>159,924,711</u>	<u>164,661,682</u>
Expenses:		
Instruction	79,665,098	78,317,961
Special Education - Instruction	27,506,978	27,315,525
Special Education Support Services - Student	6,579,272	6,345,150
Support Services – Student	6,303,071	7,037,564
Support Services - Instruction	3,505,986	4,002,804
School Administration	7,342,662	7,219,494
School Administration Support Services	6,358,677	6,849,331
District Administration	1,426,130	1,466,633
District Administration Support Services	7,223,584	8,191,709
Operations and Maintenance of Plant	23,610,034	24,178,696
Student Activities	2,515,146	2,499,171
Student Transportation Services	8,160,684	7,998,559
Community Services	21,273	39,979
Food Services	4,014,919	4,254,755
Total Expenses	<u>184,233,514</u>	<u>185,717,331</u>
Change in Net Position	<u>(24,308,803)</u>	<u>(21,055,649)</u>
Beginning Net Position as of July 1	<u>(45,112,140)</u>	<u>(24,056,491)</u>
Ending Net Position as of June 30	<u><u>(\$69,420,943)</u></u>	<u><u>(\$45,112,140)</u></u>

Prior to FY15, the change in total net position varied from year to year, but by relatively small amounts. For example, the change from FY14 to FY15 was about 4%. The change in total net position from FY14 to FY17 is close to \$99M, due to the change in reporting required by GASB 68. The total net position of the District now includes the District's calculated share of net pension liability for the defined benefit pension plans that some District employees are eligible to participate in.

## 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 \$14,554,926. Of that amount, nonspendable fund balance totaled \$2,212,284, committed fund balance total \$4,157,085, restricted fund balance was \$2,612,510, assigned fund balance totaled \$1,618,721 and unassigned was \$3,954,326. The fund balance in the general fund decreased \$1,315,015 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.

For the last several years, both the Title I Fund and the Equipment Fund have been designated as Major Funds. Over \$2.3 million, or 84% of the Title I Fund expenditures were used for salaries and benefits of employees working to support students at Title I designated schools. This includes about 20.5 FTE for certified employees and about 5 FTE for support employees paid from Title I grant funds. Equipment Fund expenditures in the amount of \$493,841 were made for supplies and equipment such as desks, tables, chairs, and other equipment for schools, with purchase priority on safety needs.

## General Fund Budgetary Highlights

Significant items in the FY17 original budget and final amended budget can be summarized as follows:

- Reduction of 5.26 FTE at District Office
- Continued programmatic staffing levels implemented in FY09 to support vocational education, credit recovery, creative/practical arts and foreign language and staffing of secondary counselors and K-8 grade interventionists to address student needs district-wide.
- Reduction of student travel funds to assist students traveling to extra-curricular competitions from \$200,000 to \$180,000. Additional funding for student activity travel to fund a part of the travel cost schools incur besides that spent traveling to state competitions; remaining costs are covered by fund-raising and/or sponsorship.
- Transfer to Food Service in the amount of \$1,100,000 to cover costs of the implementation of new Federal regulations, increased salary and benefit costs and increased food costs.
- Transfer to Pupil Transportation in the amount of \$655,072 to offset the Governor's Veto of transportation funding.

FY17 Budget Revisions approved by the Board of Education included:

- Increase in expenditures for contracted services and maintenance contracts.
- Unfilled Accounting Specialist, Sped Coordinate and ELL tutors resulted in a decrease in salaries and benefits.
- Additional changes to the expenditure budget include an increase in salaries and benefits for offers made during collective bargaining agreement negotiations, district office staff reductions and a decrease in the transfer to food service.
- Increase in revenue from the State of Alaska due to the final FY17 Average Daily Membership (ADM) or student count. Along with the additional revenue, changes to the expenditure budget were made. Decreases in salaries and benefits based on the actual employees hired in each position.

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](http://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, 2017 amounts to \$3,083,746 (net of accumulated depreciation) compared to \$3,491,363 as of June 30, 2016. 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 FY18, the District considered a number of issues with District-wide impact, among them:

Revenue Budget

- 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 a limited amount 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. 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. The borough provided the maximum allowable funding for the district for FY16, the level of funding for FY17 was the same, which was below the maximum allowable. In FY18 the borough funding increased over the level of FY17, but it remains below the maximum allowed.
- Concerns about reduced enrollment and the associated reduction in revenue is a major concern for FY18. Since enrollment reductions are generally scattered and not at one particular location or school, reductions to staff cannot always be made to reduce expenditures. This is due to a declining economy related to continued low oil prices.

## Expenditure Budget

- A fund balance allocation of \$321,978 is budgeted for FY18 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 (TRS) and Public Employee Retirement System (PERS) 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 PERS and the TRS are estimated at around \$7.6M for FY18.
- All district programs were evaluated for continuation and all vacant positions were reviewed based on need before they were advertised.
- Health care costs continue to increase and the impact of the Affordable Care Act will affect future year costs.
- 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.

## **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, 2017

ASSETS AND DEFERRED OUTFLOWS

Current Assets:	
Cash	\$ 12,230
Equity in Central Treasury	28,045,045
Equity in Central Treasury - Restricted for Health Care	3,318,306
Accounts Receivable	498,092
Due from Other Governments	3,327,188
Prepays	1,434,505
Inventories	937,527
	37,572,893
Total Current Assets	
Capital Assets:	
Furniture and Equipment	9,413,739
Less Accumulated Depreciation	(6,329,993)
	3,083,746
Capital Assets - Net of Accumulated Depreciation	
	40,656,639
Total Assets	
Deferred Outflows - pension related	25,613,868
	66,270,507
Total Assets and Deferred Outflows	

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:	
Accounts Payable	1,365,740
Accrued Liabilities	7,408,983
Health Claims payable - IBNR	3,913,179
Other Health Care Liabilities	701,399
Compensated Absences	49,097
	13,438,398
Total Current Liabilities	
Noncurrent Liabilities:	
Due in more than one year:	
Compensated Absences Payable	3,060,648
Net Pension Liability	114,798,445
	117,859,093
Total Noncurrent Liabilities	
Total Liabilities	131,297,491
Deferred Inflows - pension related	4,393,959
	135,691,450
Total Liabilities and Deferred Inflows	

NET POSITION

Net Investment in Capital Assets	3,083,746
Restricted:	
Charter Schools	741,273
Facilities Maintenance	1,321,447
Homeschool Carry Over	549,790
Unrestricted	(75,117,199)
	(69,420,943)
Total Net Position	\$ (69,420,943)

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	79,665,098	\$ -	\$ 4,153,965	\$ (75,511,133)
Special Education - Instruction	27,506,978	-	2,605,572	(24,901,406)
Special Education Support Services - Student	6,579,272	-	500	(6,578,772)
Support Services - Student	6,303,071	-	203,722	(6,099,349)
Support Services - Instruction	3,505,986	-	51,948	(3,454,038)
School Administration	7,342,662	-	-	(7,342,662)
School Administration Support Services	6,358,677	-	24,521	(6,334,156)
District Administration	1,426,130	-	-	(1,426,130)
District Administration Support Services	7,223,584	-	230,901	(6,992,683)
Operations and Maintenance of Plant	23,610,034	-	3,393	(23,606,641)
Student Activities	2,515,146	-	69,582	(2,445,564)
Community Services	21,273	46,460	-	25,187
Student Transportation	8,160,684	-	7,476,569	(684,115)
Food Service	4,014,919	609,409	2,468,298	(937,212)
Total governmental activities	<u>\$ 184,233,514</u>	<u>\$ 655,869</u>	<u>\$ 17,288,971</u>	<u>\$ (166,288,674)</u>

General revenues:

Grants and contributions not restricted to specific programs:

Borough direct appropriation	48,238,432
Public School Funding Program	81,595,174
Retirement: On-behalf Payments	10,867,950
Earnings on Investments	83,033
E-Rate Program	751,344
Medicaid Reimbursement	250,781
Other Local Revenue	193,157
Total general revenues	<u>141,979,871</u>

Change in net position (24,308,803)

Net position, beginning of year (45,112,140)

Net position, end of year \$ (69,420,943)

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2017

	General	Equipment	Title I	Other Governmental	Total Governmental Funds
<u>ASSETS</u>					
Assets:					
Cash	\$ 12,230	\$ -	\$ -	\$ -	\$ 12,230
Equity in Central Treasury	17,750,766	3,339,808	-	1,407,819	22,498,393
Accounts Receivable	195,482	-	-	302,610	498,092
Prepaid Items	1,434,505	-	-	-	1,434,505
Due from Other Governments	-	-	1,545,343	1,781,845	3,327,188
Due from Special Revenue Funds	3,124,193	-	-	-	3,124,193
Inventories	777,779	-	-	159,748	937,527
Total Assets	<u>\$ 23,294,955</u>	<u>\$ 3,339,808</u>	<u>\$ 1,545,343</u>	<u>\$ 3,652,022</u>	<u>\$ 31,832,128</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	\$ 1,331,046	\$ -	\$ 1,204	\$ 33,490	\$ 1,365,740
Accrued Liabilities	7,408,983	-	-	-	7,408,983
Due to General Fund	-	-	1,544,139	1,580,054	3,124,193
Total Liabilities	<u>8,740,029</u>	<u>-</u>	<u>1,545,343</u>	<u>1,613,544</u>	<u>11,898,916</u>
Fund Balances:					
Nonspendable:					
Inventories	777,779	-	-	159,748	937,527
Prepaid Items	1,434,505	-	-	-	1,434,505
Restricted for:					
Charter Schools	741,273	-	-	-	741,273
Home School Carry-over	549,790	-	-	-	549,790
Facilities Maintenance	1,321,447	-	-	-	1,321,447
Committed:					
Minimum Fund Balance Policy	4,157,085	-	-	-	4,157,085
Assigned to:					
School Incentive Purchases	649,676	-	-	-	649,676
Professional - Technical Services	468,196	-	-	514	468,710
Staff Travel	2,306	-	-	-	2,306
Student Travel	484	-	-	-	484
Purchased Services	45,278	-	-	-	45,278
Other Expenses	960	-	-	-	960
Supplies	85,791	4,692	-	-	90,483
Equipment	44,052	685	-	-	44,737
Subsequent Year Operations	321,978	3,334,431	-	1,923,192	5,579,601
Unassigned	<u>3,954,326</u>	<u>-</u>	<u>-</u>	<u>(44,976)</u>	<u>3,909,350</u>
Total Fund Balances	<u>14,554,926</u>	<u>3,339,808</u>	<u>-</u>	<u>2,038,478</u>	<u>19,933,212</u>
Total Liabilities and Fund Balances	<u>\$ 23,294,955</u>	<u>\$ 3,339,808</u>	<u>\$ 1,545,343</u>	<u>\$ 3,652,022</u>	<u>\$ 31,832,128</u>

The notes to the basic 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, 2017

Fund balances – total governmental funds		\$ 19,933,212
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	9,413,739	
Accumulated depreciation to date	<u>(6,329,993)</u>	3,083,746
<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>		
		1,140,635
<p>Long-term liabilities.</p>		
<p>Due in more than one year:</p>		
Net Pension Liability		(114,798,445)
<p>Certain changes in net pension liabilities are deferred rather than recognized immediately. These items are amortized over time.</p>		
Deferred outflows for pensions		25,613,868
Deferred inflows for pensions		(4,393,959)
Net position		<u>(\$69,420,943)</u>

The notes to the basic 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, 2017

	General	Equipment	Title I	Other Governmental	Total Governmental Funds
<b>Revenues:</b>					
Local	\$ 48,238,432	\$ -	\$ -	\$ -	\$ 48,238,432
State	90,233,541	-	-	7,911,545	98,145,086
Federal-Direct	-	-	-	595,801	595,801
Federal-Through the State	250,781	-	2,774,290	5,872,193	8,897,264
Earnings on Investments	83,033	24,290	-	-	107,323
E-Rate	751,344	-	-	-	751,344
Food Sales	-	-	-	609,409	609,409
Corporate Grants and User Fees	-	-	-	154,144	154,144
Other Local Revenues	193,157	-	-	3,168	196,325
<b>Total Revenues</b>	<b>139,750,288</b>	<b>24,290</b>	<b>2,774,290</b>	<b>15,146,260</b>	<b>157,695,128</b>
<b>Expenditures - Current:</b>					
Instruction	63,321,865	201,303	2,705,745	1,426,326	67,655,239
Special Education - Instruction	20,397,333	-	-	2,605,572	23,002,905
Special Education Support Services - Student	5,632,111	-	-	500	5,632,611
Support Services - Student	4,481,777	-	-	203,722	4,685,499
Support Services - Instruction	2,894,528	-	-	51,948	2,946,476
School Administration	6,095,433	7,532	-	-	6,102,965
School Administration Support Services	5,341,910	-	-	24,521	5,366,431
District Administration	1,246,047	-	-	-	1,246,047
District Administration Support Services	5,860,459	-	68,545	162,356	6,091,360
Operations and Maintenance of Plant	21,942,803	284,296	-	3,393	22,230,492
Student Activities	2,095,965	-	-	112,224	2,208,189
Community Services	-	-	-	21,330	21,330
Student Transportation	-	-	-	8,182,675	8,182,675
Food Service	-	-	-	4,017,147	4,017,147
<b>Total Expenditures</b>	<b>139,310,231</b>	<b>493,131</b>	<b>2,774,290</b>	<b>16,811,714</b>	<b>159,389,366</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>440,057</b>	<b>(468,841)</b>	<b>-</b>	<b>(1,665,454)</b>	<b>(1,694,238)</b>
<b>Other Financing Sources (Uses):</b>					
Transfers In	-	-	-	1,755,072	1,755,072
Transfers Out	(1,755,072)	-	-	-	(1,755,072)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,755,072)</b>	<b>-</b>	<b>-</b>	<b>1,755,072</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(1,315,015)</b>	<b>(468,841)</b>	<b>-</b>	<b>89,618</b>	<b>(1,694,238)</b>
<b>Fund Balances, Beginning of Year</b>	<b>15,869,941</b>	<b>3,808,649</b>	<b>-</b>	<b>1,948,860</b>	<b>21,627,450</b>
<b>Fund Balances, End of Year</b>	<b>\$ 14,554,926</b>	<b>\$ 3,339,808</b>	<b>\$ -</b>	<b>\$ 2,038,478</b>	<b>\$ 19,933,212</b>

The notes to the basic 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, 2017

Net change in fund balances – total governmental funds		\$ (1,694,238)
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report equipment purchases as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which equipment purchases exceeded depreciation in the current period.</p>		
Equipment purchases	\$ 285,400	
Current depreciation expense	<u>(672,927)</u>	(387,527)
Loss on retirement of assets		(20,090)
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.		428,367
Change related to net pension obligation and related accounts can increase or decrease net pension. This is the net decrease in equity due to changes in net position obligation and related deferred inflows and outflows.		(22,635,315)
Change in net position		<u>(\$24,308,803)</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
STATEMENT OF NET POSITION  
June 30, 2017

	<u>Internal Service Funds</u>
<u>ASSETS</u>	
Equity in Central Treasury	\$ 5,546,652
Equity in Central Treasury - Restricted for Healthcare	<u>3,318,306</u>
 Total assets	 <u><u>\$ 8,864,958</u></u>
<u>LIABILITIES</u>	
Current Liabilities	
Health Claims Payable (IBNR)	\$ 3,913,179
Contributions Collected from Employees in Excess of Negotiated Agreement	701,399
Compensated Absences	<u>49,097</u>
Total Current Liabilities	4,663,675
Noncurrent Liabilities	
Compensated Absences, net of current portion	<u>3,060,648</u>
 Total Liabilities	 <u><u>\$ 7,724,323</u></u>
<u>NET POSITION</u>	
Net Position - Unrestricted	<u>1,140,635</u>
 Total Net Position	 <u><u>\$ 1,140,635</u></u>

The notes to the basic 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, 2017

	<u>Internal Service Funds</u>
Operating Revenues:	
Charges to Other Funds	\$ 2,739,116
Employer Contributions	25,058,581
Employee Contributions, Net of adjustment per negotiated agreement	<u>4,405,917</u>
 Total Operating Revenues	 <u>32,203,614</u>
Operating Expenses:	
Administrative services	2,739,116
Healthcare Claims and Administrative Fees, Net of Decrease in IBNR of \$108,264	<u>29,041,370</u>
 Total operating expenses	 <u>31,780,486</u>
 Operating income (loss)	 <u>423,128</u>
 Nonoperating Revenues - Interest Income	 <u>5,239</u>
 Increase in net position	 428,367
 Total net position, beginning of year	 <u>712,268</u>
 Total net position, end of year	 <u><u>\$ 1,140,635</u></u>

The notes to the basic 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, 2017

	<u>Internal Service Funds</u>
Cash flows from operating activities:	
Payments for interfund services provided	\$ 2,739,116
Payments to employees	(2,782,479)
Receipts from employer - current year contributions	25,058,581
Receipts from employees - current year contributions	4,529,268
Payments for claims and services	(29,466,285)
Net cash flow from operating activities	<u>78,201</u>
Cash flows from investing activities - interest income earned	<u>5,239</u>
Net decrease in cash and cash equivalents	<u>83,440</u>
Cash and cash equivalents, beginning of year	<u>8,781,518</u>
Cash and cash equivalents, end of year	<u>\$ 8,864,958</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 423,128
Decrease in compensated absences payable	(43,361)
Decrease in Health care payable	(424,915)
Contributions collected from employees in excess of negotiated agreement	<u>123,351</u>
Net cash (used) provided by operating activities	<u>\$ 78,203</u>

The notes to the basic 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, 2017

	Student Activity Agency Fund
Assets:	
Equity in Central Treasury	\$ 2,726,367
Cash	15,091
Total Assets	\$ 2,741,458
Liabilities:	
Accounts Payable	\$ -
Amounts Due to Student Groups	2,741,458
Total Liabilities	\$ 2,741,458

The notes to the basic 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, 2017

**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. The School District is one of 3 discrete component units of the Kenai Peninsula Borough. The 2 others are the South Peninsula Hospital, located in Homer, and the Central Peninsula Hospital, located in Soldotna. 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 or <http://www.kpb.us/finance-dept/about-finance>

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, 2017, the School District recorded in-kind services provided by the Borough for school operations as follows:

Custodial	\$ 114,352
Utilities	84,001
Maintenance	7,822,761
Insurance	2,542,569
Audit	<u>58,384</u>
	<u>\$10,622,067</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.

The following fund does not meet the required quantitative criteria, however the District chooses to present this fund as a major governmental fund due to public interest and for purposes of comparability with previous year information:

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 and pre-k programs in several schools. 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 student 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, 2014.

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 and accrual basis of accounting. 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 is 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 is reported as restricted when there are limitations imposed on 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 the 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).

Due to the low price of oil in the past 3 years, the State of Alaska revenues have dropped dramatically. We developed our budget with no increase to the Base Student Allocation (BSA). However, when the Legislature passed funding for School Districts a \$50 increase to Base Student Allocation (BSA) from the previous year, was included for FY17. However, the governor vetoed an amount of funding approximately the same as the anticipated BSA increase. The fact that the BSA was not reduced means that the Borough's ability to fund the district was not reduced. However, the amount of funding by the Borough for FY17 was \$48,238,432, which is \$1,004,512 less than the maximum allowed.

The FY17 budget was developed and approved with an estimated enrollment of 8,781 students.

The FY17 General Fund budget amendments are detailed as follows:

Kenai Peninsula Borough School District  
FY17 Revenue Budget and Planned Use of Fund Balance Change - General Fund

Revenue Source	7/1/2016	12/5/2016	6/5/2017	KPBSD Final Budget
	KPBSD Original Budget	KPBSD Budget Revision	KPBSD Budget Revision	
Borough In-Kind	\$ 10,655,015	\$ -	\$ -	\$ 10,655,015
Borough Appropriation	37,583,417	-	-	37,583,417
Earnings on Investments	300,000	-	-	300,000
E-Rate	700,000	-	-	700,000
Miscellaneous	180,000	-	-	180,000
<b>Total Local Revenue</b>	<b>49,418,432</b>	<b>-</b>	<b>-</b>	<b>49,418,432</b>
Foundation Program	79,901,983	1,387,445	18,678	81,308,106
TRS On-Behalf Payment	7,461,098	-	-	7,461,098
PERS On-Behalf Payment	786,749	-	-	786,749
Quality Schools	283,640	2,543	885	287,068
<b>Total State Revenue</b>	<b>88,433,470</b>	<b>1,389,988</b>	<b>19,563</b>	<b>89,843,021</b>
Medicaid	200,000	-	-	200,000
<b>Total Federal Revenue</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>200,000</b>
<b>Total General Fund Revenue</b>	<b>138,051,902</b>	<b>1,389,988</b>	<b>19,563</b>	<b>139,461,453</b>
Planned Use of Fund Balance	1,967,428	274,200	(443,539)	1,798,089
<b>Total General Fund Revenue and Planned Use of Fund Balance</b>	<b>\$ 140,019,330</b>	<b>\$ 1,664,188</b>	<b>\$ (423,976)</b>	<b>\$ 141,259,542</b>

### 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, 2016, from which the summarized information was derived.

### 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 9) 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 9. 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 leave type and employee group. 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 are historically expenditures of the general fund, food service fund, Title I fund and transportation fund.

## **Health Care**

Since the School District is self-insured, eligible 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.

## **Deferred Outflows/Inflows of Resources**

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

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

## **Pensions**

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

## **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 a formal resolution 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 that imposed 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. Any encumbrances 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 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.

### **Prepaid Items**

Prepaid items are recorded using the Consumption method. We report the prepaid items as an asset in the period in which they are purchases and defer the recognition of the expenditure until the period in which the prepaid items are used or consumed.

**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, 2017 is as follows:

	Carrying Value of Equity in Central Treasury	Due to (from) other funds	Reported Equity in Central Treasury
General Fund	\$ 17,750,766	\$ (3,124,193)	\$ 14,626,573
Equipment Fund	3,339,808	-	3,339,808
Title I Fund	-	1,544,139	1,544,139
Other Governmental Funds	1,407,819	1,580,054	2,987,873
Internal Service Fund	<u>8,864,958</u>	-	<u>8,864,958</u>
Governmental Fund Total	<u>\$ 31,363,351</u>	<u>\$ -</u>	<u>\$ 31,363,351</u>
Agency Fund	<u>\$ 2,726,367</u>	<u>\$ -</u>	<u>\$ 2,726,367</u>

**NOTE 3 - RECEIVABLES**

Receivables at June 30, 2017, consist of the following:

	General Fund	Special Revenue Funds	Total
Accounts Receivable	\$ 195,482	\$ 302,610	\$ 498,092
Intergovernmental:			
Major Special Revenue:			
Federal – Through the State – Title I	-	1,545,343	1,545,343
Non-Major Special Revenue:			
State	-	165,948	165,948
Federal – Through the State	-	1,360,564	1,360,564
Federal – Direct	<u>-</u>	<u>255,333</u>	<u>255,333</u>
Total Receivables	<u>\$ 195,482</u>	<u>\$ 3,629,798</u>	<u>\$ 3,825,280</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, 2017, were as follows:

Governmental activities:	July 1, 2016 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	June 30, 2017 <u>Balance</u>
Furniture and equipment	\$ 9,467,216	\$ 285,400	\$ (338,877)	\$ 9,413,739
Less accumulated depreciation for furniture and equipment	<u>(5,975,853)</u>	<u>(672,927)</u>	<u>318,787</u>	<u>(6,329,993)</u>
Governmental activities capital assets, net	<u>\$ 3,491,363</u>	<u>\$ (387,527)</u>	<u>\$ (20,090)</u>	<u>\$ 3,083,746</u>

#### Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 245,575
Special education instruction	5,867
Support services instruction	16,023
School administration	1,020
School administration support services	38,294
District administration	-
District administration support services	120,830
Operations and maintenance of plant	125,039
Student activities	106,387
Student transportation	-
Food services	<u>13,892</u>
Total depreciation expense	<u><u>672,927</u></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, 2017 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 Internal Service fund for employee compensated leave in FY04 to account for the assets required to pay for sick, personal, and annual leave accrued by employees.

	Total June 30, 2016	Additions	Deletions	Ending Total June 30, 2017	Amount due in one year
Compensated Absences	\$3,153,109	\$ 2,739,116	\$(2,782,479)	\$ 3,109,745	\$ 49,097
Total Long -Term Debt	\$ 3,153,109	\$ 2,739,116	\$(2,782,479)	\$ 3,109,745	\$ 49,097

## Note 6 - Defined Benefit (DB) Pension Plans

### General Information About the Plans

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.

Both Plans are included in comprehensive annual financial reports that include financial statements and other required supplemental information. Those reports are available via the internet at <http://doa.alaska.gov/drj>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

Both Plans provide for retirement, death and disability, and post-employment health care benefits. There are three tiers of employees, based on entry date. For all tiers within the DB pension plans, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. The tiers within the Plans establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other OPEB benefits. A complete benefit comparison chart is available at the website noted above.

Both PERS and TRS DB Plans were closed to new entrants on July 1, 2006. New employees hired after that date participate in the PERS/TRS Defined Contribution (DC) Plans described later in these notes.

## Historical Context and Special Funding Situation

Historically, the TRS plan has been a cost-sharing plan, while originally, PERS was an agent-multiple-employer plan. In April 2008, the Alaska Legislature passed legislation converting the PERS agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate for both plans, established a state funded “on-behalf” contribution (subject to funding availability), and required that employer contributions be calculated against all PERS/TRS eligible wages, including wages paid to participants of the PERS/TRS defined contribution plans described later in these footnotes.

Alaska Statutes 14.25.085 and 39.35.255 require the State of Alaska to contribute to the Plans an amount such that, when combined with the employer contribution, is sufficient to pay each Plans’ past service liability contribution rates as adopted by the Alaska Retirement Management Board. As such, both Plans are considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows/outflows, and disclosures on this basis. The District records the related on-behalf contributions as revenue and expense or expenditures as prescribed by GAAP, pursuant to the relevant basis of accounting based on fund type.

It is important to note that the Alaska Legislature has the power and authority to change the aforementioned statutes through the legislative process.

### Employee Contribution Rates

District PERS employees are required to contribute 6.75% of their annual covered salary (9.60% for employees on a nine-month payment contract). Teachers and other certificated employees are required to contribute 8.65% of annual covered salary for TRS.

### Employer and Other Contribution Rates

There are several contribution rates associated with the pension and healthcare contributions and related liabilities. These amounts are calculated on an annual basis.

*Employer Effective Rate:* This is the contractual employer pay-in rate. Under current legislation, this rate is statutorily capped at 22% of eligible wages for PERS and 12.56% of eligible wages for TRS, subject to a wage floor, and other termination events. These rates are applied to all PERS/TRS participating wages, respectively, including those wages attributable to employees in the defined contribution plan. Contributions derived from the defined contribution employees are referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

*ARM Board Adopted Rate:* This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Prior to July 1, 2015, there were no constraints or restrictions on the actuarial cost method or other assumptions used in the ARM Board valuation. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2039. This change results in lower ARM Board Rates than previously adopted.

*On-behalf Contribution Rate:* This is the rate normally paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate.

In the governmental fund financial statements, on-behalf contribution amounts have been recognized as revenues and expenditures. In government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period in which the Plan recognizes the payments, resulting in a one-year timing lag between the cash transfers and revenue and expense recognition.

*GASB 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. Additionally, the

GASB Rate disregards all future Medicare Part D payments. For FY17, the calculation uses an 8.00% pension discount rate and a 4.3% healthcare discount rate for PERS and 4.43% for TRS. The GASB Rate and the ARM Board Adopted Rate differ significantly as a direct result of variances in the actuarial methods and assumptions used.

Contribution rates for the year ended June 30, 2017 were determined in the June 30, 2014 actuarial valuation.

<i>PERS</i>	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
Pension	14.96%	20.34%	4.14%	24.49%
Postemployment healthcare (see Note 8)	7.04%	5.80%	-%	56.64%
<b>Total PERS Contribution Rates</b>	<b>22.00%</b>	<b>26.14%</b>	<b>4.14%</b>	<b>81.13%</b>

<i>TRS</i>	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
Pension	7.58%	22.40%	15.46%	37.86%
Postemployment healthcare (see Note 8)	4.98%	5.62%	-%	64.72%
<b>Total TRS Contribution Rates</b>	<b>12.56%</b>	<b>28.02%</b>	<b>15.46%</b>	<b>102.58%</b>

In 2017, the District was credited with the following contributions to the pension plans:

<i>PERS</i>	Plan FY16 Measurement Period	
Employer contributions (including DBUL)	\$ 1,883,310	\$ 2,115,824
Nonemployer contributions (on-behalf)	784,660	883,559
<b>Total Contributions</b>	<b>\$ 2,667,970</b>	<b>\$ 2,999,383</b>

In addition, employee contributions to the Plan totaled \$710,273 during the District fiscal year.

<i>TRS</i>	Plan FY16 Measurement Period		District FY17
Employer contributions (including DBUL)	\$ 2,256,776	\$ 2,404,196	
Nonemployer contributions (on-behalf)	5,959,984	7,603,279	
<b>Total Contributions</b>	<b>\$ 8,216,760</b>	<b>\$ 10,007,475</b>	

In addition, employee contributions to the Plan totaled \$2,564,044 during the District fiscal year.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.**

At June 30, 2017, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability associated with the District were as follows:

	PERS	TRS
District's proportionate share of NPL	\$ 44,401,767	\$ 70,396,678
State's proportionate share of NPL associated with the District	5,594,848	83,669,621
<b>Total Net Pension Liability</b>	<b>\$ 49,996,615</b>	<b>\$ 154,066,299</b>

The net pension liabilities were measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability for each Plan was determined by an actuarial valuation as of that date. The District's proportion of the net pension liabilities were based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating entities, actuarially determined. The District's proportion of the net pension liability measured at June 30, 2016 for PERS was 0.79436 percent, which was an decrease of 0.12588 percent, from its proportion as of the prior measurement date. For TRS the District's proportion was 3.08305 percent, representing an increase of 0.55012 percent, from the prior year.

For the year ended June 30, 2017, the District recognized pension expense of \$11,318,893 for PERS and \$26,552,862 for TRS. In addition, the District recognized on-behalf revenue from the State of Alaska in the amounts of \$754,191 and \$9,962,230 for PERS and TRS, respectively. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,082	\$ (1,402,518)
Changes in assumptions	435,071	-
Net difference between projected and actual earnings on pension plan investments	15,121,372	-
Changes in proportion and differences between District contributions and proportionate share of contributions	5,533,323	(2,991,441)
District contributions subsequent to the measurement date	4,520,020	-
<b>Total Deferred Outflows and Deferred Inflows of Resources</b>	<b>\$ 25,613,868</b>	<b>\$ (4,393,959)</b>

The \$4,520,020 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2018	\$ 4,283,831
2019	2,706,144
2020	5,839,529
2021	3,870,386
2022	-
Thereafter	-

## Actuarial Assumptions

The total pension liability for the measurement period ended June 30, 2016 (District fiscal year 2017) was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2016. The actuarial assumptions used in the June 30, 2015 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

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Actuarial Cost Method	Entry Age Normal – Level Percentage of Payroll
Asset Valuation Method	Invested assets are reported at fair value
Allocation Methodology	<p>Amounts for FY14 and FY13 were allocated to employers based on actual contributions made in FY14 and FY13, respectively.</p> <p>Amounts for FY 15 were allocated to employers based on the present value of contributions for FY17-39, as determined by projections based on the June 30, 2014 valuation.</p> <p>Amounts for FY16 were allocated to employers based on the present value of contributions for FY18-FY39, as determined by projections based on the June 30, 2015 valuation. The liability is expected to go to zero at 2039.</p>
Investment Return / Discount Rate	8.00% per year (geometric), compounded annually, net of expenses for pension; and 4.3% for healthcare
Salary Scale	<p>Inflation – 3.12% per year</p> <p>Productivity – 0.50% per year</p> <p>Teachers in TRS – graded by years of services from 8.11% to 3.87%</p> <p>All others – graded by age and years of service from 8.55% to 4.34%</p>
Total Inflation	Measured by the consumer price index for urban and clerical workers for Anchorage and is assumed to increase 3.12% annually.
Mortality	<p>Pre-termination – Based on the 2010-2013 actual mortality experience</p> <p>Post-termination – 95% of all rates of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB</p>

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## Long-term Expected Rate of Return

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

The best estimates of arithmetic real rates of return for each major asset class are summarized in the following table (note that the rates shown below exclude the inflation component):

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	5.35%
Global equity (non-U.S.)	5.55%
Private equity	6.25%
Fixed income composite	0.80%
Real estate	3.65%
Alternative equity	4.70%

### Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The Actuarial Value of Assets after June 30, 2015 reflects the deferred gains and losses generated by the smoothing method. The current deferred amount is recognized in the first four years of the projections.

### Discount Rate Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 8.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate:

<i>PERS</i>	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's proportionate share of the net pension liability	0.79436 %	\$ 57,187,225	\$ 44,401,767	\$ 33,617,819

<i>TRS</i>	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's proportionate share of the net pension liability	3.08305 %	\$ 95,924,193	\$ 70,396,678	\$ 48,994,071

### Pension Plan Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the separately issued PERS and TRS financial reports.

### Note 7 - Defined Contribution (DC) Pension Plans

Employees hired on or after July 1, 2006 participate in PERS Tier IV or TRS Tier III, defined contribution plans. These Plans are administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plans noted above. 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. These Plans are included in the comprehensive annual financial reports for PERS and TRS, and at the following website, as noted above. <http://doa.alaska.gov/drb>.

Contributions to the DC plans consist solely of employer and employee contributions with no special funding or other nonemployer contributions. In addition, actual remittances to the PERS system require that the District contribute at 22%. Actual remittances to the TRS system require that the District contribute at 12.56%. After deducting the DC pension plan contributions and related DC OPEB contributions, the remaining remittance (the DBUL) is deposited into the DB plan (pension and/or OPEB) as noted earlier.

**Benefit Terms**

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service.

**Employee Contribution Rate**

Employees are required to contribute 8.0% of their annual covered salary for both PERS and TRS. This amount goes directly to the individual’s account.

**Employer Contribution Rates**

For the year ended June 30, 2017, the District was required to contribute 5% of covered salary into PERS and 7% of covered salary for TRS.

The District and employee contributions to PERS for pensions for the year ended June 30, 2017 were \$526,388 and \$842,220, respectively. The District and employee contributions to TRS for pensions for the year ended June 30, 2017 were \$1,526,269 and \$1,744,308, respectively.

District contributions are recognized as pension expense/expenditures.

**Note 8 - Other Post-Employment Benefit (OPEB) Plans**

**Defined Benefit OPEB**

As part of its participation in the PERS and TRS DB Plans (Tiers I, II, III for PERS and Tiers I and II for TRS), the District participates in the Alaska Retiree Healthcare Trust (ARHCT). The ARHCT is self-funded and provides major medical coverage to retirees of the System. Benefits vary by Tier level. The Plan is administered by the State of Alaska, Department of Administration. Employer contribution rates are established in concert with the Defined Benefit Pension Plan described earlier in these notes.

**Employer Contribution Rates**

The District is required to contribute 8.75% of covered payroll into the PERS OPEB plan and 5.55% of covered payroll into the TRS OPEB plan.

Employees do not contribute to the DB OPEB plans.

**Annual Postemployment Healthcare Cost**

Actual contributions to the Plans for the last three years were as follows:

PERS Year Ended June 30,	Annual OPEB Costs	District Contributions	% of Costs Contributed
2017	\$ 1,000,117	\$ 1,000,117	100 %
2016	\$ 1,245,653	\$ 1,245,653	100 %
2015	\$ 1,359,472	\$ 1,359,472	100 %

On-behalf contributions for PERS OPEB were \$0, \$336,010, and \$0 for 2017, 2016, and 2015, respectively. Those amounts are not reflected in the OPEB costs in the table above.

TRS Year Ended June 30,	Annual OPEB Costs	District Contributions	% of Costs Contributed
2017	\$ 1,582,726	\$ 1,582,726	100 %
2016	\$ 1,787,402	\$ 1,787,402	100 %
2015	\$ 1,782,249	\$ 1,782,249	100 %

On-behalf contributions for TRS OPEB were \$0, \$2,600,077, and \$22,514,468 for 2017, 2016, and 2015, respectively. Those amounts are not reflected in the OPEB costs in the table above.

### Defined Contribution OPEB

Defined Contribution Pension Plan participants (PERS Tier IV, and TRS Tier III) participate in the Occupational Death and Disability Plan (ODD), and the Retiree Medical Plan. Information on these plans is included in the comprehensive annual financial reports for the PERS and TRS plans noted above. These plans provide for death, disability, and post-employment health care benefits.

### Employer Contribution Rates

Employees do not contribute to the DC OPEB plans. Employer contribution rates were as follows for the year ended June 30, 2017:

	PERS Tier IV	TRS Tier III
Retiree medical plan	1.18%	1.05%
Occupational death and disability benefits	0.17%	-%
<b>Total Contribution Rates</b>	<b>1.35%</b>	<b>1.05%</b>

In addition, PERS and TRS defined contribution members also participate in 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". At July 1, 2016, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,049 per year for each full-time employee, and \$1.31 per hour for part-time employees for both PERS and TRS.

### Annual Postemployment Healthcare Cost

In 2017, the District contributed \$757,832 in DC OPEB costs to PERS and \$937,440 in DC OPEB costs to TRS. These amounts have been recognized as expense/expenditures.

### NOTE 9 – BUILDING TRADES PROJECT

The School District has acquired various parcels of land on which vocational education classes of Kenai Central High School previously 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 10 - FOOD SERVICE SPECIAL REVENUE FUND**

The United States Department of Agriculture provided \$132,531 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 11 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivable and payables resulting from short-term operating advances at June 30, 2017 are as follows:

	<u>Receivable</u>	<u>Payable</u>
Major Fund - General Fund	\$ 3,124,193	\$ -
Major Fund – Title IA	-	1,544,139
Non-major governmental funds	-	1,580,054
	<u>\$ 3,124,193</u>	<u>\$ 3,124,193</u>

Interfund Transfers

Transfers between funds for the year ended June 30, 2017 were as follows:

	<u>Transfer In:</u>	
Transfer Out:		
From the General Fund to		
Non-Major Governmental	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Funds for operating	<u>\$1,755,072</u>	<u>\$1,755,072</u>
subsidies		

Interfund transfers are not expected to be repaid to the General Fund.

**NOTE 12 - 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 retentions and deductibles. New claims and outstanding claims are reviewed monthly by the Borough Attorney, and the Risk Manager. There were no material changes in the amounts of coverages, retentions or deductibles 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 property loss, auto liability and general liability due to the number of properties and the fleet of vehicles owned and operated by the Borough and School District. The Borough also purchases aviation non-owned liability coverage which attaches excess of any other valid and collectible insurance. The Borough purchased pollution liability coverage for incidents arising from Borough owned landfills effective July 1, 2016.

Insurers provide annual aggregate limits in excess of our retention level for the exposures of general liability, auto liability, public officials' liability, educational errors and omissions and ambulance attendants' professional liability. Insurance coverage for these various liability exposures are written on a combined policy form.

Self-insured retention/deductible amounts and upper coverage limits of excess insurance for major coverages are as follows:

	<u>Self-Insured Retention/ Deductible</u>	<u>Upper Coverage Limits of Excess Insurance</u>
Auto and general liability	\$ 250,000	\$ 30,000,000
Employers liability	250,000	2,500,000
Workers' compensation	250,000	Statutory benefits
Property:		
Buildings	100,000	1,000,000,000
Fire & EMS apparatus	-0-	Cash value
Other vehicles	20,000	Cash value
Crime coverage	1,000	500,000

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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>2017</u>	<u>2016</u>
Beginning of fiscal year liability	\$ 2,272,202	\$ 2,934,860
Current year claims incurred and changes in estimates for claims incurred in prior years	909,513	1,119,533
Claims and expenses paid	<u>(1,464,897)</u>	<u>(1,782,191)</u>
End of fiscal year liability	\$ <u>1,716,818</u>	\$ <u>2,272,202</u>

Included above is a liability for incurred but not reported (IBNR) claims of \$907,475. 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. 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 \$29,041,370 for the year ended June 30, 2017 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, 2015, 2016 and 2017 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>
2014 – 2015	4,126,180	26,348,391	(26,240,127)	4,234,444
2015 – 2016	4,234,444	29,311,201	(29,207,551)	4,338,094
2016 – 2017	4,338,094	29,930,281	(30,355,196)	3,913,179

### **NOTE 13 - 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, 2017.

#### **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, 2017, 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, 2017, will not have a material effect on the financial statements as of and for the year ended June 30, 2017.

### **NOTE 14 - SUBSEQUENT EVENTS**

The district has no subsequent events to report.

### **NOTE 15 – NEW ACCOUNTING PRONOUNCEMENTS**

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, but believes that GASB Statement 75 will result in the biggest reporting change. However, actual impacts have not yet been determined.

*GASB 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – Effective for year-end June 30, 2018, with earlier application encouraged – This statement contains accounting and financial reporting guidelines for OPEB related activities at the participating employer level and generally brings the OPEB reporting rules into alignment with the new GASB 68 Pension rules.

*GASB 81 – Irrevocable Split-Interest Agreements* – Effective for year-end June 30, 2018, with earlier application encouraged – This statement establishes recording and recognition criteria for governments who receive resources pursuant to an irrevocable split-interest agreement.

GASB 83 – *Certain Asset Retirement Obligations* – Effective for year-end June 30, 2019, with earlier application encouraged – This statement addresses accounting and financial reporting for certain asset retirement obligations that are legally enforceable liabilities associated with the retirement of a tangible capital asset.

GASB 84 – *Fiduciary Activities* – Effective for year-end June 30, 2020, with earlier application encouraged – This statement addresses criteria for identifying and reporting fiduciary activities.

GASB 85 – *Omnibus* – Effective for year-end June 30, 2018, with earlier application encouraged – This statement addresses practice issues that have been identified during implementation and application of certain GASB statements. Issues covered include blending of component units, goodwill, fair value measurement and application, and postemployment benefits.

GASB 86 – *Certain Debt Extinguishment Issues* – Effective for year-end June 30, 2018, with earlier application encouraged – This statement addresses accounting and financial reporting for in-substance defeasance of debt when only existing resources are used, as well as accounting and financial reporting for prepaid insurance on extinguished debt.

GASB 87 – *Leases* – Effective for year-end June 30, 2021, with earlier application encouraged – This statement addresses accounting and financial reporting for certain lease assets and liabilities for leases that previously were classified as operating leases. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

## **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

### **BUDGETARY COMPARISON SCHEDULES:**

Schedule of the District's Information on the Net Pension Liability – Public Employees Retirement  
System - PERS

Schedule of District Contributions – Public Employees Retirement System - PERS

Schedule of the District's Information on Net Pension Liability – Teachers Retirement System - TRS

Schedule of District Contributions – Teachers Retirement System - TRS

## **OTHER 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, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Local	\$ 48,238,432	\$ 48,238,432	\$ 48,238,432	\$ -
State	88,433,470	89,843,021	90,233,541	390,520
Federal-Through the State	200,000	200,000	250,781	50,781
Earnings on Investments	300,000	300,000	83,033	(216,967)
E-Rate	700,000	700,000	751,344	51,344
Other Local Revenues	180,000	180,000	193,157	13,157
<b>Total Revenues</b>	<b>138,051,902</b>	<b>139,461,453</b>	<b>139,750,288</b>	<b>288,835</b>
<b>Expenditures:</b>				
Instruction	65,415,926	64,629,054	63,321,865	1,307,189
Special Education - Instruction	20,016,982	20,628,770	20,397,333	231,437
Special Education Support Services - Student	5,423,040	6,012,699	5,632,111	380,588
Support Services - Student	4,336,811	4,491,173	4,481,777	9,396
Support Services - Instruction	3,094,841	3,070,997	2,894,528	176,469
School Administration	5,890,185	6,147,045	6,095,433	51,612
School Administration Support Services	5,225,073	5,346,479	5,341,910	4,569
District Administration	1,157,531	1,267,294	1,246,047	21,247
District Administration Support Services	5,598,558	5,724,298	5,860,459	(136,161)
Operations and Maintenance of Plant	19,935,945	21,804,307	21,942,803	(138,496)
Student Activities	2,069,366	2,142,370	2,095,965	46,405
<b>Total Expenditures</b>	<b>138,164,258</b>	<b>141,264,486</b>	<b>139,310,231</b>	<b>1,954,255</b>
Excess (Deficiency) of Revenues over Expenditures	(112,356)	(1,803,033)	440,057	2,243,090
<b>Other Financing Uses:</b>				
Transfers Out - Special Revenue Fund	(1,855,072)	(1,755,072)	(1,755,072)	-
<b>Total Other Financing Uses:</b>	<b>(1,855,072)</b>	<b>(1,755,072)</b>	<b>(1,755,072)</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>\$ (1,967,428)</b>	<b>\$ (3,558,105)</b>	<b>(1,315,015)</b>	<b>\$ 2,243,090</b>
Fund Balance, Beginning of Year			15,869,941	
Fund Balance, End of Year			<b>\$ 14,554,926</b>	

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget - Positive (Negative)
Revenues:				
Earnings on Investment	\$ 75,000	\$ 75,000	\$ 24,290	\$ (50,710)
Expenditures:				
Instruction	3,773,488	3,448,750	201,303	3,247,447
School Administration	-	8,162	7,532	630
Operations and Maintenance of Plant	-	351,737	284,296	67,441
Total Expenditures	<u>3,773,488</u>	<u>3,808,649</u>	<u>493,131</u>	<u>3,315,518</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (3,698,488)</u>	<u>\$ (3,733,649)</u>	\$ (468,841)	<u>\$ 3,264,808</u>
Fund Balances, Beginning of Year			<u>3,808,649</u>	
Fund Balances, End of Year			<u>\$ 3,339,808</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal-Through the State	3,757,705	3,757,705	2,774,290	(983,415)
Expenditures:				
Instruction	3,653,052	3,653,989	2,705,745	948,244
District Administration Support Services	104,653	103,716	68,545	35,171
Total Expenditures	3,757,705	3,757,705	2,774,290	983,415
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  
SCHEDULE OF THE DISTRICT'S INFORMATION ON THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM - PERS  
Last Three Fiscal Years**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportionate share of the net pension liability (asset)	0.43650%	0.92024%	0.79436%
District's proportionate share of the net pension liability (asset)	\$ 20,359,190	\$ 43,767,462	\$ 44,401,767
State of Alaska proportionate share of the net pension liability (asset)	<u>18,808,964</u>	<u>11,719,024</u>	<u>5,594,848</u>
Total net pension liability	<u>\$ 39,168,154</u>	<u>\$ 55,486,486</u>	<u>\$ 49,996,615</u>
District's covered employee payroll	\$ 18,773,897	\$ 19,473,427	\$ 1,934,112
District's proportionate share of the net pension liability (asset) as a percentage of covered employee payroll	108%	225%	228%
Plan fiduciary net position as a percentage of the total pension liability	62.37%	63.96%	0.00%

Pension tables are intended to present 10 years of information. Additional year's information will be added to the schedules as it becomes available.

Neither the PERS or the TRS plan is reporting any changes in benefit terms from the prior measurement period. Neither the PERS or the TRS plans is reporting any changes in assumptions from the prior measurement period.

**KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM - PERS  
Last Six Fiscal Years**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$ 1,455,221	\$ 1,421,239	\$ 1,578,145	\$ 1,802,254	\$ 1,883,310	\$ 2,115,824
Contributions in relation to the contractually required contribution	<u>1,455,221</u>	<u>1,421,239</u>	<u>1,578,145</u>	<u>1,802,254</u>	<u>1,883,310</u>	<u>2,115,824</u>
Contribution deficiency (excess)	<u>\$ -</u>					
District's covered employee payroll	\$ 17,382,542	\$ 18,005,047	\$ 18,773,896	\$ 19,473,427	\$ 19,434,112	\$ 19,876,163
Contributions as a percentage of covered employee payroll	8.37%	7.89%	8.41%	9.25%	9.690%	10.645%

Pension tables are intended to present 10 years of information. Additional year's information will be added to the schedules as it becomes available.

Neither the PERS or the TRS plan is reporting any changes in benefit terms from the prior measurement period.  
Neither the PERS or the TRS plans is reporting any changes in assumptions from the prior measurement period.

**KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S INFORMATION ON THE NET PENSION LIABILITY  
TEACHERS RETIREMENT SYSTEM - TRS  
Last Three Fiscal Years**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability (asset)	1.01287%	2.53293%	3.08305%
District's proportionate share of the net pension liability (asset)	\$ 30,376,532	\$ 47,123,960	\$ 70,396,678
State of Alaska proportionate share of the net pension liability (asset)	168,912,841	75,318,635	83,669,621
Total net pension liability	<u>\$ 199,289,373</u>	<u>\$ 122,442,595</u>	<u>\$ 154,066,299</u>
District's covered employee payroll	\$ 50,739,168	\$ 51,226,585	\$ 50,808,163
District's proportionate share of the net pension liability (asset) as a percentage of covered employee payroll	60%	92%	92%
Plan fiduciary net position as a percentage of the total pension liability	55.70%	73.82%	0.00%

Pension tables are intended to present 10 years of information. Additional year's information will be added to the schedules as it becomes available.

Neither the PERS or the TRS plan is reporting any changes in benefit terms from the prior measurement period.  
Neither the PERS or the TRS plans is reporting any changes in assumptions from the prior measurement period.

**KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
TEACHERS RETIREMENT SYSTEM - TRS  
Last Six Fiscal Years**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$ 2,499,363	\$ 2,398,469	\$ 2,483,038	\$ 2,405,825	\$ 2,256,776	\$ 2,404,196
Contributions in relation to the contractually required contribution	<u>2,499,363</u>	<u>2,398,469</u>	<u>2,483,038</u>	<u>2,405,825</u>	<u>2,256,776</u>	<u>2,404,196</u>
Contribution deficiency (excess)	<u>\$ -</u>					
District's covered employee payroll	\$ 49,806,535	\$ 49,947,218	\$ 50,739,168	\$ 51,226,585	\$ 50,808,163	\$ 50,962,839
Contributions as a percentage of covered employee payroll	5.02%	4.80%	4.89%	4.70%	4.44%	4.72%

Pension tables are intended to present 10 years of information. Additional year's information will be added to the schedules as it becomes available.

Neither the PERS or the TRS plan is reporting any changes in benefit terms from the prior measurement period.  
Neither the PERS or the TRS plans is reporting any changes in assumptions from the prior measurement period.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
BALANCE SHEET  
June 30, 2017 and 2016

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Cash on hand	\$ 12,230	\$ 15,530
Equity in Central Treasury	17,750,766	20,836,641
Accounts receivable	195,482	131,282
Prepaid Items	1,434,505	1,262,500
Due from Special Revenue Funds	3,124,193	2,896,165
Inventory	<u>777,779</u>	<u>801,755</u>
Total Assets	<u>\$ 23,294,955</u>	<u>\$ 25,943,873</u>
 <u>LIABILITIES AND FUND BALANCE</u> 		
Liabilities:		
Accounts payable	<u>\$ 1,331,046</u>	<u>\$ 2,386,511</u>
Accrued liabilities:		
Payroll	5,370,385	5,558,128
Retirement	(3,829)	63,477
Payroll taxes	1,999,141	2,029,629
Payroll deductions	<u>43,286</u>	<u>36,187</u>
Total Accrued Liabilities	<u>7,408,983</u>	<u>7,687,421</u>
Total Liabilities	<u>8,740,029</u>	<u>10,073,932</u>
Fund Balance:		
Nonspendable	2,212,284	2,064,255
Comitted	4,157,085	4,200,580
Restricted	2,612,510	3,307,934
Assigned	1,618,721	3,625,958
Unassigned	<u>3,954,326</u>	<u>2,671,214</u>
Total Fund Balance	<u>14,554,926</u>	<u>15,869,941</u>
Total Liabilities and Fund Balance	<u>\$ 23,294,955</u>	<u>\$ 25,943,873</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF CHANGES IN FUND BALANCE  
For the Years Ended June 30, 2017 and 2016

	2017	2016
Fund Balance, Beginning of Year	\$ 15,869,941	\$ 17,249,541
Add Revenues and Other Financing Sources	139,750,288	140,818,264
Deduct Expenditures and Other Financing Uses	(141,065,303)	(142,197,864)
Fund Balance, End of Year	\$ 14,554,926	\$ 15,869,941

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance Positive (Negative)	
Revenues:					
Local:					
Kenai Peninsula Borough - Direct Appropriation	\$ 37,583,417	\$ 37,583,417	\$ 37,583,417	\$ -	\$ 37,908,561
Kenai Peninsula Borough - In-Kind Services	10,655,015	10,655,015	10,655,015	-	10,329,871
<b>Total Local</b>	<b>\$ 48,238,432</b>	<b>48,238,432</b>	<b>48,238,432</b>	<b>-</b>	<b>48,238,432</b>
State:					
Public School Funding	79,901,983	81,308,106	81,308,106	-	80,288,271
One-Time State Funding	-	-	-	-	-
One-Time State Funding - Safety	-	-	-	-	-
LOG/Quality Schools	283,640	287,068	287,068	-	285,377
Retirement: TRS On-Behalf	7,461,098	7,461,098	7,603,279	142,181	8,560,061
Retirement: PERS On-Behalf	786,749	786,749	883,559	96,810	1,120,670
Retirement: PERS On-Behalf Passed Through KPB	-	-	151,529	151,529	186,610
<b>Total State</b>	<b>88,433,470</b>	<b>89,843,021</b>	<b>90,233,541</b>	<b>390,520</b>	<b>90,440,989</b>
Federal - Through the State:					
Medicaid - Direct Reimbursement	200,000	200,000	250,781	50,781	287,646
<b>Total Federal - Through the State</b>	<b>200,000</b>	<b>200,000</b>	<b>250,781</b>	<b>50,781</b>	<b>287,646</b>
Earnings on Investments	300,000	300,000	83,033	(216,967)	623,325
E-Rate	700,000	700,000	751,344	51,344	1,088,548
Other Local Revenues:					
Facilities Rental	30,000	30,000	24,700	(5,300)	28,750
Miscellaneous	150,000	150,000	168,457	18,457	110,574
<b>Total Other Local Revenues:</b>	<b>180,000</b>	<b>180,000</b>	<b>193,157</b>	<b>13,157</b>	<b>139,324</b>
<b>Total Revenues</b>	<b>138,051,902</b>	<b>139,461,453</b>	<b>139,750,288</b>	<b>288,835</b>	<b>140,818,264</b>
Other Financing Sources:					
Fund Balance Appropriation	1,967,428	1,798,089	-	(1,798,089)	-
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 140,019,330</b>	<b>\$ 141,259,542</b>	<b>\$ 139,750,288</b>	<b>\$ (1,509,254)</b>	<b>\$ 140,818,264</b>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Instruction:					
Certificated Salaries	\$ 33,007,684	\$ 33,210,850	\$ 33,140,874	\$ 69,976	\$ 33,471,379
Non-Certificated Salaries	2,617,648	2,619,109	2,590,522	28,587	2,769,670
Employee Benefits	22,111,949	22,359,481	22,548,910	(189,429)	22,850,592
Professional and Technical Services	195,950	618,435	600,564	17,871	135,603
Staff Travel	147,250	174,168	141,014	33,154	189,527
Student Travel	14,100	40,098	30,488	9,610	38,444
Utility Services	233,450	268,156	267,294	862	356,523
Other Purchased Services	435,329	511,148	409,391	101,757	498,802
Supplies, Materials, and Media	3,081,261	2,752,966	2,159,005	593,961	2,433,974
Other Expenses	2,493,249	762,373	37,726	724,647	78,580
Equipment	1,078,056	1,312,270	1,396,077	(83,807)	1,447,054
	<u>65,415,926</u>	<u>64,629,054</u>	<u>63,321,865</u>	<u>1,307,189</u>	<u>64,270,148</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Special Education Instruction:					
Certificated Salaries	\$ 7,138,607	\$ 7,027,636	\$ 6,901,959	\$ 125,677	\$ 6,924,038
Non-Certificated Salaries	4,393,114	4,534,041	4,538,381	(4,340)	4,443,096
Employee Benefits	8,278,781	8,528,392	8,495,310	33,082	8,486,645
Professional and Technical Services	45,000	278,763	236,568	42,195	58,596
Staff Travel	46,970	81,592	64,602	16,990	67,168
Student Travel	1,700	1,500	706	794	1,734
Utility Services	-	122	122	-	385
Other Purchased Services	3,400	854	310	544	1,410
Supplies, Materials, and Media	87,910	140,133	126,944	13,189	191,864
Other Expenses	11,500	21,985	18,670	3,315	21,299
Equipment	10,000	13,752	13,761	(9)	14,170
	<u>20,016,982</u>	<u>20,628,770</u>	<u>20,397,333</u>	<u>231,437</u>	<u>20,210,405</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Special Education Support Services - Student:					
Certificated Salaries	\$ 2,477,060	\$ 2,346,579	\$ 2,328,662	\$ 17,917	\$ 2,464,307
Non-Certificated Salaries	428,537	527,095	525,543	1,552	421,183
Employee Benefits	1,731,099	1,739,103	1,708,191	30,912	1,749,974
Professional and Technical Services	646,150	1,249,913	931,019	318,894	711,401
Staff Travel	84,200	75,721	68,460	7,261	72,177
Utility Services	5,000	5,000	4,370	630	1,298
Other Purchased Services	3,210	2,988	2,633	355	2,072
Supplies, Materials, and Media	43,349	57,003	55,737	1,266	96,184
Other Expenses	1,000	1,690	930	760	1,845
Equipment	3,435	7,607	6,566	1,041	3,439
	<u>5,423,040</u>	<u>6,012,699</u>	<u>5,632,111</u>	<u>380,588</u>	<u>5,523,880</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Support Services - Student:					
Certificated Salaries	\$ 966,881	\$ 1,013,948	\$ 1,020,178	\$ (6,230)	\$ 1,163,784
Non-Certificated Salaries	1,498,894	1,508,602	1,516,527	(7,925)	1,450,575
Employee Benefits	1,742,756	1,829,882	1,835,403	(5,521)	1,864,701
Staff Travel	63,000	62,389	48,564	13,825	52,961
Student Travel	2,500	2,500	293	2,207	664
Utility Services	750	250	142	108	122
Other Purchased Services	4,386	6,152	1,314	4,838	3,384
Supplies, Materials, and Media	51,146	58,962	51,097	7,865	45,841
Other Expenses	5,598	6,032	5,486	546	1,115
Equipment	900	2,456	2,773	(317)	10,559
	<u>4,336,811</u>	<u>4,491,173</u>	<u>4,481,777</u>	<u>9,396</u>	<u>4,593,706</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Support Services - Instruction:					
Certificated Salaries	\$ 1,026,443	\$ 1,045,072	\$ 1,057,886	\$ (12,814)	\$ 1,143,876
Non-Certificated Salaries	550,915	523,985	526,278	(2,293)	601,396
Employee Benefits	1,037,527	992,358	913,125	79,233	1,013,147
Professional and Technical Services	30,000	40,855	13,600	27,255	-
Staff Travel	88,000	76,493	38,238	38,255	98,184
Student Travel	500	500	210	290	-
Utility Services	11,100	16,927	13,882	3,045	13,504
Other Purchased Services	43,032	58,514	39,440	19,074	55,630
Supplies, Materials, and Media	300,305	303,295	282,656	20,639	364,450
Other Expenses	2,495	7,995	6,685	1,310	7,598
Equipment	4,524	5,003	2,528	2,475	12,190
	<u>3,094,841</u>	<u>3,070,997</u>	<u>2,894,528</u>	<u>176,469</u>	<u>3,309,975</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
School Administration:					
Certificated Salaries	\$ 3,875,367	\$ 4,030,310	\$ 4,021,417	\$ 8,893	\$ 4,150,301
Non-Certificated Salaries	14,771	13,890	13,889	1	8,491
Employee Benefits	1,868,609	1,950,252	1,941,441	8,811	2,029,209
Professional and Technical Services	83	22	-	22	-
Staff Travel	92,739	112,978	88,060	24,918	86,088
Other Purchased Services	-	52	52	-	-
Supplies, Materials, and Media	8,975	8,864	6,832	2,032	8,142
Other Expenses	29,641	30,677	23,742	6,935	30,280
Equipment	-	-	-	-	5,616
	<u>5,890,185</u>	<u>6,147,045</u>	<u>6,095,433</u>	<u>51,612</u>	<u>6,318,127</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
 GENERAL FUND  
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2017  
 With Comparative Actual Totals for the Year Ended June 30, 2016

	2017			Variance- Positive (Negative)	2016 Actual
	Original Budget	Current Budget	Actual		
School Administration Support Services:					
Certificated Salaries	\$ 150,000	\$ 80,000	\$ 80,000	-	\$ 145,546
Non-Certificated Salaries	2,291,007	2,348,776	2,360,067	(11,291)	2,385,033
Employee Benefits	2,010,281	2,065,554	2,064,328	1,226	2,060,467
Professional and Technical Services	-	-	-	-	1,326
Staff Travel	6,200	5,187	4,635	552	6,752
Utility Services	673,800	728,227	725,374	2,853	700,679
Other Purchased Services	11,210	13,500	8,488	5,012	11,025
Supplies, Materials, and Media	51,925	77,427	77,552	(125)	72,668
Other Expenses	30,650	26,587	19,236	7,351	17,314
Equipment	-	1,221	2,230	(1,009)	224,546
	<u>5,225,073</u>	<u>5,346,479</u>	<u>5,341,910</u>	<u>4,569</u>	<u>5,625,356</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
 GENERAL FUND  
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2017  
 With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
District Administration:					
Certificated Salaries	\$ 292,892	\$ 293,112	\$ 301,702	\$ (8,590)	\$ 287,031
Non-Certificated Salaries	212,977	222,541	234,014	(11,473)	217,636
Employee Benefits	333,262	333,233	349,001	(15,768)	346,817
Professional and Technical Services	123,150	142,698	134,747	7,951	217,950
Staff Travel	76,900	77,411	63,880	13,531	63,103
Utility Services	14,700	27,218	26,420	798	24,346
Other Purchased Services	12,450	34,985	27,914	7,071	22,752
Supplies, Materials, and Media	22,200	28,476	25,508	2,968	19,370
Tuition and Stipends	33,600	33,600	33,600	-	33,300
Other Expenses	35,400	32,450	30,734	1,716	31,997
Equipment	-	41,570	18,527	23,043	1,899
	<u>1,157,531</u>	<u>1,267,294</u>	<u>1,246,047</u>	<u>21,247</u>	<u>1,266,201</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
District Administrative Support Services:					
Certificated Salaries	\$ 2,000	\$ 124,039	\$ 151,722	\$ (27,683)	\$ 47,730
Non-Certificated Salaries	2,629,933	2,530,761	2,570,109	(39,348)	2,732,495
Employee Benefits	1,638,776	1,608,707	1,617,193	(8,486)	1,734,297
Professional and Technical Services	183,770	303,341	277,688	25,653	161,620
Staff Travel	108,400	80,581	73,139	7,442	73,761
Utility Services	35,050	46,141	44,164	1,977	41,186
Other Purchased Services	311,355	282,739	262,375	20,364	450,038
Insurance and Bond Premiums	765,970	765,970	765,970	-	765,970
Supplies, Materials, and Media	217,150	261,546	254,882	6,664	283,243
Other Expenses	51,437	47,218	31,524	15,694	41,538
Indirect Costs	(384,783)	(373,550)	(230,899)	(142,651)	(222,976)
Equipment	39,500	46,805	42,592	4,213	35,659
	<u>5,598,558</u>	<u>5,724,298</u>	<u>5,860,459</u>	<u>(136,161)</u>	<u>6,144,561</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Operations and Maintenance of Plant:					
Certificated Salaries	\$ 1,855	\$ -	\$ -	\$ -	\$ -
Non-Certificated Salaries	3,553,369	3,530,071	3,368,727	\$ 161,344	3,335,439
Employee Benefits	2,961,833	2,954,551	3,056,532	(101,981)	3,082,782
Staff Travel	8,300	8,001	3,778	4,223	5,053
Utility Services	380,350	419,078	421,714	(2,636)	410,794
Energy	5,227,765	5,369,058	5,685,316	(316,258)	5,371,584
Other Purchased Services	6,928,656	8,527,074	8,473,895	53,179	8,161,189
Insurance and Bond Premiums	575,120	575,120	575,120	-	575,120
Supplies, Materials, and Media	298,497	365,678	329,758	35,920	389,691
Other Expenses	200	200	-	200	-
Equipment	-	55,476	27,963	27,513	405,305
	<u>19,935,945</u>	<u>21,804,307</u>	<u>21,942,803</u>	<u>(138,496)</u>	<u>21,736,957</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
 GENERAL FUND  
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2017  
 With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Student Activities:					
Certificated Salaries	\$ 922,242	\$ 838,086	\$ 831,389	\$ 6,697	\$ 772,608
Non-Certificated Salaries	393,908	533,894	531,734	2,160	475,233
Employee Benefits	343,882	342,017	337,259	4,758	317,677
Staff Travel	7,750	10,477	7,488	2,989	9,392
Student Travel	262,762	262,340	246,234	16,106	260,114
Utility Services	100	-	-	-	-
Other Purchased Services	92,000	57,779	44,741	13,038	35,263
Supplies, Materials, and Media	12,030	56,134	52,404	3,730	57,331
Other Expenses	34,692	41,643	44,716	(3,073)	46,757
Equipment	-	-	-	-	24,173
	<u>2,069,366</u>	<u>2,142,370</u>	<u>2,095,965</u>	<u>46,405</u>	<u>1,998,548</u>
 Total Expenditures	 <u>138,164,258</u>	 <u>141,264,486</u>	 <u>139,310,231</u>	 <u>1,954,255</u>	 <u>140,997,864</u>
 Other Financing Uses:					
Transfer To Food Service Fund	1,200,000	1,100,000	1,100,000	-	1,200,000
Transfer To Student Transportation	655,072	655,072	655,072	-	-
Total Other Financing Uses	<u>1,855,072</u>	<u>1,755,072</u>	<u>1,755,072</u>	<u>-</u>	<u>1,200,000</u>
 Total Expenditures and Other Financing Uses	 <u>\$ 140,019,330</u>	 <u>\$ 143,019,558</u>	 <u>\$ 141,065,303</u>	 <u>\$ 1,954,255</u>	 <u>\$ 142,197,864</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
 SCHEDULE OF COMPLIANCE - AS 14.17.505  
 Year Ended June 30, 2017

Total fund balance - School Operating Fund		\$ 14,554,926
less exemptions per 4 ACC 09.160(a)		
Encumbrances		713,157
Home School allotment		549,790
Inventory		777,779
Prepaid Items		<u>1,434,505</u>
Total exemptions		3,475,231
Fund balance subject to 10% limitation		<u><u>\$ 11,079,695</u></u>

Nonexempt fund balance as a percentage of current year expenditures:

Fund balance subject to limitation		11,079,695			
	=		=		<u>7.95%</u>
Current year expenditures		139,310,231			

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
 SCHEDULE OF COMPLIANCE - AS 14.17.520  
 For the Year Ended June 30, 2017

Instruction:

Regular Instruction	\$ 63,321,865	
Special Education Instruction	20,397,333	
Special Education Support Services - Student	5,632,111	
Support Services - Student	4,481,777	
Support Services - Instruction	2,894,528	
School Administration	<u>6,095,433</u>	
Total Instruction	<u>102,823,047</u>	73.81%

Non-Instruction:

School Administration Support Services	5,341,910	
District Administration	1,246,047	
District Administration Support Services	5,860,459	
Operations and Maintenance of Plant	21,942,803	
Student Activities	<u>2,095,965</u>	
Total Non-Instruction	<u>36,487,184</u>	26.19%
Total Expenditures	<u>139,310,231</u>	

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
 BALANCE SHEET - MAJOR FUND - EQUIPMENT  
 June 30, 2017

With Comparative Totals as of June 30, 2016

	2017	2016
<b>ASSETS</b>		
Equity in Central Treasury	\$ 3,339,808	\$ 3,808,649
<b>Total Assets</b>	<b>\$ 3,339,808</b>	<b>\$ 3,808,649</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts Payable	\$ -	\$ -
Due to General Fund	-	-
<b>Total Liabilities</b>	-	-
Assigned	3,339,808	3,808,649
<b>Total Fund Balance:</b>	<b>3,339,808</b>	<b>3,808,649</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,339,808</b>	<b>\$ 3,808,649</b>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
MAJOR FUND - EQUIPMENT  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE-  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Earnings on Investments	\$ 75,000	\$ 75,000	\$ 24,290	\$ (50,710)	\$ 182,892
Expenditures					
Instruction:					
Other Purchased Services	-	2,267	2,942	(675)	-
Supplies, Materials, and Media	-	102,301	102,485	(184)	21,923
Equipment	3,773,488	3,344,182	95,876	3,248,306	24,816
Total Instruction	3,773,488	3,448,750	201,303	3,247,447	46,739
School Administration:					
Supplies, Materials, and Media	-	7,261	6,631	630	(298)
Equipment	-	901	901	-	1,887
Total School Administration	-	8,162	7,532	630	1,589
Operations and Maintenance of Plant:					
Supplies, Materials, and Media	-	101,246	97,852	3,394	37,840
Equipment	-	250,491	186,444	64,047	174,483
Total Operations and Maintenance of Plant	-	351,737	284,296	67,441	212,323
Total Expenditures	3,773,488	3,808,649	493,131	3,315,518	260,651
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,698,488)	\$ (3,733,649)	(468,841)	\$ 3,264,808	(77,759)
Fund Balance, Beginning of Year			3,808,649		3,886,408
Fund Balance, End of Year			\$ 3,339,808		\$ 3,808,649

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
BALANCE SHEET - MAJOR FUND - TITLE I  
June 30, 2017

With Comparative Totals as of June 30, 2016

	2017	2016
ASSETS		
Assets:		
Due from other Governments	\$ 1,545,343	\$ 1,094,502
Total Assets	\$ 1,545,343	\$ 1,094,502
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 1,204	\$ 597
Due to General Fund	1,544,139	1,093,905
Total Liabilities	1,545,343	1,094,502
Fund Balance:	-	-
Total Liabilities and Fund Balances	\$ 1,545,343	\$ 1,094,502

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, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 3,757,705	\$ 3,757,705	\$ 2,774,290	\$ (983,415)	\$ 2,956,948
Expenditures:					
Instruction					
Certificated Salaries	1,796,118	1,782,665	1,381,525	401,140	1,454,125
Non-Certificated Salaries	225,703	228,592	218,169	10,423	227,187
Employee Benefits	948,375	932,859	742,714	190,146	734,306
Professional and Technical Service	65,376	88,630	16,298	72,332	152,544
Staff Travel	210,573	190,434	107,294	83,140	133,951
Student Travel	25,020	26,991	25,971	1,020	11,034
Utility Services	8,767	9,767	4,083	5,684	3,891
Other Purchased Services	13,600	20,598	18,694	1,904	9,965
Supplies, Materials, and Media	243,165	287,063	164,257	122,806	110,425
Other Expenses	32,065	26,094	8,416	17,678	13,495
Equipment	84,290	60,296	18,324	41,972	29,193
Total Regular Instruction	<u>3,653,052</u>	<u>3,653,989</u>	<u>2,705,745</u>	<u>948,244</u>	<u>2,880,116</u>
District Administration Support Services					
Indirect Costs	<u>104,653</u>	<u>103,716</u>	<u>68,545</u>	<u>35,171</u>	<u>76,832</u>
Total Expenditures	<u>3,757,705</u>	<u>3,757,705</u>	<u>2,774,290</u>	<u>983,415</u>	<u>2,956,948</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>

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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:

Artist in Schools	McKinney – Vento Homeless
Association of Alaska School Boards	Mentor Project
Broadband Assistance	Migrant Education
Building Trades	Project Aware
Carl Perkins – Basic	Safe Children’s Act
Community Theater	School Emergency Management
Corporate and Miscellaneous Grants	Staff Development Mini - Grants
Digital Teaching	Student Transportation
Distance Learning and Telemedicine	Suicide Awareness Pre & Postvention
Food Service	Title I-D, Delinquent
Food Service – FFVP	Title VI-B, IDEA
Food Service – Nutritional Alaskan Foods	Title VI, Indian Education
Gear Up Kenai Peninsula	Upward Bound
Governor’s Alternative Schools	Youth in Detention
Marine/Aquatic Education	Youth Risk Behavior Survey

## SPECIAL REVENUE FUNDS

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

Association of Alaska School Boards provided a grant to support the Initiative for Digitizing Alaska: Broadband Strategies.

Broadband Assistance is a grant to be used to raise the bandwidth across the district to 10Mbps of download capacity at schools not currently at that level.

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.

Digital Teaching Initiative grant will be used to strengthen instruction through digital teaching and learning.

Distance Learning and Telemedicine Grant is to encourage and improve the use of telemedicine, telecommunications, computer networks, and related advanced technologies to provide educational and medical benefits through distance learning and telemedicine projects to people living in rural areas and to improve rural opportunities.

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.

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.

Marine/Aquatic Education grant is to help build project based learning activities to support the science curriculum.

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.

Project Aware is a grant that will make Alaska schools safer by improving public school students' mental health. Project aware will strategically increase direct mental health services to students in Alaska's alternative high schools, as data indicates alternative schools serve the state's concentrated at risk adolescent student population.

Safe Children's Act is a grant is to support activities, curricula, and/or other training material related to the implementation of the Alaska Safe Children's Act.

School Emergency Management is a grant to support activities to develop, improve and implement High Quality District Emergency Operations Plans.

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.

Suicide Awareness Prevention & Postvention grant provides curricula and training to staff.

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 VI, 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 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 is used to identify behaviors in order to enhance school health programming and improve the school health environment.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS  
 June 30, 2017  
 With Comparative Totals as of June 30, 2016

	Broadband Assistance	Building Trades	Carl Perkins Basic	Community Theater
<b>ASSETS</b>				
Equity in Central Treasury	\$ 533	\$ -	\$ -	\$ 70,809
Accounts receivable	-	-	-	2,610
Due from other Governments	-	-	118,008	-
Inventory	-	60,618	-	-
<b>Total Assets</b>	<b>\$ 533</b>	<b>\$ 60,618</b>	<b>\$ 118,008</b>	<b>\$ 73,419</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 533	\$ -	\$ -	\$ 57
Due to General Fund	-	44,976	118,008	-
<b>Total Liabilities</b>	<b>533</b>	<b>44,976</b>	<b>118,008</b>	<b>57</b>
Fund Balances:				
Nonspendable	-	60,618	-	-
Assigned	-	-	-	73,362
Unassigned	-	(44,976)	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>15,642</b>	<b>-</b>	<b>73,362</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 533</b>	<b>\$ 60,618</b>	<b>\$ 118,008</b>	<b>\$ 73,419</b>

Continued

	Corporate & Miscellaneous Grants	Digital Teaching	Food Service	Gear - Up Kenai
<b>ASSETS</b>				
Equity in Central Treasury	\$ 56,435	-	\$ 241,997	\$ -
Accounts receivable	-	-	300,000	-
Due from other Governments	-	142,800	218,056	34,712
Inventory	-	-	99,130	-
<b>Total Assets</b>	<b>\$ 56,435</b>	<b>\$ 142,800</b>	<b>\$ 859,183</b>	<b>\$ 34,712</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ -	\$ 3,075	\$ 1,384	\$ -
Due to General Fund	-	139,725	-	34,712
<b>Total Liabilities</b>	<b>-</b>	<b>142,800</b>	<b>1,384</b>	<b>34,712</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	99,130	-
Assigned	56,435	-	758,669	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>56,435</b>	<b>-</b>	<b>857,799</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 56,435</b>	<b>\$ 142,800</b>	<b>\$ 859,183</b>	<b>\$ 34,712</b>

Continued

	<u>Governor's Alt. Schools</u>	<u>Marine/Aquatic Education</u>	<u>McKinney-Vento Homeless</u>	<u>Mentor Project</u>
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other Governments	14,490	1,507	4,503	39,947
Inventory	-	-	-	-
Total Assets	<u>\$ 14,490</u>	<u>\$ 1,507</u>	<u>\$ 4,503</u>	<u>\$ 39,947</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to General Fund	14,490	1,507	4,503	39,947
Total Liabilities	<u>14,490</u>	<u>1,507</u>	<u>4,503</u>	<u>39,947</u>
Fund Balances:				
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 14,490</u>	<u>\$ 1,507</u>	<u>\$ 4,503</u>	<u>\$ 39,947</u>

Continued

	Migrant Education	Project Aware	School Emergency	Staff Development Mini-Grants
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ 2,327	\$ -
Accounts receivable	-	-	-	-
Due from other Governments	13,824	103,492	-	5,237
Inventory	-	-	-	-
Total Assets	<u>\$ 13,824</u>	<u>\$ 103,492</u>	<u>\$ 2,327</u>	<u>\$ 5,237</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ 24,935	\$ 2,327	\$ -
Due to General Fund	13,824	78,557	-	5,237
Total Liabilities	<u>13,824</u>	<u>103,492</u>	<u>2,327</u>	<u>5,237</u>
Fund Balances:				
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 13,824</u>	<u>\$ 103,492</u>	<u>\$ 2,327</u>	<u>\$ 5,237</u>

Continued

	Student Transportaion	Suicide Awareness	Title I-D Delinquent	Title VI-B IDEA
ASSETS				
Equity in Central Treasury	\$ 1,035,718	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other Governments	-	1,914	1,689	861,045
Inventory	-	-	-	-
Total Assets	<u>\$ 1,035,718</u>	<u>\$ 1,914</u>	<u>\$ 1,689</u>	<u>\$ 861,045</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 478	\$ -	\$ -	\$ -
Due to General Fund	-	1,914	1,689	861,045
Total Liabilities	<u>478</u>	<u>1,914</u>	<u>1,689</u>	<u>861,045</u>
Fund Balances:				
Nonspendable	-	-	-	-
Assigned	1,035,240	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>1,035,240</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 1,035,718</u>	<u>\$ 1,914</u>	<u>\$ 1,689</u>	<u>\$ 861,045</u>

Concluded

	Title VI Indian Education	Total June 30, 2017	Total June 30, 2016
ASSETS			
Equity in Central Treasury	\$ -	\$ 1,407,819	\$ 1,670,299
Accounts receivable	-	302,610	6,020
Due from other Governments	220,621	1,781,845	1,919,958
Inventory	-	159,748	233,827
Total Assets	<u>\$ 220,621</u>	<u>\$ 3,652,022</u>	<u>\$ 3,830,104</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 701	\$ 33,490	\$ 78,984
Due to General Fund	219,920	1,580,054	1,802,260
Total Liabilities	<u>220,621</u>	<u>1,613,544</u>	<u>1,881,244</u>
Fund Balances:			
Nonspendable	-	159,748	233,827
Assigned	-	1,923,706	1,760,009
Unassigned	-	(44,976)	(44,976)
Total Fund Balances	<u>-</u>	<u>2,038,478</u>	<u>1,948,860</u>
Total Liabilities and Fund Balances	<u>\$ 220,621</u>	<u>\$ 3,652,022</u>	<u>\$ 3,830,104</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, 2017  
 With Comparative Totals for the Year Ended June 30, 2016

	Artist in Schools	Association AK School Boards	Broadband Assistance	Building Trades
Revenues:				
State	\$ 500	\$ -	\$ 24,521	\$ -
Federal-Direct	-	-	-	-
Federal-Through the State	500	-	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	1,786	-	-	-
<b>Total Revenues</b>	<b>2,786</b>	<b>-</b>	<b>24,521</b>	<b>-</b>
Expenditures:				
Current:				
Instruction	2,786	2,396	-	-
Special Education - Instruction	-	-	-	-
Special Education Support Services - Instruction	-	-	-	-
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
School Administration	-	-	-	-
School Administration Support Services	-	-	24,521	-
Operations and Maintenance of Plant	-	-	-	-
Student Activities	-	-	-	-
Community Services	-	-	-	-
District Administration Support Services	-	-	-	-
Student Transportation	-	-	-	-
Food Services	-	-	-	-
<b>Total Expenditures</b>	<b>2,786</b>	<b>2,396</b>	<b>24,521</b>	<b>-</b>
Excess (Deficiency) of Revenues over Expenditures	-	(2,396)	-	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Changes In Fund Balances	-	(2,396)	-	-
Fund Balances, Beginning of Year	-	2,396	-	15,642
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,642</b>

Continued

	Carl Perkins - Basic	Community Theater	Corporate & Miscellaneous Grants	Digital Teaching
Revenues:				
State	\$ -	\$ -	\$ -	\$ 272,718
Federal-Direct	-	-	-	-
Federal-Through the State	211,027	-	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	46,460	107,684	-
Other Local	-	-	-	-
Total Revenues	<u>211,027</u>	<u>46,460</u>	<u>107,684</u>	<u>272,718</u>
Expenditures:				
Current:				
Instruction	204,530	-	33,709	262,288
Special Education - Instruction	-	-	500	-
Special Education Support Services - Instruction	-	-	500	-
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
School Administration	-	-	-	-
School Administration Support Services	-	-	-	-
Operations and Maintenance of Plant	-	-	3,393	-
Student Activities	-	-	34,709	-
Community Services	-	21,330	-	-
District Administration Support Services	6,497	-	-	10,430
Student Transportation	-	-	-	-
Food Services	-	-	-	-
Total Expenditures	<u>211,027</u>	<u>21,330</u>	<u>72,811</u>	<u>272,718</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>25,130</u>	<u>34,873</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	-	25,130	34,873	-
Fund Balances, Beginning of Year	<u>-</u>	<u>48,232</u>	<u>21,562</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ 73,362</u>	<u>\$ 56,435</u>	<u>\$ -</u>

Continued

	Distance Learning & Telemedicine	Food Service	Food Service FFVP	Food Service Nutritional Alaskan Foods
Revenues:				
State	\$ -	\$ -	\$ -	\$ -
Federal-Direct	37,261	-	-	-
Federal-Through the State	-	2,325,087	141,829	-
Food sales	-	609,409	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	1,382	-	-
<b>Total Revenues</b>	<b>37,261</b>	<b>2,935,878</b>	<b>141,829</b>	<b>-</b>
Expenditures:				
Current:				
Instruction	37,261	-	-	-
Special Education - Instruction	-	-	-	-
Special Education Support Services - 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	-	3,869,405	141,829	5,913
<b>Total Expenditures</b>	<b>37,261</b>	<b>3,869,405</b>	<b>141,829</b>	<b>5,913</b>
Excess (Deficiency) of Revenues over Expenditures	-	(933,527)	-	(5,913)
Other Financing Sources (Uses):				
Transfers in	-	1,100,000	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses):</b>	<b>-</b>	<b>1,100,000</b>	<b>-</b>	<b>-</b>
Net Changes In Fund Balances	-	166,473	-	(5,913)
Fund Balances, Beginning of Year	-	467,422	-	229,817
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ 633,895</b>	<b>\$ -</b>	<b>\$ 223,904</b>

Continued

	Gear Up Kenai Peninsula	Governor's Alternative Schools	Marine/Aquatic Education	McKinney - Vento Homeless
Revenues:				
State	\$ -	\$ 24,123	\$ -	\$ -
Federal-Direct	111,049	-	-	-
Federal-Through the State	-	-	9,203	16,615
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	-	-
<b>Total Revenues</b>	<b>111,049</b>	<b>24,123</b>	<b>9,203</b>	<b>16,615</b>
Expenditures:				
Current:				
Instruction	106,788	23,197	9,203	15,977
Special Education - Instruction	-	-	-	-
Special Education Support Services - 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	4,261	926	-	638
Student Transportation	-	-	-	-
Food Services	-	-	-	-
<b>Total Expenditures</b>	<b>111,049</b>	<b>24,123</b>	<b>9,203</b>	<b>16,615</b>
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Changes In Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Continued

	Mentor Project	Migrant Education	Project Aware	Safe Children's Act
Revenues:				
State	\$ -	\$ -	\$ -	\$ 12,855
Federal-Direct	-	-	-	-
Federal-Through the State	110,181	18,131	265,871	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	-	-
<b>Total Revenues</b>	<b>110,181</b>	<b>18,131</b>	<b>265,871</b>	<b>12,855</b>
Expenditures:				
Current:				
Instruction	105,953	18,131	-	12,855
Special Education - Instruction	-	-	-	-
Special Education Support Services - Instruction	-	-	-	-
Support Services - Students	-	-	203,721	-
Support Services - Instruction	-	-	51,949	-
School Administration	-	-	-	-
School Administration Support Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Activities	-	-	-	-
Community Services	-	-	-	-
District Administration Support Services	4,228	-	10,201	-
Student Transportation	-	-	-	-
Food Services	-	-	-	-
<b>Total Expenditures</b>	<b>110,181</b>	<b>18,131</b>	<b>265,871</b>	<b>12,855</b>
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Changes In Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Continued

	School Emergency Mgmt	Staff Development Mini-Grants	Student Transportation	Suicide Awareness Pre & PostVention
Revenues:				
State	\$ -	\$ 6,062	\$ 7,476,569	\$ 27,721
Federal-Direct	-	-	-	-
Federal-Through the State	4,000	5,270	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	-	-
Total Revenues	<u>4,000</u>	<u>11,332</u>	<u>7,476,569</u>	<u>27,721</u>
Expenditures:				
Current:				
Instruction	4,000	11,332	-	26,657
Special Education - Instruction	-	-	-	-
Special Education Support Services - Instruction	-	-	-	-
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
School Administration	-	-	-	-
School Administration Support Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Activities	-	-	77,515	-
Community Services	-	-	-	-
District Administration Support Services	-	-	-	1,064
Student Transportation	-	-	8,182,675	-
Food Services	-	-	-	-
Total Expenditures	<u>4,000</u>	<u>11,332</u>	<u>8,260,190</u>	<u>27,721</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>(783,621)</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers in	-	-	655,072	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>655,072</u>	<u>-</u>
Net Changes In Fund Balances	-	-	(128,549)	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>1,163,789</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,035,240</u>	<u>\$ -</u>

Continued

	Title I-D Delinquent	Title VI-B IDEA	Title VII Indian Education	Upward Bound
Revenues:				
State	\$ -	\$ -	\$ -	\$ -
Federal-Direct			447,491	
Federal-Through the State	4,373	2,709,014		23,371
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	-	-
<b>Total Revenues</b>	<b>4,373</b>	<b>2,709,014</b>	<b>447,491</b>	<b>23,371</b>
Expenditures:				
Current:				
Instruction	4,205	-	430,321	23,371
Special Education - Instruction	-	2,605,072	-	-
Special Education Support Services - 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	168	103,942	17,170	-
Student Transportation	-	-	-	-
Food Services	-	-	-	-
<b>Total Expenditures</b>	<b>4,373</b>	<b>2,709,014</b>	<b>447,491</b>	<b>23,371</b>
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Changes In Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Concluded

	Youth In Detention	Youth Risk Behavior Survey	Total June 30, 2017	Total June 30, 2016
Revenues:				
State	\$ 73,776	\$ 20,421	\$ 7,939,266	\$ 8,906,803
Federal-Direct	-	-	595,801	723,255
Federal-Through the State	-	-	5,844,472	5,578,191
Food sales	-	-	609,409	648,542
Corporate grants and user fees	-	-	154,144	101,594
Other Local	-	-	3,168	119,845
<b>Total Revenues</b>	<b>73,776</b>	<b>20,421</b>	<b>15,146,260</b>	<b>16,078,230</b>
Expenditures:				
Current:				
Instruction	70,945	20,421	1,426,326	1,757,021
Special Education - Instruction	-	-	2,605,572	2,266,966
Special Education Support Services - Instruction	-	-	500	-
Support Services - Students	-	-	203,721	236,228
Support Services - Instruction	-	-	51,949	45,356
School Administration	-	-	-	-
School Administration Support Services	-	-	24,521	23,421
Operations and Maintenance of Plant	-	-	3,393	272,607
Student Activities	-	-	112,224	49,876
Community Services	-	-	21,330	39,961
District Administration Support Services	2,831	-	162,356	146,145
Student Transportation	-	-	8,182,675	7,994,914
Food Services	-	-	4,017,147	4,226,122
<b>Total Expenditures</b>	<b>73,776</b>	<b>20,421</b>	<b>16,811,714</b>	<b>17,058,617</b>
Excess (Deficiency) of Revenues over Expenditures	-	-	(1,665,454)	(980,387)
Other Financing Sources (Uses):				
Transfers in	-	-	1,755,072	1,200,000
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses):</b>	<b>-</b>	<b>-</b>	<b>1,755,072</b>	<b>1,200,000</b>
Net Changes In Fund Balances	-	-	89,618	219,613
Fund Balances, Beginning of Year	-	-	1,948,860	1,729,247
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,038,478</b>	<b>\$ 1,948,860</b>

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, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Other Local	\$ -	\$ -	\$ -	\$ -	\$ 114,667
Expenditures:					
Instruction					
Certificated Salaries	-	-	-	-	18,500
Non-Certificated Salaries	-	-	-	-	5,000
Employee Benefits	-	-	-	-	2,928
Professional and Technical Services	-	-	-	-	16,000
Other Purchased Services	-	-	-	-	2,040
Supplies, Materials, and Media	-	-	-	-	63,061
Equipment	-	-	-	-	2,998
Total Instruction	-	-	-	-	110,527
District Administration Support Services					
Indirect Costs	-	-	-	-	4,140
Total Expenditures	-	-	-	-	114,667
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, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 500	\$ 500	\$ 500	\$ -	\$ 500
Federal - Through the State	500	500	500	-	500
Other Local	<u>866</u>	<u>1,786</u>	<u>1,786</u>	<u>-</u>	<u>1,810</u>
Total Revenues	<u>1,866</u>	<u>2,786</u>	<u>2,786</u>	<u>-</u>	<u>2,810</u>
Expenditures:					
Instruction					
Certificated Salaries	-	-	-	-	140
Employee Benefits	-	-	-	-	11
Professional and Technical Services	1,866	2,000	2,000	-	2,000
Supplies, Materials, and Media	<u>-</u>	<u>786</u>	<u>786</u>	<u>-</u>	<u>659</u>
Total Expenditures	<u>1,866</u>	<u>2,786</u>	<u>2,786</u>	<u>-</u>	<u>2,810</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  
ASSOCIATION OF ALASKA SCHOOL BOARDS  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE-  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017			Variance- Positive (Negative)	2016 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal - Through the State	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Instruction					
Supplies, Materials, and Media	2,396	536	536	-	2,268
Equipment	-	1,860	1,860	-	5,815
Total Expenditures	<u>2,396</u>	<u>2,396</u>	<u>2,396</u>	-	<u>8,083</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,396)</u>	<u>\$ (2,396)</u>	(2,396)	<u>\$ -</u>	(8,083)
Fund Balance, Beginning of Year			<u>2,396</u>		<u>10,479</u>
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ 2,396</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
 BROADBAND ASSISTANCE  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE-  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2017  
 With Comparative Actual Totals for the Year Ended June 30, 2016

	2017			Variance- Positive (Negative)	2016 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ 24,522	\$ 24,522	\$ 24,521	\$ (1)	\$ 23,421
Expenditures:					
School Administration Support Services					
Utility Services	24,522	24,522	24,521	\$ 1	23,421
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, 2017  
 With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 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  
 CARL PERKINS - BASIC  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE-  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2017  
 With Comparative Actual Totals for the Year Ended June 30, 2016

	2017			Variance- Positive (Negative)	2016 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal - Through the State	\$ 184,347	\$ 217,916	\$ 211,027	\$ (6,889)	\$ 217,131
Expenditures:					
Instruction					
Certificated Salaries	70,793	56,887	56,727	160	42,227
Non-Certificated Salaries	14,570	14,425	14,421	4	16,366
Employee Benefits	20,798	19,693	19,194	499	16,425
Professional and Technical Services	9,000	9,000	9,000	-	17,700
Staff Travel	31,175	20,658	19,242	1,416	17,540
Student Travel	5,300	8,150	8,705	(555)	2,718
Other Purchased Services	-	-	-	-	3,496
Supplies, Materials, and Media	19,722	40,187	35,529	4,658	48,961
Other Expenses	125	125	-	125	-
Equipment	6,022	42,043	41,712	331	45,329
Total Instruction	<u>177,505</u>	<u>211,168</u>	<u>204,530</u>	<u>6,638</u>	<u>210,762</u>
District Administration Support Services					
Indirect Costs	<u>6,842</u>	<u>6,748</u>	<u>6,497</u>	<u>251</u>	<u>6,369</u>
Total Expenditures	<u>184,347</u>	<u>217,916</u>	<u>211,027</u>	<u>6,889</u>	<u>217,131</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, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Corporate Grants and User Fees	\$ 35,000	\$ 35,000	\$ 46,460	\$ 11,460	\$ 37,585
Expenditures:					
Community Services:					
Non-Certificated Salaries	32,500	32,500	13,401	19,099	26,933
Employee Benefits	8,500	8,500	3,157	5,343	7,416
Staff Travel	2,000	2,000	231	1,769	1,798
Utility Services	1,000	1,000	-	1,000	-
Other Purchased Services	-	-	-	-	789
Supplies, Materials, and Media	2,500	2,500	4,541	(2,041)	3,025
Total Expenditures	46,500	46,500	21,330	25,170	39,961
Excess (Deficiency) of Revenue over Expenditures	(11,500)	(11,500)	25,130	36,630	(2,376)
Other Financing Sources:					
Transfers In	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			48,232		50,608
Fund Balance, End of Year			\$ 73,362		\$ 48,232

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, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017			Variance- Positive (Negative)	2016 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Corporate Grants and User Fees	-	107,685	107,684	1	64,009
Expenditures:					
Instruction:					
Certificated Salaries	-	1,660	471	1,189	70
Non-Certificated Salaries	-	1,925	4,751	(2,826)	1,756
Employee Benefits	-	250	375	(125)	140
Professional and Technical Service	-	12,784	5,346	7,438	750
Staff Travel	-	900	-	900	-
Student Travel	6,767	30,982	12,378	18,604	8,211
Other Purchased Services	-	2,542	300	2,242	1,024
Supplies, Materials, and Media	2,782	23,325	6,590	16,735	9,222
Equipment	2,791	3,498	3,498	-	21,103
Total Instruction	12,340	77,866	33,709	44,157	42,276
Special Education - Instruction:					
Supplies, Materials, and Media	500	500	500	-	-
Special Education Support Services - Student					
Supplies, Materials, and Media	-	500	500	-	-
Support Services - Instruction					
Supplies, Materials, and Media	-	1,000	-	1,000	-
Support Services - Student					
Supplies, Materials, and Media	-	500	-	500	-
Operations and Maintenance of Plant:					
Supplies, Materials, and Media	2,283	1,391	1,391	-	322
Equipment	-	2,151	2,002	149	-
Total Operations and Maintenance of Plant	2,283	3,542	3,393	149	322
Student Activities:					
Non-Certificated Salaries	-	83	83	-	797
Employee Benefits	-	6	6	-	61
Professional and Technical Service	346	-	-	-	-
Staff Travel	-	-	198	(198)	-
Student Travel	2,769	22,250	18,062	4,188	6,213
Other Purchased Services	1,500	2,332	2,102	230	1,820
Supplies, Materials, and Media	1,575	15,284	10,873	4,411	10,239
Other Expenses	-	2,000	-	2,000	-
Equipment	250	3,385	3,385	-	130
Total Student Activities	6,440	45,340	34,709	10,631	19,260
Total Expenditures	21,563	129,248	72,811	54,937	61,858
Excess (Deficiency) of Revenues Over Expenditures	\$ (21,563)	\$ (21,563)	34,873	\$ 56,436	2,151
Fund Balance, Beginning of Year			21,562		19,411
Fund Balance, End of Year			\$ 56,435		\$ 21,562

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
DIGITAL TEACHING  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE-  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017			Variance- Positive (Negative)	2016 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ 305,537	\$ 305,537	\$ 272,718	\$ (32,819)	\$ 200,443
Expenditures:					
Instruction					
Certificated Salaries	118,549	53,932	51,722	2,210	56,692
Non-Certificated Salaries	-	6,060	6,009	51	3,270
Employee Benefits	18,784	7,348	7,106	242	12,671
Staff Travel	56,468	142,332	113,714	28,618	48,085
Student Travel	-	530	528	2	-
Other Purchased Services	2,975	7,975	7,675	300	9,154
Supplies, Materials, and Media	38,365	74,700	74,652	48	57,939
Other Expenses	58,673	-	-	-	-
Equipment	-	974	882	92	5,401
Total Instruction	293,814	293,851	262,288	31,563	193,212
District Administration Support Services					
Indirect Costs	11,723	11,686	10,430	1,256	7,231
Total Expenditures	305,537	305,537	272,718	32,819	200,443
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
DISTANCE LEARNING AND TELEMEDICINE  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE-  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017			Variance- Positive (Negative)	2016 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal - Direct	\$ -	\$ 51,728	\$ 37,261	\$ (14,467)	\$ 170,397
Expenditures:					
Instruction					
Other Purchased Services	-	34,533	37,261	(2,728)	-
Supplies, Materials, and Media	-	760	-	760	57,267
Equipment	-	16,435	-	16,435	113,130
Total Expenditures	-	51,728	37,261	14,467	170,397
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, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017			Variance- Positive (Negative)	2016 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 2,336,693	\$ 2,314,000	\$ 2,192,556	\$ (121,444)	\$ 2,198,626
Food Sales	739,500	739,500	609,409	(130,091)	648,542
Commodities	160,000	160,000	132,531	(27,469)	120,207
Other Local Revenues	-	-	1,382	1,382	3,368
<b>Total Revenues</b>	<b><u>3,236,193</u></b>	<b><u>3,213,500</u></b>	<b><u>2,935,878</u></b>	<b><u>(277,622)</u></b>	<b><u>2,970,743</u></b>
Expenditures:					
Food Services					
Non-Certificated Salaries	1,522,387	1,543,359	1,489,789	53,570	1,536,174
Employee Benefits	1,347,602	1,354,645	1,120,407	234,238	1,152,720
Professional and Technical Services	-	-	-	-	-
Staff Travel	11,300	11,592	10,032	1,560	11,010
Utility Services	2,600	2,600	1,907	693	2,018
Other Purchased Services	55,200	42,700	22,090	20,610	45,829
Supplies, Materials, and Media	1,625,849	1,928,074	1,193,605	734,469	1,368,912
Other Expenses	1,200	3,920	4,071	(151)	4,259
Equipment	-	28,202	27,504	698	4,715
<b>Total Expenditures</b>	<b><u>4,566,138</u></b>	<b><u>4,915,092</u></b>	<b><u>3,869,405</u></b>	<b><u>1,045,687</u></b>	<b><u>4,125,637</u></b>
Excess (Deficiency) of Revenue over Expenditures	<u>(1,329,945)</u>	<u>(1,701,592)</u>	<u>(933,527)</u>	<u>768,065</u>	<u>(1,154,894)</u>
Other Financing Sources:					
Transfers In	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>	1,100,000	<u>\$ (100,000)</u>	1,200,000
Fund Balance, Beginning of Year			<u>467,422</u>		<u>422,316</u>
Fund Balance, End of Year			<u>\$ 633,895</u>		<u>\$ 467,422</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
 FOOD SERVICE - FRESH FRUIT & VEGETABLE PROGRAM  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE-  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2017  
 With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 22,693	\$ 141,830	\$ 141,829	\$ (1)	\$ 95,585
Expenditures:					
Food Service					
Non-Certificated Salaries	-	20,972	16,498	4,474	-
Employee Benefits	-	7,043	9,820	(2,777)	-
Supplies, Materials, and Media	22,693	113,815	115,511	(1,696)	95,585
Total Expenditures	22,693	141,830	141,829	1	95,585
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, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ -	\$ -	\$ -	\$ -	\$ 58,118
Expenditures:					
Food Service Supplies, Materials, and Media	-	229,817	5,913	223,904	-
Total Expenditures	-	229,817	5,913	223,904	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ (229,817)	(5,913)	\$ 223,904	58,118
Fund Balance, Beginning of Year			229,817		171,699
Fund Balance, End of Year			\$ 223,904		\$ 229,817

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
 FOOD SERVICE NSLP EQUIPMENT  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE-  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2017  
 With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ -	\$ -	\$ -	\$ -	\$ 4,900
Expenditures:					
Food Service Equipment	-	-	-	-	4,900
Total Expenditures	-	-	-	-	4,900
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  
 FOURTH R TRAINING  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE-  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2017  
 With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ -	\$ -	\$ -	\$ -	\$ 6,600
Expenditures:					
Support Services - Instruction					
Certificated Salaries	-	-	-	-	3,116
Non-Certificated Salaries	-	-	-	-	132
Employee Benefits	-	-	-	-	449
Staff Travel	-	-	-	-	1,173
Supplies	-	-	-	-	1,730
Total Instruction	-	-	-	-	6,600
Total Expenditures	-	-	-	-	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, 2017  
 With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Direct	\$ 161,552	\$ 161,552	\$ 111,049	\$ (50,503)	\$ 120,315
Expenditures:					
Instruction					
Professional and Technical Service	155,354	155,354	106,788	48,566	115,854
District Administration Support Services					
Indirect Costs	6,198	6,198	4,261	1,937	4,461
Total Expenditures	161,552	161,552	111,049	50,503	120,315
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, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 21,440	\$ 27,440	\$ 24,123	\$ (3,317)	\$ 18,535
Expenditures:					
Instruction:					
Non-Certificated Salaries	-	1,427	926	501	448
Employee Benefits		71	71	-	34
Professional and Technical Service		-	-		
Staff Travel	-	-	-	-	1,106
Student Travel	-	3,002	1,104	1,898	325
Supplies, Materials, and Media	-	21,887	21,096	791	16,622
Other Expenses	21,440	-	-	-	-
Total Instruction	21,440	26,387	23,197	3,190	18,535
District Administration Support Services					
Indirect Costs	-	1,053	926	127	-
Total Expenditures	21,440	27,440	24,123	3,317	18,535
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

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, 2017  
 With Comparative Actual Totals for the Year Ended June 30, 2016

	2017			Variance- Positive (Negative)	2016 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ -	\$ -	\$ -	\$ -	\$ 383,128
Expenditures:					
Instruction:					
Supplies, Materials, and Media	-	-	-	-	50,896
Equipment	-	-	-	-	59,947
Total Instruction	-	-	-	-	110,843
Operations and Maintenance of Plant:					
Supplies, Materials, and Media	-	-	-	-	28,690
Equipment	-	-	-	-	243,595
Total Operations and Maintenance of Plant	-	-	-	-	272,285
Total Expenditures	-	-	-	-	383,128
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
MARINE/AQUATIC EDUCATION  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE-  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 30,000	\$ 30,000	\$ 9,203	\$ (20,797)	\$ -
Expenditures:					
Instruction					
Non-Certificated Salaries	-	69	69	-	-
Employee Benefits	-	5	5	-	-
Professional and Technical Services	1,500	1,500	-	1,500	-
Student Travel	24,730	24,656	7,885	16,771	-
Supplies, Materials, and Media	3,770	3,770	1,244	2,526	-
Total Instruction	30,000	30,000	9,203	20,797	-
Total Expenditures	30,000	30,000	9,203	20,797	-
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, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 16,658	\$ 16,658	\$ 16,615	\$ (43)	\$ 14,381
Expenditures:					
Instruction					
Staff Travel	5,000	2,041	2,041	-	2,550
Student Travel	3,000	700	700	-	2,214
Other Purchased Services	500	2,001	2,001	-	1,435
Supplies, Materials, and Media	5,819	11,277	11,235	42	7,649
Other Expenses	1,700	-	-	-	-
Total Instruction	16,019	16,019	15,977	42	13,848
District Administration Support Services					
Indirect Costs	639	639	638	1	533
Total Expenditures	16,658	16,658	16,615	43	14,381
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, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 110,181	\$ 110,181	\$ 110,181	\$ -	\$ 203,457
Expenditures:					
Instruction					
Certificated Salaries	68,479	68,479	71,724	(3,245)	139,261
Employee Benefits	30,174	30,174	31,146	(972)	48,472
Staff Travel	5,500	5,500	2,477	3,023	7,736
Utility Services	-	-	-	-	9
Supplies, Materials and Media	1,800	1,800	606	1,194	436
Total Instruction	105,953	105,953	105,953	-	195,914
District Administration Support Services					
Indirect Costs	4,228	4,228	4,228	-	7,543
Total Expenditures	110,181	110,181	110,181	-	203,457
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, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 17,698	\$ 20,698	\$ 18,131	\$ (2,567)	\$ 9,578
Expenditures:					
Instruction					
Non-Certificated Salaries	-	-	-	-	480
Employee Benefits	-	-	-	-	37
Staff Travel	-	3,000	439	2,561	2,980
Supplies, Materials, and Media	17,698	11,720	11,714	6	6,081
Equipment	-	5,978	5,978	-	-
Total Expenditures	17,698	20,698	18,131	2,567	9,578
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
PROJECT AWARE  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE-  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal - Through the State	\$ 310,172	\$ 310,172	\$ 265,871	\$ (44,301)	\$ 291,418
Expenditures:					
Support Services - Student					
Certificated Salaries	174,554	143,000	142,643	357	173,371
Employee Benefits	48,134	60,272	60,628	(356)	62,407
Supplies, Materials, and Media	-	450	450	-	450
Total Support Services - Student	<u>222,688</u>	<u>203,722</u>	<u>203,721</u>	<u>1</u>	<u>236,228</u>
Support Services - Instruction					
Certificated Salaries	31,942	42,249	28,157	14,092	24,485
Non-Certificated Salaries	-	250	240	10	2,034
Employee Benefits	10,660	18,883	9,247	9,636	8,742
Staff Travel	3,315	16,762	5,581	11,181	1,418
Supplies, Materials, and Media	9,350	9,260	8,724	536	6,497
Other Expenses	20,683	7,145	-	7,145	-
Equipment	-	-	-	-	2,180
Total Support Services - Instruction	<u>75,950</u>	<u>94,549</u>	<u>51,949</u>	<u>42,600</u>	<u>45,356</u>
District Administration Support Services					
Indirect Costs	<u>11,534</u>	<u>11,901</u>	<u>10,201</u>	<u>1,700</u>	<u>9,834</u>
Total Expenditures	<u>310,172</u>	<u>310,172</u>	<u>265,871</u>	<u>44,300</u>	<u>291,418</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  
SAFE CHILDREN'S ACT  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE-  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017			Variance- Positive (Negative)	2016 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ 8,816	\$ 12,855	\$ 12,855	\$ -	\$ -
Total Revenues	<u>8,816</u>	<u>12,855</u>	<u>12,855</u>	-	-
Expenditures:					
Instruction					
Supplies, Materials, and Media	<u>8,816</u>	<u>12,855</u>	<u>12,855</u>	-	-
Total Expenditures	<u>8,816</u>	<u>12,855</u>	<u>12,855</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 EMERGENCY MANAGEMENT  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE-  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017			Variance- Positive (Negative)	2016 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal - Through the State	\$ -	\$ 4,000	\$ 4,000	\$ -	\$ -
Expenditures:					
Instruction					
Other Purchased Services	-	-	2,327	(2,327)	-
Supplies, Materials, and Media	-	4,000	1,673	2,327	-
Total Expenditures	-	4,000	4,000	-	-
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, 2017  
 With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ -	\$ 2,195	\$ 6,062	\$ 3,867	\$ 3,288
Federal-Through the State	4,994	12,412	5,270	(7,142)	19,931
<b>Total Revenues</b>	<b>4,994</b>	<b>14,607</b>	<b>11,332</b>	<b>(3,275)</b>	<b>23,219</b>
Expenditures:					
Instruction					
Certificated Salaries	-	1,100	140	960	-
Non-Certificated Salaries	-	-	120	(120)	77
Employee Benefits	-	70	20	50	6
Staff Travel	4,995	13,438	11,052	2,386	23,136
<b>Total Expenditures</b>	<b>4,995</b>	<b>14,608</b>	<b>11,332</b>	<b>3,276</b>	<b>23,219</b>
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, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenue:					
State	\$ 7,527,962	\$ 7,527,962	\$ 7,476,569	\$ (51,393)	\$ 8,150,227
Expenditures:					
Student Transportation					
Student Activities					
Non-Certificated Salaries	81,329	65,170	60,511	4,659	16,816
Employee Benefits	62,712	38,942	38,778	164	6,946
Staff Travel	9,500	9,500	745	8,755	190
Utility Services	1,500	1,500	446	1,054	512
Other Purchased Services	8,076,760	8,076,760	8,071,980	4,780	2,510
Supplies, Materials, and Media	7,300	7,300	9,867	(2,567)	1,369
Other Expenses	1,300	1,300	-	1,300	823
Equipment	-	-	348	(348)	1,450
Total Student Activities	<u>8,240,401</u>	<u>8,200,472</u>	<u>8,182,675</u>	<u>17,797</u>	<u>30,616</u>
Student Transportation					
Home to School					
Non-Certificated Salaries	3,000	29,265	28,724	541	60,836
Employee Benefits	230	13,894	14,364	(470)	47,098
Staff Travel	1,000	500	85	415	894
Utility Services	1,000	600	2,975	(2,375)	468
Other Purchased Services	-	3,600	2,931	669	7,880,836
Supplies, Materials, and Media	32,000	10,550	7,778	2,772	4,750
Other Expenses	500	500	1,908	(1,408)	32
Equipment	-	18,750	18,750	-	-
Total Student Transportation	<u>37,730</u>	<u>77,659</u>	<u>77,515</u>	<u>144</u>	<u>7,994,914</u>
Total Expenditures	<u>8,278,131</u>	<u>8,278,131</u>	<u>8,260,190</u>	<u>17,941</u>	<u>8,025,530</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(750,169)</u>	<u>(750,169)</u>	<u>(783,621)</u>	<u>(33,452)</u>	<u>124,697</u>
Other Financing Sources:					
Transfers In	<u>\$ 655,072</u>	<u>\$ 655,072</u>	655,072	<u>\$ -</u>	<u>\$ -</u>
Fund Balance, Beginning of Year			<u>1,163,789</u>		<u>1,039,092</u>
Fund Balance, End of Year			<u>\$ 1,035,240</u>		<u>\$ 1,163,789</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
 SUICIDE AWARENESS PRE & POSTVENTION  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE-  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2017  
 With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 27,945	\$ 33,945	\$ 27,721	\$ (6,224)	\$ 15,846
Expenditures:					
Instruction					
Certificated Salaries	-	900	420	480	-
Employee Benefits	-	69	32	37	-
Professional and Technical Services	-	21,162	21,161	1	-
Staff Travel	-	4,445	4,120	325	-
Student Travel	-	400	116	284	-
Supplies, Materials, and Media	-	859	808	51	-
Other Expenses	27,945	4,808	-	4,808	-
Total Instruction	27,945	32,643	26,657	5,986	-
District Administration Support Services					
Indirect Costs	-	1,302	1,064	238	-
Total Expenditures	27,945	33,945	27,721	6,224	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
TITLE I-D, DELINQUENT  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE-  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 14,944	\$ 14,944	\$ 4,373	\$ (10,571)	\$ 15,846
Expenditures:					
Instruction					
Certificated Salaries	9,500	8,500	1,876	6,624	1,175
Non-Certificated Salaries	-	990	246	744	-
Employee Benefits	918	854	162	692	164
Professional and Technical Services	1,000	-	-	-	-
Staff Travel	1,000	1,000	-	1,000	-
Utilities	200	200	-	200	-
Supplies, Materials, and Media	1,272	2,346	1,921	425	6,658
Equipment	500	500	-	500	7,541
Total Instruction	14,390	14,390	4,205	10,185	15,538
District Administration Support Services					
Indirect Costs	554	554	168	386	308
Total Expenditures	14,944	14,944	4,373	10,571	15,846
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, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017			Variance- Positive (Negative)	2016 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 3,351,407	\$ 3,351,407	\$ 2,709,014	\$ (642,393)	\$ 2,354,094
Expenditures:					
Special Education - Instruction					
Certificated Salaries	333,594	358,205	356,229	1,976	405,988
Non-Certificated Salaries	1,194,058	1,194,058	1,049,598	144,460	842,218
Employee Benefits	1,440,743	1,440,743	1,098,166	342,577	881,224
Professional and Technical Services	70,000	70,000	16,261	53,739	12,236
Staff Travel	100,000	100,000	77,343	22,657	93,843
Other Purchased Services	8,000	8,000	4,278	3,722	6,384
Supplies, Materials, and Media	76,422	51,811	3,197	48,614	21,165
Equipment	-	-	-	-	3,908
Total Special Education - Instruction	<u>3,222,817</u>	<u>3,222,817</u>	<u>2,605,072</u>	<u>617,745</u>	<u>2,266,966</u>
District Administration Support Services					
Indirect Costs	<u>128,590</u>	<u>128,590</u>	<u>103,942</u>	<u>24,648</u>	<u>87,128</u>
Total Expenditures	<u>3,351,407</u>	<u>3,351,407</u>	<u>2,709,014</u>	<u>642,393</u>	<u>2,354,094</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance, Beginning of Year			<u>-</u>		<u>-</u>
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
TITLE VII - INDIAN EDUCATION  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE-  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Direct	\$ 474,505	\$ 474,505	\$ 447,491	\$ (27,014)	\$ 432,543
Expenditures:					
Instruction					
Certificated Salaries	26,970	58,870	56,661	2,209	74,605
Non-Certificated Salaries	152,851	88,532	88,103	429	74,909
Employee Benefits	106,760	68,916	68,961	(45)	85,872
Professional and Technical Services	161,000	177,918	158,832	19,086	168,232
Staff Travel	2,000	11,356	11,355	1	7,301
Student Travel	2,448	29,105	29,461	(356)	2,922
Utilities	-	390	390	-	325
Other Purchased Services	-	550	550	-	-
Supplies, Materials, and Media	3,608	20,000	16,008	3,992	730
Other Expenses	-	-	-	-	1,612
Total Instruction	<u>455,637</u>	<u>455,637</u>	<u>430,321</u>	<u>25,316</u>	<u>416,508</u>
District Administration Support Services					
Indirect Costs	<u>18,868</u>	<u>18,868</u>	<u>17,170</u>	<u>1,698</u>	<u>16,035</u>
Total Expenditures	<u>474,505</u>	<u>474,505</u>	<u>447,491</u>	<u>27,014</u>	<u>432,543</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance, Beginning of Year			<u>-</u>		<u>-</u>
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
UPWARD BOUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE-  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017			Variance- Positive (Negative)	2016 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 30,000	\$ 30,000	\$ 23,371	\$ (6,629)	\$ 25,937
Expenditures:					
Instruction					
Certificated Salaries	11,842	11,842	11,842	-	11,842
Non-Certificated Salaries	-	509	509	-	1,043
Employee Benefits	1,658	1,697	1,691	6	1,733
Student Travel	3,000	2,216	1,128	1,088	1,338
Supplies, Materials, and Media	2,700	2,936	1,997	939	2,411
Other Expenses	10,800	10,800	6,204	4,596	7,570
Total Expenditures	30,000	30,000	23,371	6,629	25,937
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

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, 2017  
 With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 73,776	\$ 73,776	\$ 73,776	\$ -	\$ 69,143
Expenditures:					
Instruction:					
Certificated Salaries	51,932	52,060	52,060	-	49,905
Non-Certificated Salaries	-	132	132	-	-
Employee Benefits	19,013	18,629	18,629	-	16,675
Supplies	-	124	124	-	-
Total Instruction	70,945	70,945	70,945	-	66,580
District Administration Support Services					
Indirect Costs	2,831	2,831	2,831	-	2,563
Total Expenditures	73,776	73,776	73,776	-	69,143
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, 2017  
With Comparative Actual Totals for the Year Ended June 30, 2016

	2017				2016 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 20,421	\$ 20,421	\$ 20,421	\$ -	\$ -
Expenditures:					
Instruction					
Certificated Salaries	1,500	1,500	1,500	-	-
Employee Benefits	210	210	208	2	-
Professional and Technical Services	-	6,924	6,924	-	-
Supplies, Materials, and Media	18,711	11,787	11,789	(2)	-
Total Expenditures	20,421	20,421	20,421	-	-
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, 2017

	Employee Compensated Leave Fund	Health Care Fund	Total Internal Service Funds
<u>ASSETS</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Equity in Central Treasury	\$ 3,109,745	\$ 2,436,907	\$ 5,546,652
Equity in Central Treasury - Restricted for Healthcare	-	3,318,306	3,318,306
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 3,109,745</u>	<u>\$ 5,755,213</u>	<u>\$ 8,864,958</u>
<u>LIABILITIES</u>			
Current Liabilities			
Health Claims Payable (IBNR)	\$ -	\$ 3,913,179	\$ 3,913,179
Contributions Collected from Employees in Excess of Negotiated Agreement	-	701,399	701,399
Compensated Absences	49,097		49,097
Total Current Liabilities	<u>49,097</u>	<u>4,614,578</u>	<u>4,663,675</u>
Noncurrent Liabilities		-	
Compensated Absences, net of current portion	<u>3,060,648</u>	<u>-</u>	<u>3,060,648</u>
Total Liabilities	<u>\$ 3,109,745</u>	<u>\$ 4,614,578</u>	<u>\$ 7,724,323</u>
<u>NET POSITION</u>			
Net Position - Unrestricted	<u>-</u>	<u>1,140,635</u>	<u>1,140,635</u>
Total Net Position	<u>\$ -</u>	<u>\$ 1,140,635</u>	<u>\$ 1,140,635</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, 2017

	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	\$ 2,739,116	\$ -	\$ 2,739,116
Employer Contributions	-	25,058,581	25,058,581
Employee Contributions, Net of adjustment per negotiated agreement.	-	4,405,917	4,405,917
	<u>2,739,116</u>	<u>29,464,498</u>	<u>32,203,614</u>
Total Operating Revenues			
Operating Expenses:			
Administrative services	2,739,116	-	2,739,116
Healthcare Claims and Administrative Fees	-	29,041,370	29,041,370
	<u>2,739,116</u>	<u>29,041,370</u>	<u>31,780,486</u>
Total operating expenses			
Operating income	-	423,128	423,128
Nonoperating Revenues - Interest Income	-	5,239	5,239
Increase in net position	-	428,367	428,367
Total net position, beginning of year	-	712,268	712,268
Total net position, end of year	<u>\$ -</u>	<u>\$ 1,140,635</u>	<u>\$ 1,140,635</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2017

	Employee Compensated Leave Fund	Health Care Fund	Total Internal Service Funds
Cash flows from operating activities:			
Payments for interfund services provided	\$ 2,739,116	\$ -	\$ 2,739,116
Payments to employees	(2,782,479)	-	(2,782,479)
Receipts from employer - current year contributions	-	25,058,581	25,058,581
Receipts from employees - current year contributions	-	4,529,268	4,529,268
Payments for claims and services	-	(29,466,285)	(29,466,285)
Net cash flow from operating activities	<u>(43,363)</u>	<u>121,564</u>	<u>78,201</u>
Cash flows from investing activities - interest income received	<u>-</u>	<u>5,239</u>	<u>5,239</u>
Net increase (decrease) in cash and cash equivalents	<u>(43,363)</u>	<u>126,803</u>	<u>83,440</u>
Cash and cash equivalents, beginning of year	<u>3,153,109</u>	<u>5,628,409</u>	<u>8,781,518</u>
Cash and cash equivalents, end of year	<u>\$ 3,109,746</u>	<u>\$ 5,755,212</u>	<u>\$ 8,864,958</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ -	\$ 423,128	\$ 423,128
Decrease in compensated absences payable	(43,361)	-	(43,361)
Decrease in health care payable	-	(424,915)	(424,915)
Contributions collected from employees in excess of negotiated agreement	-	123,351	123,351
Net cash (used) provided by operating activities	<u>\$ (43,361)</u>	<u>\$ 121,564</u>	<u>\$ 78,203</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, 2017

<u>Student Activity</u>	<u>Total June 30, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Total June 30, 2017</u>
Assets:				
Cash	\$ 18,038	\$ -	\$ 2,947	\$ 15,091
Equity in Central Treasury	<u>2,741,899</u>	<u>8,544,088</u>	<u>8,559,620</u>	<u>2,726,367</u>
Total Assets:	<u>\$ 2,759,937</u>	<u>\$ 8,544,088</u>	<u>\$ 8,562,567</u>	<u>\$ 2,741,458</u>
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Amount Due Student Groups	<u>2,759,937</u>	<u>8,544,088</u>	<u>8,562,567</u>	<u>2,741,458</u>
Total Liabilities:	<u>\$ 2,759,937</u>	<u>\$ 8,544,088</u>	<u>\$ 8,562,567</u>	<u>\$ 2,741,458</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, 2017

	General Capital Assets June 30, 2016	Additions	Deletions	Transfers	General Capital Assets June 30, 2017
Administration	\$ 2,769,892	\$ 99,738	\$ (116,837)	\$ (61,720)	\$ 2,691,073
Schools	<u>6,697,323</u>	<u>185,663</u>	<u>(222,040)</u>	<u>61,720</u>	<u>\$ 6,722,666</u>
	<u>\$ 9,467,215</u>	<u>\$ 285,401</u>	<u>\$ (338,877)</u>	<u>\$ -</u>	<u>\$ 9,413,739</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
SCHEDULE OF GENERAL CAPITAL ASSETS - BY LOCATION  
June 30, 2017

	<u>Equipment</u>		<u>Equipment</u>
Administration:		Kenai:	
District Office and		Aurora Borealis	196,130
Warehouse	\$ 2,691,073	High School	1,196,885
Total Administration	<u>2,691,073</u>	Kaleidoscope	77,580
		Kenai Alternative	5,721
		Middle School	252,919
Schools:		Mt. View Elementary	79,947
Outside Cities:		Total Kenai	<u>1,809,182</u>
Chapman Elementary	60,755		
Cooper Landing	36,596	Seldovia:	<u>131,406</u>
Hope	49,963	Susan B. English	<u>131,406</u>
Kachemak Selo	22,067	Total Seldovia	
K-Beach	81,087		
McNeil Canyon	42,508	Seward:	
Moose Pass	12,401	Elementary	44,235
Nanwalek	52,176	High School	544,882
Nikiski High	703,110	Middle	58,432
Nikiski North Star	48,999	Total Seward	<u>647,549</u>
Nikolaevsk	113,465		
Ninilchik	162,162	Soldotna:	
Port Graham	23,580	Connections	24,048
Skyview Middle	281,203	Elementary	91,175
Sterling	46,173	High School	875,859
Tebughna	32,672	Peninsula Optional High	6,047
Tustumena	41,295	Prep School	130,715
Voznesenka	21,365	Redoubt Elementary	101,376
Total Outside Cities	<u>1,831,577</u>	Total Soldotna	<u>1,229,220</u>
Homer:		Total Schools	<u>6,722,666</u>
Fireweed Academy	55,462		
High School	807,797	Total General Capital Assets	<u>\$ 9,413,739</u>
Homer Flex	19,060		
Middle School	74,888		
Paul Banks	28,430		
Razdolna	30,677		
West Homer	57,418		
Total Homer	<u>1,073,732</u>		

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

COMPARATIVE SCHEDULE OF CAPITAL ASSETS - BY SOURCE  
 June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
General Capital Assets:		
Furniture and Equipment	<u>\$ 9,413,739</u>	<u>\$ 9,467,215</u>
Investments in General Capital Assets from:		
General Obligation Bonds	\$ 5,087,680	\$ 4,921,761
State and Federal Grants	3,926,934	4,124,993
General Fund Revenue	<u>399,125</u>	<u>420,461</u>
Total Investment in General Capital Assets:	<u>\$ 9,413,739</u>	<u>\$ 9,467,215</u>

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SCHEDULES SECTION

**SCHEDULES SECTION**

Schedule of State Financial Assistance

Schedule of Expenditures of Federal Awards

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**KENAI PENINSULA BOROUGH SCHOOL DISTRICT**  
Schedule of State Financial Assistance  
Year Ended June 30, 2017

<u>State Grantor</u>	<u>Program Number</u>	<u>Amount Expended</u>
Department of Administration:		
* TRS On Behalf		\$ 7,603,279
* PERS On Behalf		883,559
* PERS On Behalf passed through Kenai Peninsula Borough		<u>151,529</u>
Total Department of Administration		<u>8,638,367</u>
Department of Education and Early Development:		
* Foundation		81,308,106
* Pupil Transportation		7,476,569
Alternative Schools	BH 17.KPSD.01	24,123
Broadband Assistance Grant	SBG 17.024.12	24,521
Digital Teaching Initiative	DT 17.KPSD.01	272,718
Quality Schools		287,068
Safe Childrens Act		12,855
Suicide Awareness, Prevention & Postvention	SP 17.KPSD.01	27,721
Youth In Detention - Kenai Youth Facility	EY 17.KPSD.01	73,776
Youth Risk Behavior Study		<u>20,421</u>
Total Department of Education and Early Development		<u>89,527,878</u>
Department of Commerce, Community and Economic Development:		
Nutritional Alaskan Foods in Schools	13-NAFS-025	5,913
Nutritional Alaskan Foods in Schools	14-NAFS-025	-
Nutritional Alaskan Foods in Schools	15-NAFS-370	<u>-</u>
		5,913
Total State Financial Assistance		\$ <u>98,172,158</u>

\* State major program

**Note 1: Basis of Presentation**

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

**KENAI PENINSULA BOROUGH SCHOOL DISTRICT**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2017

<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	P334A110121-16	111,049
Title VI, Indian Education	84.060A	S060A160799	<u>447,491</u>
Total U.S. Department of Education - Direct			<u>558,540</u>
Passed through Alaska Department of Education and Early Development:			
Title 1, Part A:			
NCLB - Title I-A Basic	84.010	IP 17.KPSD.01	972,884
NCLB - Title I-A 1% Parent Involvement	84.010	IP 17.KPSD.01	10,781
NCLB - Title I-A Pre-K	84.010	IP 17.KPSD.01	<u>946,820</u>
Total CFDA 84.010			<u>1,930,485</u>
Higher Ed /Library Assessment Literacy	84.367B	HE 17.KPSD.01	43,787
NCLB - Title II-A, Training & Recruiting	84.367	IP 17.KPSD.01	<u>549,333</u>
Total CFDA 84.367			<u>593,120</u>
Special Education Cluster:			
Title VI-B	84.027	SE 17.KPSD.01	2,643,511
Preschool Disabled	84.173	SE 17.KPSD.01	<u>65,503</u>
Total Special Education Cluster			<u>2,709,014</u>
Migrant Education, Book	84.011A	MB 17.KPSD.01	11,217
Migrant Education, Parent Advisory Council	84.011	MB 17.KPSD.01	439
NCLB - Title I-C Migrant	84.011	IP 17.KPSD.01	<u>225,982</u>
Total CFDA 84.011			<u>237,638</u>
Migrant Education, Data	84.144G	MD 17.KPSD.01	6,475
McKinney - Vento Homeless	84.196A	FR 17.KPSD.01	16,615
School Emergency Management	84.184Q	EP 17.KPSD.01	4,000
Title I-D, Delinquent (Transitional)	84.013	IP 17.KPSD.01	4,373
Carl Perkins Basic	84.048	EK 17.KPSD.01	211,027
NCLB - Title III-A English Language Acquisition	84.365	IP 17.KPSD.01	<u>24,703</u>
Total passed through Alaska Department of Education and Early Development			<u>5,737,450</u>
Passed through University of Alaska Fairbanks			
UAF-Upward Bound - Seward	84.047A	P047A121760	10,881
UAF-Upward Bound - Nikiski	84.047A	P047A121760	<u>12,490</u>
Total CFDA 84.047			<u>23,371</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 During the Year Ended 06/30/17 (Through 05/31/16)</u>
UAF-Alaska Statewide Mentor Project- i3 Innovations in Education	84.411	U411B110072	<u>110,181</u>
UAF-Marine Aquatic Education and Sea Week Activities	11.417	NA14OAR4170079	<u>9,203</u>
Total University of Alaska Fairbanks			<u>142,755</u>
Total U.S. Department of Education			<u>6,438,745</u>
U.S. Department of Health and Human Services:			
Project AWARE - Youth Mental Health	93.243	AW 17.KPSD.01	264,305
Project AWARE - Youth Mental Health First Aid Training	93.243	AW 17.KPSD.01	<u>1,566</u>
Total CFDA 93.243			<u>265,871</u>
Total U.S Department of Health and Human Services			<u>265,871</u>
U.S. Department of Commerce:			
Sub Award from National Telecommunications and Internet Administration (NTIA) through Connected Nation, through Connect Alaska, a sub entity			
AASB - Consortium for Digital Learning	11.558	02-50-M09071	<u>2,396</u>
National Endowment for the Arts - Passed through Alaska State Council on the Arts -			
Artist in Schools	45.025	FY16AIS0006	<u>2,786</u>
U.S. Department of Agriculture:			
Child Nutrition Cluster - Passed Through Alaska Department of Education:			
National School Lunch Program - After School Snack	10.553	MA 17.024.01	3,105
National School Lunch Program - Breakfast Program	10.553	MA 17.024.01	468,140
Commodities	10.555		132,531
National School Lunch Program - Lunch Program	10.555	MA 17.024.01	<u>1,721,311</u>
Total Child Nutrition Cluster			<u>2,325,087</u>
Distance Learning and Telemedicine	10.855	AK748-A16	37,261
Fresh Fruit & Vegetable Program	10.582	FF 17.KPSD.01	<u>141,829</u>
Total U.S. Department of Agriculture			<u>2,504,177</u>
Total Expenditures of Federal Awards			<u>\$ 9,213,975</u>

**Note 1. Basis of Presentation**

The above schedule of expenditures of federal awards includes the federal grant activity of Kenai Peninsula Borough School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. 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									
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Invested in Capital Assets	\$ 2,481,217	\$ 2,598,361	\$ 2,407,561	\$ 2,774,938	\$ 3,088,378	\$ 3,054,829	\$ 3,604,976	\$ 3,516,215	\$ 3,491,363	\$ 3,083,746
Restricted										
Charter Schools	2,394,188	570,373	675,350	507,663	645,261	556,395	625,619	664,091	626,097	741,273
Facilities Maintenance	-	-	-	-	-	-	1,845,512	2,042,930	2,288,499	1,321,447
Homeschool Allotment	-	-	-	-	-	-	-	281,975	393,338	549,790
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Total Restricted	2,394,188	570,373	675,350	507,663	645,261	556,395	2,471,131	2,988,996	3,307,934	2,612,510
Unrestricted	17,409,088	29,588,884	28,489,644	30,878,045	27,921,811	27,516,245	23,662,678	(30,561,702)	(51,911,437)	(75,117,199)
Total Net Position	\$ 22,284,493	\$ 32,757,618	\$ 31,572,555	\$ 34,160,646	\$ 31,655,450	\$ 31,127,469	\$ 29,738,785	\$ (24,056,491)	\$ (45,112,140)	\$ (69,420,943)

**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									
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
<b>Expenses</b>										
<b>Government Activities:</b>										
Instruction	\$ 63,518,566	\$ 61,820,342	\$ 68,715,631	\$ 68,158,156	\$ 70,671,418	\$ 73,207,376	\$ 75,266,303	\$ 87,002,086	\$ 78,317,961	\$ 79,665,098
Special Education - Instruction	12,695,426	15,047,686	16,673,739	18,495,855	19,939,292	21,592,288	21,809,338	25,120,274	27,315,525	27,506,978
Special Education Support Services - Student	4,361,409	4,568,803	4,712,605	5,016,857	5,606,638	6,090,491	5,958,859	6,985,692	6,345,150	6,579,272
Support Services - Student	3,653,689	3,569,636	3,817,779	3,898,385	4,307,528	4,769,002	4,961,996	5,139,495	7,037,564	6,303,071
Support Services - Instruction	2,433,644	2,382,071	2,612,624	2,358,838	3,432,382	3,476,192	3,780,721	4,025,162	4,002,804	3,505,986
School Administration	6,065,999	5,903,499	6,414,684	6,673,392	6,666,723	7,261,568	7,846,925	9,185,386	7,219,494	7,342,662
School Administration Support Services	3,836,494	4,011,390	4,140,290	4,178,505	4,585,996	4,805,263	4,969,562	5,197,826	6,849,331	6,358,677
District Administration	951,922	839,511	861,516	957,877	1,065,732	1,134,698	1,253,600	1,020,470	1,466,633	1,426,130
District Administration Support Services	4,842,365	4,831,610	6,323,003	5,628,931	6,658,848	6,210,335	6,219,036	6,349,127	8,191,709	7,223,584
Operations and Maintenance of Plant	18,031,850	18,537,698	19,048,197	20,646,201	22,639,419	21,254,202	23,096,259	23,453,558	24,178,696	23,610,034
Student Activities	1,953,371	1,509,638	2,262,698	2,306,828	2,344,153	2,364,058	2,452,215	2,684,455	2,499,171	2,515,146
Community Service	56,027	55,605	58,130	64,559	64,408	48,657	40,583	39,110	39,979	21,273
Student Transportation	5,455,201	5,636,018	5,500,984	5,514,495	6,116,707	7,459,992	7,334,939	7,932,255	7,998,559	8,160,684
Food Service	2,975,193	3,190,105	3,262,858	3,283,102	3,814,960	4,226,732	4,479,711	4,490,808	4,254,755	4,014,919
<b>Total expenses</b>	<b>\$ 130,831,156</b>	<b>\$ 131,903,612</b>	<b>\$ 144,404,738</b>	<b>\$ 147,181,981</b>	<b>\$ 157,914,204</b>	<b>\$ 163,900,854</b>	<b>\$ 169,470,047</b>	<b>\$ 188,625,704</b>	<b>\$ 185,717,331</b>	<b>\$ 184,233,514</b>
<b>Program Revenues</b>										
<b>Charges for Services</b>										
Food Service /Community Theater	1,000,689	994,849	950,232	896,109	825,329	745,201	683,135	669,280	686,127	655,869
Operating Grants and Contributions	14,181,235	14,967,746	20,631,827	21,116,546	18,381,570	18,134,117	19,290,617	18,719,908	18,531,943	17,288,971
<b>Total Program Revenues</b>	<b>15,181,924</b>	<b>15,962,595</b>	<b>21,582,059</b>	<b>22,012,655</b>	<b>19,206,899</b>	<b>18,879,318</b>	<b>19,973,752</b>	<b>19,389,188</b>	<b>19,218,070</b>	<b>17,944,840</b>
<b>Total Net(Expense)/Governmental Activities</b>	<b>(115,649,232)</b>	<b>(115,941,017)</b>	<b>(122,822,679)</b>	<b>(125,169,326)</b>	<b>(138,707,305)</b>	<b>(145,021,536)</b>	<b>(149,496,295)</b>	<b>(169,236,516)</b>	<b>(166,499,261)</b>	<b>(166,288,674)</b>
<b>General Revenues:</b>										
<b>Government Activities:</b>										
Borough Direct Appropriation	\$ 37,701,117	\$ 41,146,945	\$ 42,983,376	\$ 42,588,135	\$ 43,251,135	\$ 43,000,000	\$ 43,500,000	\$ 44,013,525	\$ 48,238,432	\$ 48,238,432
Public School Funding Program	60,523,098	62,317,926	64,062,960	69,123,351	71,912,349	75,563,384	74,891,748	79,159,764	80,573,648	81,595,174
Retirement: On-behalf Payments	19,322,147	15,227,995	11,901,565	13,615,283	17,803,814	22,907,953	24,234,519	39,377,047	14,492,689	10,867,950
Other State Revenue	3,135,060	245,599	250,195	263,359	1,658,523	2,010,671	3,456,964	3,290,897	-	-
Earnings on Investment	1,746,569	1,563,679	1,351,985	837,735	898,439	55,918	475,548	326,758	623,325	83,033
E-Rate Program	722,223	426,290	575,663	591,046	118,707	590,640	1,219,637	287,658	1,088,548	751,344
Medicaid Reimbursement	549,024	288,038	408,492	593,496	343,617	164,384	200,451	211,375	287,646	250,781
Other	228,227	173,326	103,380	145,012	215,525	200,605	128,744	399,614	139,324	193,157
<b>Total General Revenues</b>	<b>\$ 123,927,465</b>	<b>\$ 121,389,798</b>	<b>\$ 121,637,616</b>	<b>\$ 127,757,417</b>	<b>\$ 136,202,109</b>	<b>\$ 144,493,555</b>	<b>\$ 148,107,611</b>	<b>\$ 167,066,638</b>	<b>\$ 145,443,612</b>	<b>\$ 141,979,871</b>
Special Item - writeoff NPO/OPEB	-	5,024,344	-	-	-	-	-	-	-	-
<b>Change in Net Position</b>	<b>\$ 8,278,233</b>	<b>\$ 10,473,125</b>	<b>\$ (1,185,063)</b>	<b>\$ 2,588,091</b>	<b>\$ (2,505,196)</b>	<b>\$ (527,981)</b>	<b>\$ (1,388,684)</b>	<b>\$ (2,169,878)</b>	<b>\$ (21,055,649)</b>	<b>\$ (24,308,803)</b>

## KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

	FISCAL YEAR									
	2007-2008	2008-2009*	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015**	2015-2016	2016-2017
Change in Net Position	\$ 8,278,233	\$ 10,473,125	\$ (1,185,063)	\$ 2,588,091	\$ (2,505,196)	\$ (527,981)	\$ (1,388,684)	\$ (2,169,878)	\$ (21,055,649)	\$ (24,308,803)
Net Position - Beginning	14,006,260	22,284,493	32,757,618	31,572,555	34,160,646	31,655,450	31,127,469	(21,886,613)	(24,056,491)	(45,112,140)
Net Position - Ending	<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>	<u>\$ 29,738,785</u>	<u>\$ (24,056,491)</u>	<u>\$ (45,112,140)</u>	<u>\$ (69,420,943)</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.

\*\*Net Position for 2013-2014 was restated for compliance of GASB 68.

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

	FISCAL YEAR									
	2007-2008	2008-2009	2009-2010	2010-2011*	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
General Fund										
Reserved	\$ 9,058,171	\$ 9,645,680	\$ 9,071,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	7,615,732	6,833,310	6,192,633	-	-	-	-	-	-	-
Undesignated	2,720,208	4,683,677	5,737,714	-	-	-	-	-	-	-
Total General Fund	<u>\$ 19,394,111</u>	<u>\$ 21,162,667</u>	<u>\$ 21,001,365</u>	<u>\$ -</u>						
Special Revenue Funds										
Reserved	\$ 254,471	\$ 267,430	\$ 393,526	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Undesignated	5,179,038	8,729,160	7,770,103	-	-	-	-	-	-	-
Total Special Revenue Funds	<u>\$ 5,433,509</u>	<u>\$ 8,996,590</u>	<u>\$ 8,163,629</u>	<u>\$ -</u>						
Total Fund Balance	<u>\$ 24,827,620</u>	<u>\$ 30,159,257</u>	<u>\$ 29,164,994</u>	<u>\$ -</u>						
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ 2,160,675	\$ 1,978,610	\$ 1,715,712	\$ 1,687,933	\$ 707,220	\$ 2,064,255	\$ 2,212,284
Committed	-	-	-	-	-	-	-	-	4,200,580	4,157,085
Restricted	-	-	-	892,467	983,984	1,485,931	2,471,131	2,988,996	3,307,934	2,612,510
Assigned	-	-	-	14,513,862	10,593,166	10,131,139	8,120,850	5,655,347	3,625,958	1,618,721
Unassigned	-	-	-	5,792,038	6,808,518	6,290,517	6,116,952	7,897,978	2,671,214	3,954,326
Total General Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,359,042</u>	<u>\$ 20,364,278</u>	<u>\$ 19,623,299</u>	<u>\$ 18,396,866</u>	<u>\$ 17,249,541</u>	<u>\$ 15,869,941</u>	<u>\$ 14,554,926</u>
Special Revenue Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ 284,397	\$ 366,559	\$ 218,298	\$ 467,256	\$ 271,235	\$ 233,827	\$ 159,748
Committed	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	7,787,245	6,783,452	6,744,505	5,623,019	5,389,396	5,568,658	5,263,514
Unassigned	-	-	-	(44,976)	(44,976)	(44,976)	(44,976)	(44,976)	(44,976)	(44,976)
Total Special Revenue Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,026,666</u>	<u>\$ 7,105,035</u>	<u>\$ 6,917,827</u>	<u>\$ 6,045,299</u>	<u>\$ 5,615,655</u>	<u>\$ 5,757,509</u>	<u>\$ 5,378,286</u>
Total Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,385,708</u>	<u>\$ 27,469,313</u>	<u>\$ 26,541,126</u>	<u>\$ 24,442,165</u>	<u>\$ 22,865,196</u>	<u>\$ 21,627,450</u>	<u>\$ 19,933,212</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

GOVERNMENTAL FUNDS REVENUES  
LAST TEN FISCAL YEARS  
(Unaudited)

	FISCAL YEAR									
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Federal Sources:										
Federal - Direct	\$ 287,390	\$ 306,186	\$ 401,153	\$ 377,756	\$ 424,110	\$ 455,577	\$ 498,606	\$ 514,450	\$ 723,255	\$ 595,801
Federal - Through the State	8,267,768	7,856,624	13,617,440	14,547,490	10,999,132	8,291,671	9,130,871	8,251,490	8,822,785	8,897,264
Federal - Through other Agencies	-	3,305	-	-	-	2,500	-	-	-	-
<b>Total Federal Sources</b>	<b>\$ 8,555,158</b>	<b>\$ 8,166,115</b>	<b>\$ 14,018,593</b>	<b>\$ 14,925,246</b>	<b>\$ 11,423,242</b>	<b>\$ 8,749,748</b>	<b>\$ 9,629,477</b>	<b>\$ 8,765,940</b>	<b>\$ 9,546,040</b>	<b>\$ 9,493,065</b>
State Sources:										
Public School Funding Program	\$ 63,658,158	\$ 62,563,525	\$ 64,313,155	\$ 69,386,710	\$ 72,182,738	\$ 75,839,317	\$ 75,166,711	\$ 79,442,023	\$ 80,573,648	\$ 81,595,174
Retirement: On-behalf Payments	19,322,147	15,227,995	11,901,565	13,615,283	17,803,814	22,907,953	24,234,519	143,894,553	9,867,341	8,638,367
One Time State Funding	-	-	-	-	1,388,134	1,734,738	3,182,001	3,008,638	-	-
Other State Revenue	6,001,393	6,622,333	6,769,831	6,542,513	7,076,188	9,278,661	9,443,778	9,822,601	8,906,803	7,911,545
<b>Total All Other Government Funds</b>	<b>\$ 88,981,698</b>	<b>\$ 84,413,853</b>	<b>\$ 82,984,551</b>	<b>\$ 89,544,506</b>	<b>\$ 98,450,874</b>	<b>\$ 109,760,669</b>	<b>\$ 112,027,009</b>	<b>\$ 236,167,815</b>	<b>\$ 99,347,792</b>	<b>\$ 98,145,086</b>
Local Sources:										
Borough Direct Appropriation	\$ 37,701,117	\$ 41,146,945	\$ 42,983,376	\$ 42,588,135	\$ 43,251,135	\$ 43,000,000	\$ 43,500,000	\$ 44,013,525	\$ 48,238,432	\$ 48,238,432
Corporate Grants and User Fees	123,135	163,808	106,591	84,059	117,033	98,285	121,502	89,114	101,594	154,144
Food Sales	955,879	952,018	905,767	853,654	781,299	703,256	657,295	637,595	648,542	609,409
Earnings on Investments	1,746,569	1,563,679	1,351,985	837,735	898,439	78,701	614,272	421,928	806,217	107,323
Other Local Revenue	1,045,833	945,975	868,812	936,737	486,986	982,214	1,531,808	877,415	1,347,717	947,669
<b>Total All Other Government Funds</b>	<b>\$ 41,572,533</b>	<b>\$ 44,772,425</b>	<b>\$ 46,216,531</b>	<b>\$ 45,300,320</b>	<b>\$ 45,534,892</b>	<b>\$ 44,862,456</b>	<b>\$ 46,424,877</b>	<b>\$ 46,039,577</b>	<b>\$ 51,142,502</b>	<b>\$ 50,056,977</b>
<b>Total Revenue</b>	<b>\$ 139,109,389</b>	<b>\$ 137,352,393</b>	<b>\$ 143,219,675</b>	<b>\$ 149,770,072</b>	<b>\$ 155,409,008</b>	<b>\$ 163,372,873</b>	<b>\$ 168,081,363</b>	<b>\$ 290,973,332</b>	<b>\$ 160,036,334</b>	<b>\$ 157,695,128</b>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

GOVERNMENTAL FUNDS EXPENDITURES  
LAST TEN FISCAL YEARS  
(Unaudited)

	FISCAL YEAR									
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Expenditures:										
Instruction	\$ 63,488,942	\$ 62,067,541	\$ 68,929,841	\$ 68,248,693	\$ 70,705,651	\$ 73,540,692	\$ 75,303,404	\$ 153,282,907	\$ 68,954,024	\$ 67,655,239
Special Education - Instruction	12,667,079	15,047,687	16,687,607	18,493,550	19,969,419	21,697,320	21,824,017	39,901,135	22,477,371	23,002,905
Special Education Support Services - Stude	4,357,397	4,567,626	4,709,847	5,016,857	5,614,026	6,106,612	5,964,489	12,031,526	5,523,880	5,632,611
Support Services - Student	3,649,437	3,569,636	3,828,379	3,898,385	4,313,204	4,741,625	4,966,685	8,417,273	4,829,934	4,685,499
Support Services - Instruction	2,391,393	2,374,251	2,608,450	2,354,134	3,503,879	3,495,584	3,771,683	6,436,525	3,355,331	2,946,476
School Administration	6,051,927	5,894,424	6,414,515	6,672,373	6,674,487	7,279,767	7,853,319	16,635,574	6,319,716	6,102,965
School Administration Support Services	3,813,704	4,026,857	4,141,233	4,162,807	4,579,314	4,804,920	4,961,926	6,000,353	5,648,777	5,366,431
District Administration	950,172	834,584	855,280	977,921	1,060,774	1,132,748	1,261,255	1,673,515	1,266,201	1,246,047
District Administration Support Services	4,815,586	4,837,284	6,312,937	5,873,132	6,954,273	6,121,508	6,241,343	7,198,837	6,367,538	6,091,360
Operations and Maintenance of Plant	17,783,290	18,579,831	19,112,022	20,693,008	22,839,229	21,442,833	23,177,075	24,591,509	22,221,887	22,230,492
Student Activities	1,770,301	1,334,903	1,831,912	2,161,214	2,194,608	2,211,478	3,020,149	3,983,318	2,048,424	2,208,189
Community Services	56,027	55,605	58,130	64,559	64,493	48,786	40,621	38,992	39,961	21,330
Student Transportation	5,405,975	5,586,792	5,492,429	5,498,915	6,092,404	7,473,969	7,343,482	7,908,357	7,994,914	8,182,675
Food Service	2,973,342	3,243,735	3,231,356	3,433,810	3,870,392	4,203,218	4,450,876	4,450,480	4,226,122	4,017,147
Total Expenditures	<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>	<u>\$ 170,180,324</u>	<u>\$ 292,550,301</u>	<u>\$ 161,274,080</u>	<u>\$ 159,389,366</u>

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

	FISCAL YEAR									
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Excess of revenues over (under) expenditures	\$ 8,934,817	\$ 5,331,637	\$ (994,263)	\$ 2,220,714	\$ (3,027,145)	\$ (928,187)	\$ (2,098,961)	\$ (1,576,969)	\$ (1,237,746)	\$ (1,694,238)
Other Financing Sources (Uses)										
Capitalized Leases	-	-	-	-	-	-	-	-	-	-
Transfers In	4,293,736	4,451,076	830,279	362,104	675,000	816,836	1,424,759	1,300,000	1,200,000	1,755,072
Transfers Out	(4,293,736)	(4,451,076)	(830,279)	(362,104)	(1,564,250)	(816,836)	(1,424,759)	(1,300,000)	(1,200,000)	(1,755,072)
Total other financing sources (Uses)	-	-	-	-	(889,250)	-	-	-	-	-
Net Change in fund balances	\$ 8,934,817	\$ 5,331,637	\$ (994,263)	\$ 2,220,714	\$ (3,916,395)	\$ (928,187)	\$ (2,098,961)	\$ (1,576,969)	\$ (1,237,746)	\$ (1,694,238)

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			
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%
2013-14	6,202,494	989,766	292,407	492,565	31,906	6,960,196	4.50	92.99%
2014-15	6,330,106	1,142,158	324,853	826,802	32,999	6,937,316	4.50	88.97%
2015-16	6,625,363	1,224,525	305,492	876,982	33,986	7,244,412	4.50	88.83%
2016-17	6,915,818	1,467,353	368,985	902,055	34,392	7,815,709	4.50	89.30%

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)**

TAX RATE (MILLS)							
Fiscal Year	Borough	City of Homer	City of Kenai	City of Seldovia	City of Seward	City of Kachemak*	City of Soldotna
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
2013-14	4.50	4.50	4.35	4.60	3.12	1.00	0.50
2014-15	4.50	4.50	4.35	4.60	3.12	1.00	0.50
2015-16	4.50	4.50	4.35	4.60	3.12	1.00	0.50
2016-17	4.50	4.50	4.35	4.60	3.12	1.00	0.50

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.

This information was obtained from the Kenai Peninsula Borough.

\* Real Property Tax

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

TABLE X

PRINCIPAL PROPERTY TAXPAYERS  
June 30, 2017  
(Unaudited)

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value
Hilcorp Alaska, LLC	\$ 622,562,420	1	7.97%	\$ -		
Furie Operating Alaska, LLC	241,282,460	2	3.09%			
ConocoPhillips, INC.	234,454,147	3	3.00%	167,593,162	2	3.12%
Tesoro Alaska	226,638,711	4	2.90%	179,655,937	3	3.35%
CING Storage Alaska, LLC	110,934,905	5	1.42%	-		
Harvest Alaska	94,073,790	6	1.20%	-		
Cook Inlet Energy, LLC	88,844,840	7	1.14%	-		
Alaska Pipeline	75,883,436	8	0.97%	-		
Alaska Communications Systems	73,626,771	9	0.94%	-		
Enstar Natural Gass	46,774,635	10	0.60%	-		
Union Oil/Unocal	-			196,984,820	1	3.67%
Marathon Oil Co.	-			116,871,260	4	2.18%
BP Exploration Alaska, INC.	-			72,223,458	5	1.35%
ACS of the Northland, Inc	-			62,074,266	6	1.16%
Agrium US, Inc	-			48,783,310	7	0.91%
XTO Energy, INC.	-			44,130,000	8	0.82%
Kenai Kachemak Pipeline	-			41,813,070	9	0.78%
Fred Meyer	-			19,266,051	10	0.36%
Totals	<u>\$ 1,815,076,115</u>		<u>23.23%</u>	<u>\$ 949,395,334</u>		<u>17.70%</u>

This information obtained from the Kenai Peninsula Borough.

Total Assessed value based on total tax levy for FY2017 and FY2008 respectively.

\$ 7,815,709,000

\$ 5,369,378,000

**KENAI PENINSULA BOROUGH SCHOOL DISTRICT**

**TABLE XI**

**PRINCIPAL EMPLOYERS**  
**June 30, 2017**  
**(Unaudited)**

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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
2007-08	30,042,125	29,651,635	98.700%	386,937	30,038,572	99.988%
2008-09	26,779,449	26,431,968	98.702%	344,322	26,776,290	99.988%
2009-10	28,875,124	28,375,677	98.270%	496,114	28,871,791	99.988%
2010-11	29,058,274	28,630,610	98.528%	421,708	29,052,318	99.980%
2011-12	30,419,493	29,946,804	98.446%	465,310	30,412,114	99.976%
2012-13	30,823,497	30,382,636	98.570%	430,775	30,813,411	99.967%
2013-14	31,750,392	31,332,596	98.684%	402,553	31,735,149	99.952%
2014-15	31,685,014	31,142,025	98.286%	315,382	31,457,407	99.282%
2015-16	33,108,951	32,410,590	97.891%	609,089	33,019,679	99.730%
2016-17	35,591,917	29,304,124	82.334%	-	29,304,124	82.334%

This information was obtained from the Kenai Peninsula Borough.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

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NO DEBT LIMIT IS MANDATED BY LAW

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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 Total Primary Government	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita	Net Bonded Debt Per Student Capita
2007-08	52,990	9,250	5,369,378,000	88,828,570	1.65%	1,676	9,603
2008-09	52,990	9,256	5,966,757,000	83,438,730	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	8,978	6,393,531,000	93,491,745	1.46%	1,688	10,413
2011-12	56,369	8,922	6,633,241,000	32,705,000 **	0.49%	580	3,666
2012-13	56,756	8,886	6,716,010,000	29,905,000 **	0.45%	527	3,365
2013-14	56,862	8,756	6,960,196,000	47,995,000 **	0.69%	844	5,481
2014-15	57,147	8,826	6,937,316,000	44,505,000 **	0.64%	779	5,042
2015-16	57,763	8,788	7,244,412,000	44,325,000 **	0.61%	767	5,044
2016-17	58,060	8,785	7,815,709,000	46,935,000 **	0.60%	808.39	5,342.63

This information was obtained from the Kenai Peninsula Borough.

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

\*\* In fiscal year 2012 the Borough early adopted the GASB Statement 61, which changed accounting and financial reporting for Central Peninsula Hospital and South Peninsula Hospital. The debt is no longer presented as debt of the Primary Government.

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

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

**KENAI PENINSULA BOROUGH SCHOOL DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**YEAR ENDED JUNE 30, 2017**  
**(Unaudited)**

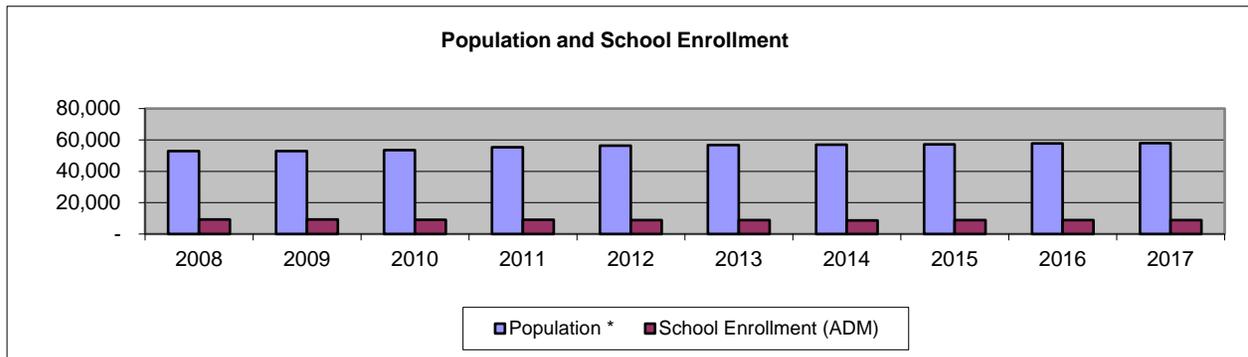
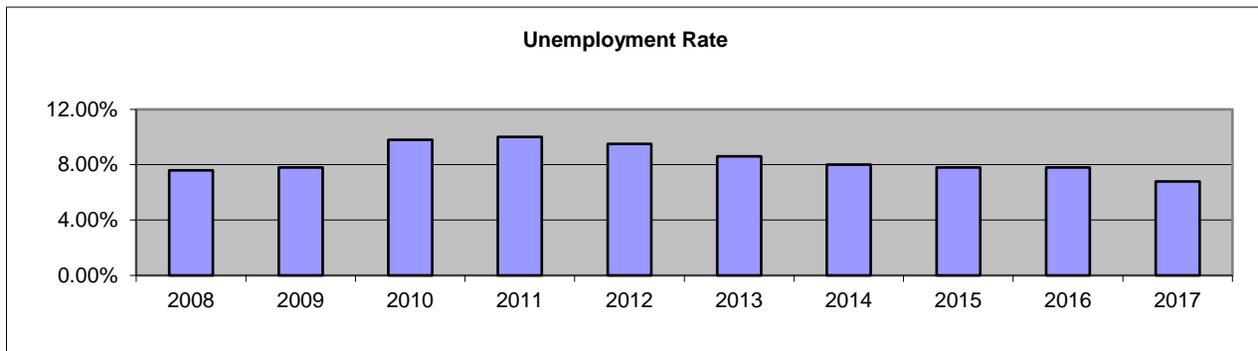
DEMOGRAPHIC DATA

Fiscal Year	Population *	Median Age **	School Enrollment (ADM)	Unemployment rate **
2008	52,990	39.2	9,250	7.60%
2009	52,990	39.2	9,256	7.80%
2010	53,578	39.4	9,145	9.80%
2011	55,400	40.6	8,978	10.00%
2012	56,369	40.6	8,922	9.50%
2013	56,756	41.4	8,886	8.60%
2014	56,862	40.0	8,756	8.00%
2015	57,147	40.5	8,826	7.80%
2016	57,763	40.0	8,788	7.80%
2017	58,060	40.6	8,785	6.80%

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
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
2013-14	551.63	215.77	44.57	46.31	32.68	39.43	59.36	5.00	36.50	85.66	2.80	1119.71
2014-15	537.49	218.29	50.46	44.14	32.50	38.51	56.28	5.00	38.50	83.16	5.70	1110.03
2015-16	533.49	234.34	46.12	43.67	31.56	38.76	55.82	5.00	38.75	82.66	5.60	1115.77
2016-17	519.60	233.85	50.73	42.47	26.62	36.11	54.99	5.00	36.25	83.23	5.60	1094.45

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
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
2013-14	594.98	256.11	44.57	46.31	32.68	39.43	59.36	5.00	36.50	85.66	2.80	46.69	2.00	1252.09
2014-15	582.64	258.63	50.46	44.14	32.50	38.51	56.28	5.00	38.50	83.16	5.70	49.09	2.00	1246.61
2015-16	567.18	263.52	46.12	45.92	31.56	38.76	55.82	5.00	38.75	82.66	5.60	48.59	1.75	1231.23
2016-17	556.07	271.90	50.73	44.72	26.62	36.11	54.99	5.00	36.25	83.23	5.60	48.8	1.63	1221.65

\* 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 (Decrease) Over Previous Year	Average Daily Membership Grades K-12	Operating Expenditures Per Student Capita	Operating Expenditures Per Student Capita Percentage Increase (Decrease) Over Previous Year
2007-08	118,025,002	0.25	9,250	12,760	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	8,978	13,916	0.04
2011-12	138,995,990	0.11	8,922	15,579	0.12
2012-13	145,234,534	0.04	8,886	16,345	0.05
2013-14	149,334,044	0.03	8,756	17,054	0.04
2014-15	272,731,469	0.83	8,826	30,901	0.81
2015-16	142,197,864	(0.48)	8,788	16,181	(0.48)
2016-17	141,065,303	(0.01)	8,785	16,058	(0.01)

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)**

Fiscal Year	Average Daily Membership Grades K-12	Percentage Average Daily Membership Increase (Decrease) Over Previous Year	Total Taxable Assessed Valuation	Assessed Valuation Percentage Increase (Decrease) Over Previous Year	Assessed Valuation Support Per Student Capita
		0			
			0		
2007-08	9,250	-1.26%	5,369,378,000	9.85%	580,473
2008-09	9,256	0.06%	5,966,757,000	11.13%	644,637
2009-10	9,145	-1.20%	6,369,098,000	6.74%	696,457
2010-11	8,978	-1.83%	6,393,531,000	0.38%	712,133
2011-12	8,922	-0.62%	6,633,241,000	3.75%	743,470
2012-13	8,886	-0.40%	6,716,010,000	1.25%	755,797
2013-14	8,756	-1.46%	6,960,196,000	3.64%	794,906
2014-15	8,826	0.80%	6,937,316,000	-0.33%	786,009
2015-16	8,788	-0.43%	7,244,412,000	4.43%	824,353
2016-17	8,785	-0.03%	7,815,709,000	7.89%	889,665

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	1,998
Middle Schools	4	1,267
Elementary Schools	13	3,212
Combined Elem/High School	11	638
Charter Schools	4	717
Alternative Schools	4	199
Correspondence Schools	1	754
Total	<u>43</u>	<u>8,785</u>