

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
Comprehensive Annual Financial Report for the
Fiscal Year Ended
June 30, 2018



Soldotna, Alaska
99669
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, 2018**

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

Dave Jones

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November 15, 2018

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, 2018 is submitted herewith. This report was prepared by the School District's finance department following the guidelines recommended by the Association of School Business Officials International and generally accepted accounting principles (GAAP). The statutes of the State of Alaska require that the Board of Education provide for an audit of all school accounts within ninety days following the close of the fiscal year, by an independent certified public accountant.

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

The District's financial statements have been audited by BDO USA, LLP, a firm of licensed certified public accountants; fieldwork was completed August 31, 2018. 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, 2018 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, 2018 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, 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. After the completion of the roofing projects, approximately \$2.179M in funds remain.

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 8,780 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 buildings in our district vary in age. We have 13 buildings that were constructed over 50 years ago, 18 buildings between 25 and 49 years ago, and 2 that are 25 years or less. Seventeen of our buildings have had a renovation or add-on, such as auditorium, at least 25 years ago. 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 the spring of 2017. In the spring of 2018, only grades 3-9 participated 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 Kenai Peninsula Borough School District uses online assessments to identify student academic deficiencies, provide support and benchmark student progress. Aimsweb+ is used in elementary grades k-5, Performance Series is used in grade 6-8, and MAPs is being piloted at several schools grade k-10. All products are nationally normed and provide information in areas of Reading, Mathematics, Language Arts, Science, Algebra and Geometry. The assessments 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 FY18. The Borough's FY19 budget was developed based on a mill rate of 4.7.

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 FY19 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 FY18 base student allocation (BSA) used in the Public School Funding Program was unchanged at \$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. In FY18, the District received additional funding, but was still below the maximum allowable. 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, 2017.

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

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

Acknowledgments

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

Respectfully submitted,



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, 2017.**

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.'.

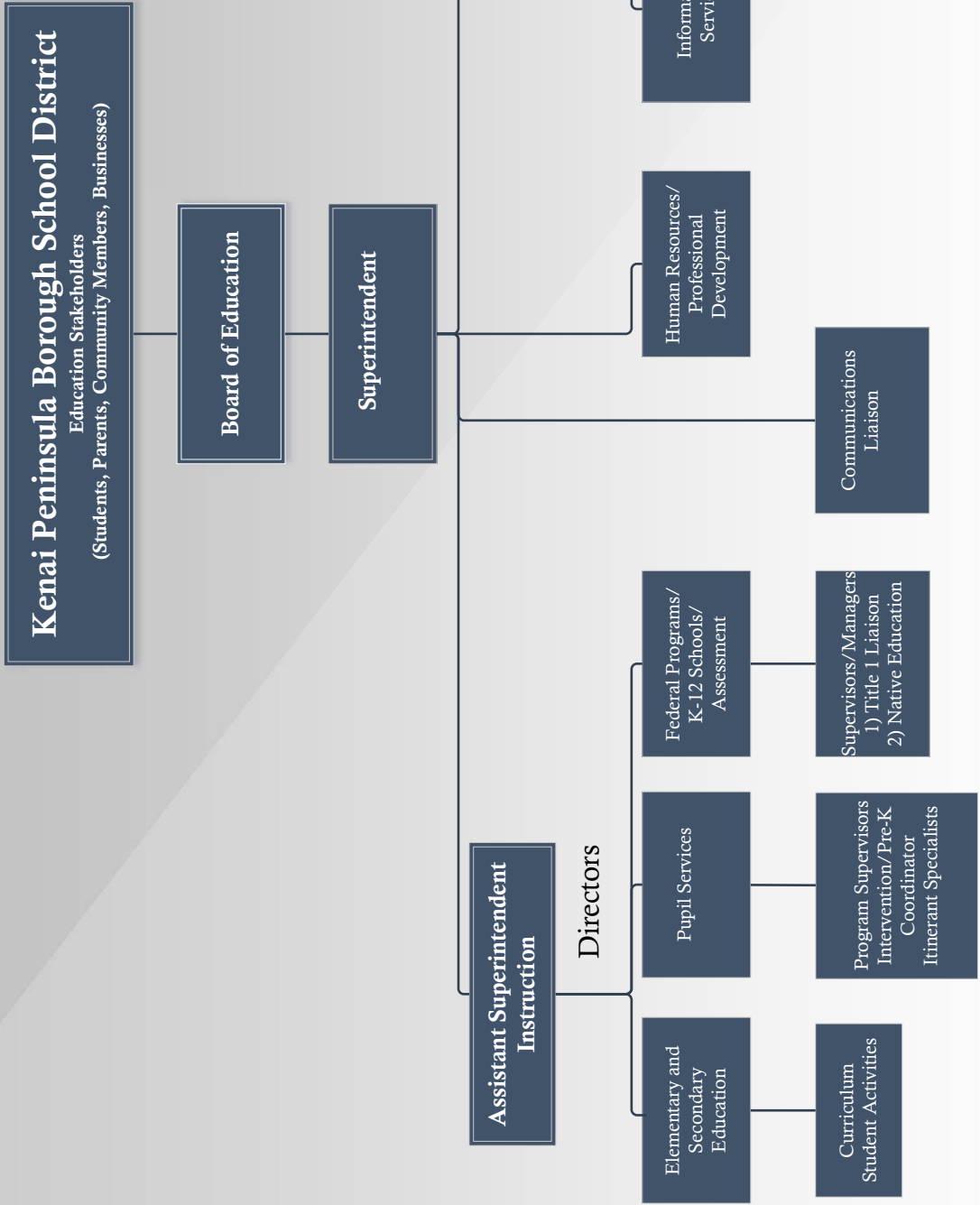
Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE
Executive Director

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2017-2018 Organizational Chart



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

SCHOOL BOARD

Mrs. Penny Vadla, President
Mr. Zen Kelly, Vice President
Mr. Dan Castimore, Clerk
Mr. Michael Illg, Treasurer
Mr. Marty Anderson, Member
Ms. Lynn Hohl, Member
Ms. Debbie Cary, Member
Mr. Tim Navarre, Member
Mr. Jason Tauriainen, Member
Mr. Calvin Mitzel, 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 (the District), a component unit of the Kenai Peninsula Borough, Alaska, as of and for the year ended June 30, 2018, 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.

Members of the School Board
Soldotna, Alaska

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Kenai Peninsula Borough School District, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17 to the financial statements, in 2018 the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the Schedules of Net Pension Liability, and Pension Contributions, and the Schedules of Net Other Postemployment Benefits (OPEB) Liability and OPEB Contributions on pages 25-30, 69-71, 72-75, and 76-79 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, 2018 for the purpose of forming opinions on the financial statements that collectively comprise the Kenai Peninsula Borough School District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, Schedule of State Financial Assistance, and the combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Schedule of State Financial Assistance is required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

Our audit for the year ended June 30, 2018 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, 2018 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, 2018 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, 2018 .

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, 2017 (not presented herein), and have issued our report thereon dated November 10, 2017, 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, 2017 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 2017 financial statements. The 2017 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 2017 totals were fairly stated in all material respects in relation to the basic financial statements as a whole, for the year ended June 30, 2017.

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 15, 2018 on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Kenai Peninsula Borough School District 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 15, 2018

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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, 2018. 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 in FY15, regarding accounting for pension plans. In FY18 GASB statement 75 was implemented to bring Post Employment Benefits Other Than Pension (OPEB) into alignment with the GASB 68 Pension rule. It requires that OPEB be reported in the financial report of the employer (the District), even though the OPEB 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 and GASB 75, the net position of the District changed on paper, from \$29,738,785 as of June 30, 2014 to (\$75,036,435) as of June 30, 2018. This dramatic change in the district's net position is a result of District's calculated share of net pension liability and OPEB of (\$99,125,912).
- The District's share of the liability to employees for defined benefit pensions and OPEB was calculated by the State of Alaska Department of Administration using actuarial valuations of the total pension and OPEB liability and projections of benefit payments, including adjustments to pensions for various reasons, such as cost-of-living-adjustments.
- As of June 30, 2018, the District's governmental funds reported combined ending fund balances of \$20,043,443, an increase of \$110,231 in comparison to the prior year.
- For the seventh year in a row, the District used Fund Balance in the General Fund. 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 \$10,735,906 which is 7.70% of current year expenditures, as compared to 7.95% at the end of FY17. 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 \$10,735,906 non-exempt fund balance, about 16% or \$1,671,218 is unassigned fund balance and available for spending. This is a reduction of unassigned fund balance of \$2,283,108 from the prior year.
- 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. The Restricted Fund Balance at the end of FY17 was \$1,321,447 and at the end of FY18 it is \$1,791,509, an increase of \$470,062 over the prior year.

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 and GASB 75 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 GASB 75 and recognition of the net pension liability and OPEB.

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 33-34 of this report.

Fund financial statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate fiscal accountability. All of the funds of the District can be divided into three categories: governmental funds, internal service funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

However, unlike the government-wide financial statements, governmental funds financial statements focus on a short-term view of the District's operations. Because the focus of governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 31 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 28 funds are combined into a single aggregated presentation. Data for each of these non-major governmental funds is provided in the Combining Balance Sheet and the individual funds section of the Special Revenue portion of the financial statements.

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

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

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

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

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

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

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

The notes to the financial statements can be found on pages 45-66 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:

ESEA Program
 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 104-154.

Governmental-wide Financial Analysis

In FY18, the District planned for and used a lower amount of Fund Balance than in prior years. This was a result of budget cuts to the FY18 Budget. Cuts were made to the FY19 budget, however, the planned use of Fund Balance for FY19 is projected to be more than FY18. 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 \$75,036,435, on June 30, 2018 compared to \$69,420,943 on June 30, 2017, which was a increase in the deficit of the total net position of \$5,615,492. This dramatic shift was a direct result of the implementation of GASB 68 and GASB 75. 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, 2018</u>	<u>June 30, 2017</u>
Current and Other Assets	\$ 37,696,939	\$ 37,572,893
Capital Assets	<u>2,699,269</u>	<u>3,083,746</u>
Total Assets	40,396,208	40,656,639
Deferred Outflows - Pension related	<u>10,608,393</u>	<u>25,613,868</u>
Total Assets and Deferred Outflows	51,004,601	66,270,507
Current and Other Liabilities	13,431,313	13,438,398
Long-term Liabilities	<u>93,323,554</u>	<u>117,859,093</u>
Total Liabilities	106,754,867	131,297,491
Deferred Inflows - Pension related	<u>19,286,169</u>	<u>4,393,959</u>
Total Liabilities and Deferred Inflows	126,041,036	135,691,450
Net Position		
Net Investment in Capital Assets	2,699,269	3,083,746
Restricted	3,361,630	2,612,510
Unrestricted	<u>(81,097,334)</u>	<u>(75,117,199)</u>
Total Net Position	\$ (75,036,435)	\$ (69,420,943)

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, 2018</u>	<u>June 30, 2017</u>
Revenues:		
Program revenues		
Charges for Services	\$698,771	\$655,869
Operating Grants and Contributions	17,919,104	17,288,971
General Revenues		
Public School Funding Program	79,599,533	81,595,174
Retirement: On-Behalf Payments	7,904,796	10,867,950
Medicaid Reimbursement	298,727	250,781
E-Rate Program	719,477	751,344
Borough Appropriation	49,738,432	48,238,432
Earnings on Investments	193,053	83,033
Other Local Revenue	196,098	193,157
Total Revenues	<u>157,267,991</u>	<u>159,924,711</u>
Expenses:		
Instruction	63,689,016	79,665,098
Special Education - Instruction	20,645,587	27,506,978
Special Education Support Services - Student	5,425,276	6,579,272
Support Services – Student	3,733,089	6,303,071
Support Services - Instruction	2,861,897	3,505,986
School Administration	6,021,382	7,342,662
School Administration Support Services	4,506,896	6,358,677
District Administration	1,112,258	1,426,130
District Administration Support Services	5,489,703	7,223,584
Operations and Maintenance of Plant	20,274,357	23,610,034
Student Activities	2,152,801	2,515,146
Student Transportation Services	7,737,829	8,160,684
Community Services	9,629	21,273
Food Services	3,983,053	4,015,919
Total Expenses	<u>147,642,773</u>	<u>184,233,514</u>
Change in Net Position	<u>9,625,218</u>	<u>(24,308,803)</u>
Beginning Net Position as of July 1 as Restated	<u>(84,661,653)</u>	<u>(45,112,140)</u>
Ending Net Position as of June 30	<u>(\$75,036,435)</u>	<u>(\$69,420,943)</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 FY18 is over to \$100M, due to the change in reporting required by GASB 68 and GASB 75. The total net position of the District now includes the District's calculated share of net pension liability and OPEB 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 unassigned 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 \$14,199,854. Of that amount, nonspendable fund balance totaled \$2,074,756, committed fund balance total \$4,289,271, restricted fund balance was \$3,361,630, assigned fund balance totaled \$2,802,979 and unassigned was \$1,671,854. This is a reduction for unassigned fund balance of \$2,283,108 from the prior year. The fund balance in the general fund decreased \$355,072 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 \$2.7 million, or 80% 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 \$243,769 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 FY18 original budget and final amended budget can be summarized as follows:

- Reduction of 2.0 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 safety funds to assist with extra-curricular safety needs from \$75,000 to \$65,000.
- Reduction of the English Language Learners (ELL) tutors. Students are being served by the intervention teachers.
- Reduction of 7.0 FTE Custodial Staff.
- 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.

FY18 Budget Revisions approved by the Board of Education included:

- Increase in expenditures for contracted services and Charter school budgets.
- Decrease in salary and benefit budgets based on the actual employees hired in each position.
- Increase in revenue from the State of Alaska due to the final FY18 Average Daily Membership (ADM) or student count.

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

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2018 amounts to \$2,699,269 (net of accumulated depreciation) compared to \$3,083,746 as of June 30, 2017. 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 FY19, 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. In FY19 local funding was passed by the Borough Assembly with an increase in the amount of \$652,609 over the FY18 funding level of \$49,738,432 for a total of \$50,391,041. That increase was later vetoed by the Mayor and a vote to overturn the veto by the assembly was unsuccessful. The District FY19 budgeted funding was set at the same level as FY18.
- Concerns about reduced enrollment and the associated reduction in revenue is a major concern for FY19. 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 \$1,430,222 is budgeted for FY19 operations, which means budgeted expenditures for FY19 exceed budgeted revenues by \$1,430,222.. 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 \$9.2M for FY19.
- 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. FY18 budget originally passed with a deficit of (\$321,978), the actual result for FY18 was (\$355,072).
- 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, 2018

ASSETS AND DEFERRED OUTFLOWS

Current Assets:	
Cash	\$ 11,995
Equity in Central Treasury	29,445,928
Equity in Central Treasury - Restricted for Health Care	3,318,306
Accounts Receivable	300,334
Due from Other Governments	2,243,924
Prepays	1,292,972
Inventories	1,083,480
	37,696,939
Total Current Assets	
Capital Assets:	
Furniture and Equipment	9,359,687
Less Accumulated Depreciation	(6,660,418)
	2,699,269
Capital Assets - Net of Accumulated Depreciation	
	40,396,208
Total Assets	
Deferred Outflows - pension/OPEB related	10,608,393
	51,004,601
Total Assets and Deferred Outflows	

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:	
Accounts Payable	1,538,577
Accrued Liabilities	7,396,153
Health Claims payable - IBNR	3,718,000
Other Health Care Liabilities	678,808
Compensated Absences	99,775
	13,431,313
Total Current Liabilities	
Noncurrent Liabilities:	
Due in more than one year:	
Compensated Absences Payable	2,875,418
Net Pension Liability	90,448,136
	93,323,554
Total Noncurrent Liabilities	
	106,754,867
Total Liabilities	
Deferred Inflows - pension related	19,286,169
	126,041,036
Total Liabilities and Deferred Inflows	

NET POSITION

Net Investment in Capital Assets	2,699,269
Restricted:	
Charter Schools	894,618
Facilities Maintenance	1,791,509
Homeschool Carry Over	675,503
Unrestricted	(81,097,334)
	(75,036,435)
Total Net Position	
	\$ (75,036,435)

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, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				
Instruction	63,689,016	\$ -	\$ 4,688,608	\$ (59,000,408)
Special Education - Instruction	20,645,587	-	1,990,523	(18,655,064)
Special Education Support Services - Students	5,425,276	-	-	(5,425,276)
Support Services - Students	3,733,089	-	212,857	(3,520,232)
Support Services - Instruction	2,861,897	-	69,991	(2,791,906)
School Administration	6,011,658	-	-	(6,011,658)
School Administration Support Services	4,516,620	-	6,358	(4,510,262)
District Administration	1,112,258	-	-	(1,112,258)
District Administration Support Services	5,489,703	-	265,491	(5,224,212)
Operations and Maintenance of Plant	20,274,357	-	428	(20,273,929)
Student Activities	2,152,801	-	35,043	(2,117,758)
Community Services	9,629	39,465	-	29,836
Student Transportation	7,737,829	-	8,074,746	336,917
Food Service	3,983,053	659,306	2,575,059	(748,688)
Total governmental activities	<u>\$ 147,642,773</u>	<u>\$ 698,771</u>	<u>\$ 17,919,104</u>	<u>\$ (129,024,898)</u>

General revenues:

Grants and contributions not restricted to specific programs:

Borough direct appropriation	49,738,432
Public School Funding Program	79,599,533
Retirement: On-behalf Payments	7,904,796
Earnings on Investments	193,053
E-Rate Program	719,477
Medicaid Reimbursement	298,727
Other Local Revenue	196,098
Total general revenues	<u>138,650,116</u>
Change in net position	<u>9,625,218</u>
Net position, beginning of year as restated	<u>(84,661,653)</u>
Net position, end of year	<u>\$ (75,036,435)</u>

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, 2018

	General	Equipment	Title I	Other Governmental	Total Governmental Funds
<u>ASSETS</u>					
Assets:					
Cash	\$ 11,995	\$ -	\$ -	\$ -	\$ 11,995
Equity in Central Treasury	18,135,598	3,153,068	-	2,756,802	24,045,468
Accounts Receivable	295,344	-	-	4,990	300,334
Prepaid Items	1,292,972	-	-	-	1,292,972
Due from Other Governments	-	-	1,403,430	840,494	2,243,924
Due from Special Revenue Funds	2,280,801	-	-	-	2,280,801
Inventories	781,784	-	-	301,696	1,083,480
Total Assets	<u>\$ 22,798,494</u>	<u>\$ 3,153,068</u>	<u>\$ 1,403,430</u>	<u>\$ 3,903,982</u>	<u>\$ 31,258,974</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	\$ 1,202,487	\$ -	\$ 777	\$ 335,313	\$ 1,538,577
Accrued Liabilities	7,396,153	-	-	-	7,396,153
Due to General Fund	-	-	1,402,653	878,148	2,280,801
Total Liabilities	<u>8,598,640</u>	<u>-</u>	<u>1,403,430</u>	<u>1,213,461</u>	<u>11,215,531</u>
Fund Balances:					
Nonspendable:					
Inventories	781,784	-	-	301,696	1,083,480
Prepaid Items	1,292,972	-	-	-	1,292,972
Restricted for:					
Charter Schools	894,618	-	-	-	894,618
Home School Carry-over	675,503	-	-	-	675,503
Facilities Maintenance	1,791,509	-	-	-	1,791,509
Committed:					
Minimum Fund Balance Policy	4,289,271	-	-	-	4,289,271
Assigned to:					
School Incentive Purchases	659,068	-	-	-	659,068
Professional - Technical Services	452,400	-	-	-	452,400
Staff Travel	8,080	-	-	-	8,080
Utility Services	3,662	-	-	-	3,662
Purchased Services	27,813	-	-	-	27,813
Supplies	116,106	-	-	-	116,106
Equipment	105,628	-	-	-	105,628
Subsequent Year Operations	1,430,222	3,153,068	-	2,433,801	7,017,091
Unassigned	<u>1,671,218</u>	<u>-</u>	<u>-</u>	<u>(44,976)</u>	<u>1,626,242</u>
Total Fund Balances	<u>14,199,854</u>	<u>3,153,068</u>	<u>-</u>	<u>2,690,521</u>	<u>20,043,443</u>
Total Liabilities and Fund Balances	<u>\$ 22,798,494</u>	<u>\$ 3,153,068</u>	<u>\$ 1,403,430</u>	<u>\$ 3,903,982</u>	<u>\$ 31,258,974</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, 2018

Fund balances – total governmental funds \$ 20,043,443

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

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.

Cost of capital assets	9,359,687	
Accumulated depreciation to date	<u>(6,660,418)</u>	
		2,699,269

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. 1,346,765

Long-term liabilities.
Due in more than one year:
Net Pension and OPEB Liabilities (90,448,136)

Certain changes in net pension liabilities and not OPEB liabilities are deferred rather than recognized immediately. These items are amortized over time.

Deferred outflows for pensions		8,340,424
Deferred inflows for pensions		(12,596,685)
Deferred outflows for OPEB		2,267,969
Deferred inflows for OPEB		<u>(6,689,484)</u>

Net position (\$75,036,435)

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, 2018

	General	Equipment	Title I	Other Governmental	Total Governmental Funds
Revenues:					
Local	\$ 49,738,432	\$ -	\$ -	\$ -	\$ 49,738,432
State	88,001,771	-	-	8,299,241	96,301,012
Federal-Direct	-	-	-	532,371	532,371
Federal-Through the State	298,727	-	3,477,548	5,259,597	9,035,872
Earnings on Investments	193,053	57,029	-	-	250,082
E-Rate	719,477	-	-	-	719,477
Food Sales	-	-	-	659,306	659,306
Corporate Grants and User Fees	-	-	-	325,484	325,484
Other Local Revenues	196,098	-	-	7,299	203,397
Total Revenues	139,147,558	57,029	3,477,548	15,083,298	157,765,433
Expenditures - Current:					
Instruction	62,615,102	118,265	3,365,461	1,090,077	67,188,905
Special Education - Instruction	20,962,197	-	-	1,990,523	22,952,720
Special Education Support Services - Students	5,777,098	-	-	-	5,777,098
Support Services - Students	4,517,746	-	-	212,857	4,730,603
Support Services - Instruction	2,953,227	-	-	69,991	3,023,218
School Administration	6,354,513	-	-	-	6,354,513
School Administration Support Services	5,173,092	9,724	-	6,358	5,189,174
District Administration	1,290,042	-	-	-	1,290,042
District Administration Support Services	5,870,719	4,125	112,087	153,404	6,140,335
Operations and Maintenance of Plant	21,062,691	111,655	-	428	21,174,774
Student Activities	2,076,203	-	-	63,783	2,139,986
Community Services	-	-	-	9,642	9,642
Student Transportation	-	-	-	7,747,867	7,747,867
Food Service	-	-	-	3,936,325	3,936,325
Total Expenditures	138,652,630	243,769	3,477,548	15,281,255	157,655,202
Excess (Deficiency) of Revenues Over Expenditures	494,928	(186,740)	-	(197,957)	110,231
Other Financing Sources (Uses):					
Transfers In	-	-	-	850,000	850,000
Transfers Out	(850,000)	-	-	-	(850,000)
Total Other Financing Sources (Uses)	(850,000)	-	-	850,000	-
Net Change in Fund Balances	(355,072)	(186,740)	-	652,043	110,231
Fund Balances, Beginning of Year	14,554,926	3,339,808	-	2,038,478	19,933,212
Fund Balances, End of Year	\$ 14,199,854	\$ 3,153,068	\$ -	\$ 2,690,521	\$ 20,043,443

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, 2018

Net change in fund balances – total governmental funds \$ 110,231

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

Governmental funds report equipment purchases as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.
This is the amount by which equipment purchases exceeded depreciation
in the current period.

Equipment purchases	\$ 264,366	
Current depreciation expense	<u>(622,806)</u>	(358,440)

Loss on retirement of assets		(26,037)
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Internal service funds are used by management to charge the costs of health care to individual funds. Change in net position is reported with governmental activities.		206,130
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Change related to net pension obligation, net OPEB obligation and related accounts can increase or decrease net pension and OPEB liabilities. This is the net decrease in equity due to changes in net position and OPEB obligations and related deferred inflows and outflows.		<u>9,693,334</u>
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Change in net position		<u>\$9,625,218</u>
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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, 2018

	<u>Internal Service Funds</u>
<u>ASSETS</u>	
Equity in Central Treasury	\$ 5,400,460
Equity in Central Treasury - Restricted for Healthcare	<u>3,318,306</u>
Total assets	<u><u>\$ 8,718,766</u></u>
<u>LIABILITIES</u>	
Current Liabilities	
Health Claims Payable (IBNR)	\$ 3,718,000
Contributions Collected from Employees in Excess of Negotiated Agreement	678,808
Compensated Absences	<u>99,775</u>
Total Current Liabilities	4,496,583
Noncurrent Liabilities	
Compensated Absences, net of current portion	<u>2,875,418</u>
Total Liabilities	<u><u>\$ 7,372,001</u></u>
<u>NET POSITION</u>	
Net Position - Unrestricted	<u>1,346,765</u>
Total Net Position	<u><u>\$ 1,346,765</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, 2018

	<u>Internal Service Funds</u>
Operating Revenues:	
Charges to Other Funds	\$ 2,952,916
Employer Contributions	23,777,075
Employee Contributions, Net of adjustment per negotiated agreement	<u>5,183,218</u>
 Total Operating Revenues	 <u>31,913,209</u>
Operating Expenses:	
Administrative services	2,952,916
Healthcare Claims and Administrative Fees	<u>28,768,395</u>
 Total operating expenses	 <u>31,721,311</u>
 Operating income (loss)	 <u>191,898</u>
 Nonoperating Revenues - Interest Income	 <u>14,232</u>
 Increase in net position	 206,130
 Total net position, beginning of year	 <u>1,140,635</u>
 Total net position, end of year	 <u><u>\$ 1,346,765</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, 2018

	<u>Internal Service Funds</u>
Cash flows for operating activities:	
Payments for interfund services provided	\$ 2,952,916
Payments to employees	(3,087,469)
Receipts from employer - current year contributions	23,777,075
Receipts from employees - current year contributions	5,160,628
Payments for claims and services	(28,963,574)
Net cash flow for operating activities	<u>(160,424)</u>
 Cash flows from investing activities - interest income earned	 <u>14,232</u>
 Net decrease in cash and cash equivalents	 <u>(146,192)</u>
 Cash and cash equivalents, beginning of year	 <u>8,864,958</u>
 Cash and cash equivalents, end of year	 <u>\$ 8,718,766</u>
 Reconciliation of operating income to net cash used in operating activities:	
Operating income	\$ 191,899
Decrease in compensated absences payable	(134,553)
Decrease in Health care payable	(195,179)
Contributions collected from employees less than negotiated agreement	<u>(22,591)</u>
 Net cash used in operating activities	 <u>\$ (160,424)</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, 2018

	Student Activity Agency Fund
Assets:	
Equity in Central Treasury	\$ 2,730,504
Cash	21,874
Total Assets	\$ 2,752,378
Liabilities:	
Accounts Payable	\$ -
Amounts Due to Student Groups	2,752,378
Total Liabilities	\$ 2,752,378

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, 2018

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, 2018, the School District recorded in-kind services provided by the Borough for school operations as follows:

Custodial	\$ 116,630
Utilities	78,877
Maintenance	7,511,402
Insurance	2,613,921
Audit	<u>63,743</u>
	<u>\$10,384,573</u>

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund reports only assets and liabilities and, as such, cannot be said to have a measurement focus. Agency funds do, however, use the accrual basis of accounting to recognize receivables and payables. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated

absences, health care reserve and claims and judgments, are recorded only when payment is due. Prepaid expenditures are reported on the consumption method, meaning an expenditure is reported during the period it is consumed.

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

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

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

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

Title I Special Revenue Fund – The Title I fund primarily provides supplemental reading support to struggling learners. Another focus of this fund addresses the needs of students struggling with mathematics concepts 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 5 years, the State of Alaska revenues have dropped dramatically. The State of Alaska relies on oil for about 90% of their budget. The legislature completed their work and funded education at the same level as FY17 using reserves. We developed our budget with no increase to the base student allocations (BSA). The amount of funding by the Borough for FY18 was \$49,738,432, which is \$1,500,000 more than FY17, but remains under the maximum allowed by \$1,644,142.

The FY18 budget was developed and approved with an estimated enrollment of 8,781 students.

The FY18 General Fund budget amendments are detailed as follows:

FY18 Revenue Budget and Planned Use of Fund Balance Change - General Fund

Revenue Source	7/1/2017	12/4/2017	KPBSD Final Budget
	KPBSD Original Budget	KPBSD Budget Revision	
Borough In-Kind	\$ 10,854,635	\$ -	\$ 10,854,635
Borough Appropriation	38,883,797	-	38,883,797
Earnings on Investments	300,000	-	300,000
E-Rate	700,000	-	700,000
Miscellaneous	180,000	-	180,000
Total Local Revenue	50,918,432	-	50,918,432
Foundation Program	79,228,895	203,992	79,432,887
TRS On-Behalf Payment	7,059,734	-	7,059,734
PERS On-Behalf Payment	554,310	-	554,310
Quality Schools	286,147	550	286,697
Total State Revenue	87,129,086	204,542	87,333,628
Medicaid	200,000	-	200,000
Total Federal Revenue	200,000	-	200,000
Total General Fund Revenue	138,247,518	204,542	138,452,060
Planned Use of Fund Balance	321,978	476,257	798,235
Total General Fund Revenue and Planned Use of Fund Balance	\$ 138,569,496	\$ 680,799	\$ 139,250,295

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, 2017, 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.

Investment earnings are transferred from KPB to the District on a monthly basis. Based on each fund's share of the equity in central treasury, a percentage of the earnings is provided to those funds.

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 10) 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 10. 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 and OPEB

For purposes of measuring the net pension and OPEB liabilities and related deferred outflows of resources and deferred inflows of resources, and pension and OPEB 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, 2018 is as follows:

	Carrying Value of Equity in Central Treasury	Due to (from) other funds	Reported Equity in Central Treasury
General Fund	\$ 18,135,598	\$ (2,280,801)	\$ 15,854,797
Equipment Fund	3,153,068	-	3,153,068
Title I Fund	-	1,402,653	1,402,653
Other Governmental Funds	2,756,802	878,148	3,634,950
Internal Service Fund	<u>8,718,766</u>	-	<u>8,718,766</u>
Governmental Fund Total	<u>\$ 32,764,234</u>	<u>\$ -</u>	<u>\$ 32,764,234</u>
Agency Fund	<u>\$ 2,730,504</u>	<u>\$ -</u>	<u>\$ 2,730,504</u>

NOTE 3 - RECEIVABLES

Receivables at June 30, 2018, consist of the following:

	General Fund	Special Revenue Funds	Total
Accounts Receivable	\$ 295,344	\$ 4,990	\$ 300,334
Intergovernmental:			
Major Special Revenue:			
Federal – Through the State – Title I	-	1,403,430	1,403,430
Non-Major Special Revenue:			
State	-	54,757	54,757
Federal – Through the State	-	514,597	514,597
Federal – Direct	-	269,742	269,742
Total Receivables	<u>\$ 295,344</u>	<u>\$ 2,247,516</u>	<u>\$ 2,542,860</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, 2018, were as follows:

	July 1, 2017 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	June 30, 2018 <u>Balance</u>
Governmental activities:				
Furniture and equipment	\$ 9,413,739	\$ 264,366	\$ (318,418)	\$ 9,359,687
Less accumulated depreciation for furniture and equipment	<u>(6,329,993)</u>	<u>(622,806)</u>	<u>292,381</u>	<u>(6,660,418)</u>
Governmental activities capital assets, net	<u>\$ 3,083,746</u>	<u>\$ (358,440)</u>	<u>\$ (26,037)</u>	<u>\$ 2,699,269</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 224,626
Special education instruction	2,940
Support services instruction	16,023
School administration	1,020
School administration support services	38,421
District administration	2,995
District administration support services	93,515
Operations and maintenance of plant	114,080
Student activities	114,606
Student transportation	-
Food services	<u>14,580</u>
Total depreciation expense	<u><u>622,806</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, 2018 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, 2017	Additions	Deletions	Ending Total June 30, 2018	Amount due in one year
Compensated Absences	\$3,109,746	\$ 2,952,916	\$(3,087,470)	\$ 2,975,192	\$ 99,775
Total Long -Term Debt	\$ 3,109,746	\$ 2,952,916	\$(3,087,470)	\$ 2,975,195	\$ 99,775

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/drb>. 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, 2018 were determined in the June 30, 2015 actuarial valuation.

PERS	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
Pension	17.12%	21.90%	3.01%	29.07%
Postemployment healthcare (see Note 8)	4.88%	3.11%	-%	66.85%
Total PERS Contribution Rates	22.00%	25.01%	3.01%	95.92%

TRS	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
Pension	8.40%	24.19%	14.22%	37.86%
Postemployment healthcare (see Note 8)	4.16%	2.59%	-%	64.72%
Total TRS Contribution Rates	12.56%	26.78%	14.22%	102.58%

In 2018, the District was credited with the following contributions to the pension plans:

PERS	District FY17 Measurement Period	District FY18
Employer contributions (including DBUL)	\$ 2,115,824	\$ 2,293,306
Nonemployer contributions (on-behalf)	883,559	631,378
Total Contributions	\$ 2,999,383	\$ 2,924,684

In addition, employee contributions to the Plan totaled \$622,266 during the District fiscal year.

TRS	District FY17 Measurement Period	District FY18
Employer contributions (including DBUL)	\$ 2,404,196	\$ 2,559,312
Nonemployer contributions (on-behalf)	7,603,279	7,664,800
Total Contributions	\$ 10,007,475	\$ 10,224,112

In addition, employee contributions to the Plan totaled \$2,434,095 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, 2018, 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	\$ 33,220,332	\$ 48,066,866
State's proportionate share of NPL associated with the District	12,376,127	83,885,219
Total Net Pension Liability	\$ 45,596,459	\$ 131,952,085

The total pension liabilities for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 to calculate the net pension liabilities 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, 2017 for PERS was 0.64263 percent, which was a decrease of 0.15173 percent, from its proportion as of the prior measurement date. For TRS the District's proportion was 2.37178 percent, representing a decrease of 0.71127 percent, from the prior year.

For the year ended June 30, 2018, the District recognized pension expense of \$(2,554,431) for PERS and \$7,170,709 for TRS. In addition, the District recognized on-behalf revenue from the State of Alaska in the amounts of \$982,312 and \$6,816,424 for PERS and TRS, respectively. At June 30, 2018, 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	\$ -	\$ (1,398,921)
Changes in assumptions	-	(-)
Net difference between projected and actual earnings on pension plan investments	3,088,700	(-)
Changes in proportion and differences between District contributions and proportionate share of contributions	399,106	(11,197,764)
District contributions subsequent to the measurement date	4,852,618	(-)
Total Deferred Outflows and Deferred Inflows of Resources related to Pensions	\$ 8,340,424	\$ (12,596,685)

The \$4,852,618 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, 2019. 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,

2019	\$ (11,739,604)
2020	2,911,272
2021	1,371,329
2022	(1,651,876)
2023	-
Thereafter	-

Actuarial Assumptions

The total pension liability for the measurement period ended June 30, 2017 (District fiscal year 2018) was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2017. The actuarial assumptions used in the June 30, 2016 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from 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.

Actuarial cost method	Entry age normal; level dollar normal cost basis
Amortization method	Level dollar, closed
Inflation	3.12%
Salary increases	Graded by service, from 8.11% to 3.87% for teachers Graded by age and service, from 8.55% to 4.34% for all others
Allocation Methodology	Amounts for FY17 were allocated to employers based on the projected present value of contributions for FY2019-FY2039. The liability is expected to go to zero at 2039.
Investment Return / Discount Rate	8.00%, net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
Mortality	Pre-termination – Based on the 2010-2013 actual mortality experience, 68% of male and 60% of female post-termination rates for teachers, 60% of male and 65% of female for all others. Deaths are assumed to be nonoccupational 85% of the time for teachers, 50% of the time for others. Post-termination – Based 94% of the male rates and 97% of the female rates for teachers, 96% for all others, of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB with a three-year setback for males and four-year setback for females.

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. 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):

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
Broad domestic equity	26%	8.83%
Global ex-U.S. equity	22%	7.79%
Intermediate Treasuries	13%	1.29%
Opportunistic	5%	4.76%
Real assets	17%	4.94%
Absolute return	7%	4.76%
Private equity	9%	12.02%
Cash equivalents	1%	0.63%

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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:

PERS	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's proportionate share of the net pension liability	0.64263%	\$ 43,637,970	\$ 33,220,332	\$ 24,423,037

TRS	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's proportionate share of the net pension liability	2.37178%	\$ 67,756,163	\$ 48,066,866	\$ 31,525,718

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/drj>.

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, 2018, 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, 2018 were \$546,928 and \$875,083, respectively. The District and employee contributions to TRS for pensions for the year ended June 30, 2018 were \$1,526,269 and \$1,744,308, respectively.

District contributions are recognized as pension expense/expenditures.

Note 8 – Defined Benefit Other Post-Employment Benefit (OPEB) Plan

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), which are cost-sharing multiple employer plans, 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. General information about the OPEB Plan, including a description of the plan, benefits provided, contribution rates and historical context can be found in note XX.

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.

In 2018, the District was credited with the following contributions to the OPEB plans:

PERS	District FY17 Measurement Period	District FY18
Employer contributions (including DBUL)	\$ 1,143,414	\$ 783,833
Nonemployer contributions (on-behalf)	-	-
Total Contributions	\$ 1,143,414	\$ 783,833

TRS	District FY17 Measurement Period	District FY18
Employer contributions (including DBUL)	\$ 1,814,255	\$ 1,483,102
Nonemployer contributions (on-behalf)	-	-
Total Contributions	\$ 1,814,255	\$ 1,483,102

OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2018, the District reported a liability for its proportionate share of the net OPEB liability (NOL) that reflected a reduction for State OPEB support provided to the District. The amount recognized by the District for its proportional share, the related State proportion, and the total were as follows:

	PERS	TRS
District's proportionate share of NOL - ARHCT	\$ 5,429,628	\$ 4,348,912
District's proportionate share of NOL – RMP	53,208	(311,368)
District's proportionate share of NOL - ODD	(144,769)	(214,673)
State's proportionate share of NOL associated with the District	2,024,556	7,626,401
Total Net OPEB Liability	\$ 7,362,623	\$ 11,449,272

The total OPEB liabilities for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 to calculate the net OPEB liabilities as of that date. The District's proportion of the net OPEB liabilities were based on a projection of the District's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

PERS	June 30, 2016 Measurement Date Employer Proportion	June 30, 2017 Measurement Date Employer Proportion	Change
District's proportionate share of the net OPEB liability			
ARHCT	0.79470%	0.64274%	(0.15196%)
RMP	1.00769%	1.02029%	0.01260%
ODD	1.00769%	1.02029%	0.01260%

TRS	June 30, 2016 Measurement Date Employer Proportion	June 30, 2017 Measurement Date Employer Proportion	Change
District's proportionate share of the net OPEB liability			
ARHCT	3.07145%	2.36440%	(0.70705%)
RMP	6.51539%	6.56894%	0.05355%
ODD	6.51539%	6.56894%	0.05355%

As a result of its requirement to contribute to the Plan, the District recognized OPEB expense of \$435,915 and \$172,760 for PERS and TRS, respectively. In addition, the District recognized on-behalf revenue of \$318,112 and \$891,412 for PERS and TRS, respectively, for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (862,222)
Changes in assumptions	-	-
Change in benefits	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(4,143,387)
Changes in proportion and differences between District contributions and proportionate share of contributions	1,034	(1,683,875)
District contributions subsequent to the measurement date	2,266,935	-
Total Deferred Outflows and Deferred Inflows of Resources Related to OPEB	\$ 2,267,969	\$ (6,689,484)

The \$2,266,935 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,

2019	\$ (2,642,222)
2020	(1,964,768)
2021	(1,037,353)
2022	(1,037,353)
2023	(1,505)
Thereafter	(5,249)

Actuarial Assumptions

The total OPEB liability for the measurement period ended June 30, 2017 (District fiscal year 2018) was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2017. The actuarial assumptions used in the June 30, 2016 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from 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.

Actuarial cost method	Entry age normal; level dollar normal cost basis
Amortization method	Level dollar, closed
Inflation	3.12%
Salary increases	Graded by service, from 8.11% to 3.87% for teachers Graded by service from 8.55% to 4.34% for all others
Allocation Methodology	Amounts for FY17 were allocated to employers based on the projected present value of contributions for FY2019-FY2039. The liability is expected to go to zero at 2039.
Investment Return / Discount Rate	8.00%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
Healthcare cost trend rates	Pre-65 medical; 8.8% grading down to 4.4% Post-65 medical; 5.8% grading down to 4.0% Prescription drug; 5.4% grading down to 4.0%
Mortality	Pre-termination – Based on the 2010-2013 actual mortality experience, 68% of male and 60% of female post-termination rates for teachers, 60% of male and 65% of female for all others. Deaths are assumed to be nonoccupational 85% of the time for teachers, 50% of the time for others. Post-termination – Based 94% of the male rates and 97% of the female rates for teachers, 96% for all others, of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB with a three-year setback for males and four-year setback for females.

The long-term expected rate of return on OPEB 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 postretirement healthcare 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	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	26%	8.83%
Global ex-U.S. equity	22%	7.79%
Intermediate Treasuries	13%	1.29%
Opportunistic	5%	4.76%
Real assets	17%	4.94%
Absolute return	7%	4.76%
Private equity	9%	12.02%
Cash equivalents	1%	0.63%

Discount rate

The discount rate used to measure the total OPEB liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Discount Rate Sensitivity

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

PERS	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's proportionate share of the net OPEB liability				
ARHCT	0.64274%	\$ 11,619,975	\$ 5,429,628	\$ 222,698
RMP	1.02029%	\$ 249,268	\$ 53,208	\$ (99,887)
ODD	1.02029%	\$ (130,689)	\$ (144,769)	\$ (156,278)

TRS	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's proportionate share of the net OPEB liability				
ARHCT	2.36400%	\$ 13,252,320	\$ 4,348,912	\$ (3,038,396)
RMP	6.56894%	\$ 133,481	\$ (311,368)	\$ (649,339)
ODD	6.56894%	\$ (215,724)	\$ (214,673)	\$ (214,147)

Healthcare Cost Trend Rates Sensitivity

The following presents the District's proportionate share of the net OPEB liability calculated using the healthcare cost trend rate, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage-point higher than the current healthcare cost trend rates:

PERS	Proportional Share	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability				
ARHCT	0.64274%	\$ (602,296)	\$ 5,429,628	\$ 12,681,448
RMP	1.02029%	\$ (131,710)	\$ 53,208	\$ 300,966
ODD	1.02029%	\$ -	\$ (144,769)	\$ -

TRS	Proportional Share	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability				
ARHCT	2.36440%	\$ (4,054,024)	\$ 4,348,912	\$ 14,568,108
RMP	6.56894%	\$ (716,737)	\$ (311,368)	\$ 249,357
ODD	6.56894%	\$ -	\$ (214,673)	\$ -

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PERS financial report.

Note 9 - Defined Contribution (DC) OPEB Plans

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, 2018:

	PERS Tier IV	TRS Tier III
Retiree medical plan	1.03%	0.91%
Occupational death and disability benefits	0.16%	-%
Total Contribution Rates	1.19%	0.91%

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, 2017, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,084 per year for each full-time employee, and \$1.34 per hour for part-time employees for both PERS and TRS.

Annual Postemployment Healthcare Cost

In 2018, the District contributed \$625,627 in DC OPEB costs to PERS and \$752,959 in DC OPEB costs to TRS. These amounts have been recognized as expense/expenditures.

NOTE 10 – 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 11 - FOOD SERVICE SPECIAL REVENUE FUND

The United States Department of Agriculture provided \$169,084 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 12 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payables resulting from short-term operating advances at June 30, 2018 are as follows:

	Receivable	Payable
Major Fund - General Fund	\$ 2,280,801	\$ -
Major Fund – Title IA	-	1,402,653
Non-major governmental funds	-	878,148
	<u>\$ 2,280,801</u>	<u>\$ 2,280,801</u>

Interfund Transfers

Transfers between funds for the year ended June 30, 2018 were as follows:

Transfer Out:	Transfer In:	
From the General Fund to		
Non-Major Governmental	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Funds for operating	<u>\$850,000</u>	<u>\$850,000</u>
subsides		

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

NOTE 13 - 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>2018</u>	<u>2017</u>
Beginning of fiscal year liability	\$ 1,716,818	\$ 2,272,202
Current year claims incurred and changes in estimates for claims incurred in prior years	1,368,429	909,513
Claims and expenses paid	<u>(1,322,299)</u>	<u>(1,464,897)</u>
End of fiscal year liability	\$ <u>1,762,948</u>	\$ <u>1,716,818</u>

Included above is a liability for incurred but not reported (IBNR) claims of \$442,098. 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 \$28,768,395 for the year ended June 30, 2018 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, 2016, 2017 and 2018 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>
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
2017 – 2018	3,913,179	32,502,931	(32,698,110)	3,718,000

NOTE 14 - 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, 2018.

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, 2018, 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, 2018, will not have a material effect on the financial statements as of and for the year ended June 30, 2018.

NOTE 15 - SUBSEQUENT EVENTS

On June 18, 2018, the State of Alaska Department of Administration notified us that we were to receive a total of \$787,055.98 for the Defined Contribution Forfeiture for the TRS and PERS system. This amount is to be used to offset pension expense in FY19.

NOTE 16 – 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, and actual impacts have not yet been determined.

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 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.

GASB 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* - Effective for year-end June 30, 2019, with earlier application encouraged – This statement addresses note disclosures related to debt, clarifies which liabilities to include when disclosing information related to debt, and defines debt for the purpose of disclosure. It requires additional essential information related to debt be disclosed in the notes, as well as information for direct borrowings and direct placements.

GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period* – Effective for year-end June 30, 2021, with earlier application encouraged – This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

GASB 90 – *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61* – Effective for year-end June 30, 2020, with earlier application encouraged – This statement addresses accounting and financial reporting for a majority equity interest in a legally separate organization. It provides a definition of a majority equity interest and provides guidance for further presentation as either an investment or a component unit, based on specific criteria.

Note 17 - Change in Accounting Principle

As discussed in Note 9 to the financial statements, the District participates in two defined benefit plans: The Alaska Public Retirement System (PERS) plan and the Teachers Retirement System (TRS) plan. In 2018, the District adopted the provisions of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which, among other accounting and reporting criteria, requires the District to recognize its proportional share of the Net OPEB Liability (and related deferred inflow/outflow accounts), as of the beginning of the District’s fiscal year. As a result of the implementation of this statement, the District has recorded an opening balance adjustment to reflect opening balance OPEB liabilities and related accounts and to decrease opening net position as follows:

	Opening net position, as originally presented	Change in accounting principle adjustment	Opening net position, as restated
Governmental Activities	\$ (69,420,943)	\$ (15,240,710)	\$ (84,661,653)

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

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

Schedule of District Contributions – Public Employees Retirement System – PERS OPEB Plan

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

Schedule of District Contributions – Teachers Retirement System – TRS OPEB Plan

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, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Local	\$ 49,738,432	\$ 49,738,432	\$ 49,738,432	\$ -
State	87,129,086	87,333,628	88,001,771	668,143
Federal-Through the State	200,000	200,000	298,727	98,727
Earnings on Investments	300,000	300,000	193,053	(106,947)
E-Rate	700,000	700,000	719,477	19,477
Other Local Revenues	<u>180,000</u>	<u>180,000</u>	<u>196,098</u>	<u>16,098</u>
Total Revenues	<u>138,247,518</u>	<u>138,452,060</u>	<u>139,147,558</u>	<u>695,498</u>
Expenditures:				
Instruction	64,112,861	63,273,488	62,615,102	658,386
Special Education - Instruction	20,264,760	20,521,472	20,962,197	(440,725)
Special Education Support Services - Students	5,313,458	5,935,584	5,777,098	158,486
Support Services - Students	4,524,611	4,607,633	4,517,746	89,887
Support Services - Instruction	3,137,207	3,107,126	2,953,227	153,899
School Administration	6,342,388	6,341,218	6,354,513	(13,295)
School Administration Support Services	5,240,851	5,168,003	5,173,092	(5,089)
District Administration	1,230,358	1,275,227	1,290,042	(14,815)
District Administration Support Services	5,891,804	5,943,538	5,870,719	72,819
Operations and Maintenance of Plant	19,233,721	21,174,842	21,062,691	112,151
Student Activities	<u>2,177,477</u>	<u>2,190,505</u>	<u>2,076,203</u>	<u>114,302</u>
Total Expenditures	137,469,496	139,538,636	138,652,630	886,006
Excess (Deficiency) of Revenues over Expenditures	778,022	(1,086,576)	494,928	1,581,504
Other Financing Uses:				
Transfers Out - Special Revenue Fund	<u>(1,100,000)</u>	<u>(1,100,000)</u>	<u>(850,000)</u>	<u>250,000</u>
Total Other Financing Uses:	<u>(1,100,000)</u>	<u>(1,100,000)</u>	<u>(850,000)</u>	<u>250,000</u>
Net Changes in Fund Balances	<u>\$ (321,978)</u>	<u>\$ (2,186,576)</u>	(355,072)	<u>\$ 1,831,504</u>
Fund Balance, Beginning of Year			<u>14,554,926</u>	
Fund Balance, End of Year			<u>\$ 14,199,854</u>	

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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Revenues:				
Earnings on Investment	\$ 75,000	\$ 75,000	\$ 57,029	\$ (17,971)
Expenditures:				
Instruction	3,334,431	3,209,027	118,265	3,090,762
School Administration Support Services	-	9,725	9,724	1
District Administration Support Services	-	4,125	4,125	
Operations and Maintenance of Plant	-	116,931	111,656	5,275
Total Expenditures	<u>3,334,431</u>	<u>3,339,808</u>	<u>243,770</u>	<u>3,096,038</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (3,259,431)</u>	<u>\$ (3,264,808)</u>	\$ (186,741)	<u>\$ 3,078,067</u>
Fund Balances, Beginning of Year			<u>3,339,808</u>	
Fund Balances, End of Year			<u>\$ 3,153,067</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget - Positive (Negative)
Revenues:				
Federal-Through the State	<u>4,121,774</u>	<u>4,123,129</u>	<u>3,477,548</u>	<u>(645,581)</u>
Expenditures:				
Instruction	3,982,662	3,983,746	3,365,461	618,285
District Administration Support Services	<u>139,112</u>	<u>139,383</u>	<u>112,087</u>	<u>27,296</u>
Total Expenditures	<u>4,121,774</u>	<u>4,123,129</u>	<u>3,477,548</u>	<u>645,581</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	\$ -	<u>\$ -</u>
Fund Balances, Beginning of Year			<u>-</u>	
Fund Balances, End of Year			<u>\$ -</u>	

**KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S INFORMATION ON THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM - PERS
Last Ten Fiscal Years**

Year Ended June 30,	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a percentage of Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2009	*	*	*	*	*	*	*
2010	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*
2015	0.43650%	\$ 20,359,190	\$ 18,808,964	\$ 39,168,154	\$ 18,773,897	108%	62.37%
2016	0.92024%	43,767,462	11,719,024	\$ 55,486,486	19,473,427	225%	63.96%
2017	0.79436%	44,401,767	5,594,848	\$ 49,996,615	19,434,112	228%	59.55%
2018	0.64263%	\$ 33,220,332	\$ 12,376,127	\$ 45,596,459	\$ 19,876,163	167%	63.37%

* 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 plan 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 Ten Fiscal Years**

Year Ended June 30,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a percentage of Covered Payroll
2009	*	*	*	*	*
2010	*	*	*	*	*
2011	*	*	*	*	*
2012	\$ 1,455,221	\$ 1,455,221	\$ -	\$ 17,382,542	8.37%
2013	1,421,239	1,421,239	-	18,005,047	7.89%
2014	1,578,145	1,578,145	-	18,773,896	8.41%
2015	1,802,254	1,802,254	-	19,473,427	9.25%
2016	1,883,310	1,883,310	-	19,434,112	9.69%
2017	2,115,824	2,115,824	-	19,876,163	10.65%
2018	\$ 2,293,306	\$ 2,293,306	\$ -	\$ 18,984,756	12.08%

*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 Ten Fiscal Years**

Year Ended June 30,	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a percentage of Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2009	*	*	*	*	*	*	*
2010	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*
2015	1.01287%	\$ 30,376,532	\$ 168,912,841	\$ 199,289,373	\$ 50,739,168	60%	55.70%
2016	2.53293%	47,123,960	75,318,635	\$ 122,442,595	51,226,585	92%	73.82%
2017	3.08305%	70,396,678	83,669,621	\$ 154,066,299	50,808,163	137%	68.40%
2018	2.37178%	\$ 48,066,866	\$ 83,885,219	\$ 131,952,085	\$ 50,962,839	95%	72.39%

* 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 plan 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 Ten Fiscal Years**

Year Ended June 30,	Required Contribution	Relative to the Contractually	Deficiency (Excess)	Covered Payroll	as a percentage of
2009	*	*	*	*	*
2010	*	*	*	*	*
2011	*	*	*	*	*
2012	\$ 2,499,363	\$ 2,499,363	\$ -	\$ 49,806,535	5.02%
2013	2,398,469	2,398,469	-	49,947,218	4.80%
2014	2,483,038	2,483,038	-	50,739,168	4.89%
2015	2,405,825	2,405,825	-	51,226,585	4.70%
2016	2,256,776	2,256,776	-	50,808,163	4.44%
2017	2,404,196	2,404,196	-	50,962,839	4.72%
2018	\$ 2,559,312	\$ 2,559,312	\$ -	\$ 51,646,847	4.96%

*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 OPEB LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM - PERS
Last Ten Fiscal Years**

Year Ended June 30,	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	State of Alaska Proportionate Share of the Net OPEB Liability	Total Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a percentage of Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2009	*	*	*	*	*	*	*
2010	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*
2015	*	*	*	*	*	*	*
2016	*	*	*	*	*	*	*
2017	*	*	*	*	*	*	*
2018	0.64274%	\$ 5,338,067	\$ 2,024,556	\$ 7,362,623	\$ 19,434,112	37.89%	89.68%

* 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 OPEB PLAN
Last Ten Fiscal Years**

Year Ended June 30,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a percentage of Covered Payroll
2009	*	*	*	*	*
2010	*	*	*	*	*
2011	*	*	*	*	*
2012	*	*	*	*	*
2013	*	*	*	*	*
2014	*	*	*	*	*
2015	*	*	*	*	*
2016	*	*	*	*	*
2017	*	*	*	*	*
2018	\$ 783,833	\$ 783,833	\$ -	\$ 18,984,756	4.13%

*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 OPEB LIABILITY
TEACHERS RETIREMENT SYSTEM - TRS
Last Ten Fiscal Years**

Year Ended June 30,	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	State of Alaska Proportionate Share of the Net OPEB Liability	Total Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a percentage of Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2009	*	*	*	*	*	*	*
2010	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*
2015	*	*	*	*	*	*	*
2016	*	*	*	*	*	*	*
2017	*	*	*	*	*	*	*
2018	2.36440%	\$ 3,822,871	\$ 7,626,401	\$ 11,449,272	\$ 50,808,163	22.53%	93.75%

* 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 OPEB PLAN
Last Ten Fiscal Years**

Year Ended June 30,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a percentage of Covered Payroll
2009	*	*	*	*	*
2010	*	*	*	*	*
2011	*	*	*	*	*
2012	*	*	*	*	*
2013	*	*	*	*	*
2014	*	*	*	*	*
2015	*	*	*	*	*
2016	*	*	*	*	*
2017	*	*	*	*	*
2018	\$ 1,483,102	\$ 1,483,102	\$ -	\$ 51,646,847	2.87%

*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, 2018 and 2017

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
Cash on hand	\$ 11,995	\$ 12,230
Equity in Central Treasury	18,135,598	17,750,766
Accounts receivable	295,344	195,482
Prepaid Items	1,292,972	1,434,505
Due from Special Revenue Funds	2,280,801	3,124,193
Inventory	<u>781,784</u>	<u>777,779</u>
Total Assets	<u>\$ 22,798,494</u>	<u>\$ 23,294,955</u>
 <u>LIABILITIES AND FUND BALANCE</u> 		
Liabilities:		
Accounts payable	<u>\$ 1,202,487</u>	<u>\$ 1,331,046</u>
Accrued liabilities:		
Payroll	5,522,648	5,370,385
Retirement	88,521	(3,829)
Payroll taxes	1,734,283	1,999,141
Payroll deductions	<u>50,701</u>	<u>43,286</u>
Total Accrued Liabilities	<u>7,396,153</u>	<u>7,408,983</u>
Total Liabilities	<u>8,598,640</u>	<u>8,740,029</u>
Fund Balance:		
Nonspendable	2,074,756	2,212,284
Restricted	3,361,630	2,612,510
Comitted	4,289,271	4,157,085
Assigned	2,802,979	1,618,721
Unassigned	<u>1,671,218</u>	<u>3,954,326</u>
Total Fund Balance	<u>14,199,854</u>	<u>14,554,926</u>
Total Liabilities and Fund Balance	<u>\$ 22,798,494</u>	<u>\$ 23,294,955</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF CHANGES IN FUND BALANCE
For the Years Ended June 30, 2018 and 2017

	2018	2017
Fund Balance, Beginning of Year	\$ 14,554,926	\$ 15,869,941
Add Revenues and Other Financing Sources	139,147,558	139,750,288
Deduct Expenditures and Other Financing Uses	(139,502,630)	(141,065,303)
Fund Balance, End of Year	\$ 14,199,854	\$ 14,554,926

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Local:					
Kenai Peninsula Borough - Direct Appropriation	\$ 38,883,797	\$ 38,883,797	\$ 38,883,797	\$ -	\$ 37,583,417
Kenai Peninsula Borough - In-Kind Services	10,854,635	10,854,635	10,854,635	-	10,655,015
Total Local	<u>\$ 49,738,432</u>	<u>49,738,432</u>	<u>49,738,432</u>	<u>-</u>	<u>48,238,432</u>
State:					
Public School Funding	79,228,895	79,432,887	79,312,743	(120,144)	81,308,106
LOG/Quality Schools	286,147	286,697	286,790	93	287,068
Retirement: TRS On-Behalf	7,059,734	7,059,734	7,664,800	605,066	7,603,279
Retirement: PERS On-Behalf	554,310	554,310	631,378	77,068	883,559
Retirement: PERS On-Behalf Passed Through KPB	-	-	106,060	106,060	151,529
Total State	<u>87,129,086</u>	<u>87,333,628</u>	<u>88,001,771</u>	<u>668,143</u>	<u>90,233,541</u>
Federal - Through the State:					
Medicaid - Direct Reimbursement	200,000	200,000	298,727	98,727	250,781
Total Federal - Through the State	<u>200,000</u>	<u>200,000</u>	<u>298,727</u>	<u>98,727</u>	<u>250,781</u>
Earnings on Investments	<u>300,000</u>	<u>300,000</u>	<u>193,053</u>	<u>(106,947)</u>	<u>83,033</u>
E-Rate	<u>700,000</u>	<u>700,000</u>	<u>719,477</u>	<u>19,477</u>	<u>751,344</u>
Other Local Revenues:					
Facilities Rental	30,000	30,000	23,650	(6,350)	24,700
Miscellaneous	150,000	150,000	172,448	22,448	168,457
Total Other Local Revenues:	<u>180,000</u>	<u>180,000</u>	<u>196,098</u>	<u>16,098</u>	<u>193,157</u>
Total Revenues	<u>138,247,518</u>	<u>138,452,060</u>	<u>139,147,558</u>	<u>695,498</u>	<u>139,750,288</u>
Other Financing Sources:					
Fund Balance Appropriation	321,978	798,235	-	(798,235)	-
Total Revenues and Other Financing Sources	<u>\$ 138,569,496</u>	<u>\$ 139,250,295</u>	<u>\$ 139,147,558</u>	<u>\$ (102,737)</u>	<u>\$ 139,750,288</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Instruction:					
Certificated Salaries	\$ 33,635,616	\$ 33,279,626	\$ 33,237,492	\$ 42,134	\$ 33,140,874
Non-Certificated Salaries	2,006,709	2,215,780	2,412,493	(196,713)	2,590,522
Employee Benefits	21,381,502	21,349,039	21,770,745	(421,706)	22,548,910
Professional and Technical Services	129,775	639,092	615,344	23,748	600,564
Staff Travel	133,351	142,641	103,614	39,027	141,014
Student Travel	9,165	41,741	34,767	6,974	30,488
Utility Services	251,200	284,811	275,570	9,241	267,294
Other Purchased Services	452,433	544,268	471,560	72,708	409,391
Supplies, Materials, and Media	3,102,656	2,615,321	2,278,529	336,792	2,159,005
Other Expenses	1,982,566	933,941	98,228	835,713	37,726
Equipment	1,027,888	1,227,228	1,316,760	(89,532)	1,396,077
	<u>64,112,861</u>	<u>63,273,488</u>	<u>62,615,102</u>	<u>658,386</u>	<u>63,321,865</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Special Education Instruction:					
Certificated Salaries	\$ 7,288,621	\$ 7,103,181	\$ 7,102,999	\$ 182	\$ 6,901,959
Non-Certificated Salaries	4,466,862	4,504,753	4,801,505	(296,752)	4,538,381
Employee Benefits	8,178,629	8,235,478	8,527,968	(292,490)	8,495,310
Professional and Technical Services	170,620	506,923	381,699	125,224	236,568
Staff Travel	43,298	52,507	42,849	9,658	64,602
Student Travel	1,700	1,549	1,481	68	706
Utility Services	-	-	-	-	122
Other Purchased Services	3,254	72	93	(21)	310
Supplies, Materials, and Media	90,276	101,431	90,017	11,414	126,944
Other Expenses	11,500	12,710	12,719	(9)	18,670
Equipment	10,000	2,868	867	2,001	13,761
	<u>20,264,760</u>	<u>20,521,472</u>	<u>20,962,197</u>	<u>(440,725)</u>	<u>20,397,333</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Special Education Support Services - Student:					
Certificated Salaries	\$ 2,400,663	\$ 2,504,704	\$ 2,507,306	\$ (2,602)	\$ 2,328,662
Non-Certificated Salaries	544,594	451,132	450,341	791	525,543
Employee Benefits	1,715,487	1,730,835	1,748,583	(17,748)	1,708,191
Professional and Technical Services	512,570	1,094,767	935,700	159,067	931,019
Staff Travel	75,200	81,832	70,942	10,890	68,460
Student Travel	-	264	264	-	-
Utility Services	5,000	3,306	2,701	605	4,370
Other Purchased Services	3,606	3,364	1,529	1,835	2,633
Supplies, Materials, and Media	40,663	49,872	47,422	2,450	55,737
Other Expenses	10,440	10,000	6,802	3,198	930
Equipment	5,235	5,508	5,508	-	6,566
	<u>5,313,458</u>	<u>5,935,584</u>	<u>5,777,098</u>	<u>158,486</u>	<u>5,632,111</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018
 With Comparative Actual Totals for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Support Services - Student:					
Certificated Salaries	\$ 1,029,481	\$ 1,059,849	\$ 1,066,874	\$ (7,025)	\$ 1,020,178
Non-Certificated Salaries	1,590,283	1,613,519	1,529,104	84,415	1,516,527
Employee Benefits	1,776,471	1,746,066	1,756,145	(10,079)	1,835,403
Professional and Technical Services	-	57,800	57,800	-	-
Staff Travel	64,200	64,067	53,606	10,461	48,564
Student Travel	2,500	2,500	1,010	1,490	293
Utility Services	750	323	223	100	142
Other Purchased Services	4,386	7,502	6,847	655	1,314
Supplies, Materials, and Media	49,292	52,659	45,308	7,351	51,097
Other Expenses	6,098	2,198	829	1,369	5,486
Equipment	1,150	1,150	-	1,150	2,773
	<u>4,524,611</u>	<u>4,607,633</u>	<u>4,517,746</u>	<u>89,887</u>	<u>4,481,777</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018
 With Comparative Actual Totals for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Support Services - Instruction:					
Certificated Salaries	\$ 1,067,546	\$ 1,108,567	\$ 1,123,626	\$ (15,059)	\$ 1,057,886
Non-Certificated Salaries	533,476	505,637	502,827	2,810	526,278
Employee Benefits	1,016,157	935,529	932,704	2,825	913,125
Professional and Technical Services	33,000	33,337	2,000	31,337	13,600
Staff Travel	82,000	83,669	32,721	50,948	38,238
Student Travel	-	278	238	40	210
Utility Services	9,650	14,866	13,869	997	13,882
Other Purchased Services	56,832	46,261	36,303	9,958	39,440
Supplies, Materials, and Media	320,551	347,931	285,473	62,458	282,656
Other Expenses	14,495	19,895	12,797	7,098	6,685
Equipment	3,500	11,156	10,669	487	2,528
	<u>3,137,207</u>	<u>3,107,126</u>	<u>2,953,227</u>	<u>153,899</u>	<u>2,894,528</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018
 With Comparative Actual Totals for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
School Administration:					
Certificated Salaries	\$ 4,227,324	\$ 4,196,985	\$ 4,220,370	\$ (23,385)	\$ 4,021,417
Non-Certificated Salaries	14,771	14,490	11,936	2,554	13,889
Employee Benefits	1,967,817	1,981,735	2,006,615	(24,880)	1,941,441
Professional and Technical Services	83	83	-	83	-
Staff Travel	93,339	108,239	81,891	26,348	88,060
Other Purchased Services	-	-	-	-	52
Supplies, Materials, and Media	9,413	10,656	8,310	2,346	6,832
Other Expenses	29,641	28,898	25,033	3,865	23,742
Equipment	-	132	358	(226)	-
	<u>6,342,388</u>	<u>6,341,218</u>	<u>6,354,513</u>	<u>(13,295)</u>	<u>6,095,433</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
School Administration Support Services:					
Certificated Salaries	\$ 75,000	\$ -	\$ -	-	\$ 80,000
Non-Certificated Salaries	2,387,611	2,336,716	2,375,648	(38,932)	2,360,067
Employee Benefits	2,000,073	1,997,743	1,982,423	15,320	2,064,328
Professional and Technical Services	-	-	-	-	-
Staff Travel	6,200	8,153	4,436	3,717	4,635
Utility Services	673,800	594,133	588,171	5,962	725,374
Other Purchased Services	11,287	122,450	117,816	4,634	8,488
Supplies, Materials, and Media	56,880	78,659	80,669	(2,010)	77,552
Other Expenses	30,000	25,166	18,297	6,869	19,236
Equipment	-	4,983	5,632	(649)	2,230
	<u>5,240,851</u>	<u>5,168,003</u>	<u>5,173,092</u>	<u>(5,089)</u>	<u>5,341,910</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
District Administration:					
Certificated Salaries	\$ 305,024	\$ 307,261	\$ 317,782	\$ (10,521)	\$ 301,702
Non-Certificated Salaries	225,395	229,758	237,839	(8,081)	234,014
Employee Benefits	329,083	329,728	370,632	(40,904)	349,001
Professional and Technical Services	123,150	106,929	71,031	35,898	134,747
Staff Travel	70,900	83,752	83,748	4	63,880
Utility Services	14,700	20,308	19,917	391	26,420
Other Purchased Services	25,450	73,825	73,757	68	27,914
Supplies, Materials, and Media	22,895	23,754	18,151	5,603	25,508
Tuition and Stipends	33,600	33,600	33,600	-	33,600
Other Expenses	41,400	40,226	37,500	2,726	30,734
Equipment	38,761	26,086	26,085	1	18,527
	<u>1,230,358</u>	<u>1,275,227</u>	<u>1,290,042</u>	<u>(14,815)</u>	<u>1,246,047</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
District Administrative Support Services:					
Certificated Salaries	\$ 127,800	\$ 128,531	\$ 138,852	\$ (10,321)	\$ 151,722
Non-Certificated Salaries	2,556,449	2,501,303	2,478,154	23,149	2,570,109
Employee Benefits	1,582,262	1,549,916	1,536,817	13,099	1,617,193
Professional and Technical Services	319,075	319,235	308,187	11,048	277,688
Staff Travel	94,325	82,795	64,694	18,101	73,139
Utility Services	35,050	37,661	34,836	2,825	44,164
Other Purchased Services	360,008	355,521	335,338	20,183	262,375
Insurance and Bond Premiums	867,505	867,505	867,505	-	765,970
Supplies, Materials, and Media	224,770	296,220	310,205	(13,985)	254,882
Other Expenses	60,437	62,649	46,227	16,422	31,524
Indirect Costs	(377,698)	(367,510)	(265,492)	(102,018)	(230,899)
Equipment	41,821	109,712	15,396	94,316	42,592
	<u>5,891,804</u>	<u>5,943,538</u>	<u>5,870,719</u>	<u>72,819</u>	<u>5,860,459</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Operations and Maintenance of Plant:					
Non-Certificated Salaries	\$ 3,351,574	\$ 3,202,372	\$ 3,123,832	\$ 78,540	\$ 3,368,727
Employee Benefits	2,510,165	2,596,865	2,651,058	(54,193)	3,056,532
Staff Travel	7,050	7,768	7,093	675	3,778
Utility Services	380,350	414,981	417,872	(2,891)	421,714
Energy	5,061,596	5,336,965	5,766,243	(429,278)	5,685,316
Other Purchased Services	7,065,288	8,687,526	8,198,731	488,795	8,473,895
Insurance and Bond Premiums	552,221	552,221	552,221	-	575,120
Supplies, Materials, and Media	305,277	349,116	314,573	34,543	329,758
Other Expenses	200	200	-	200	-
Equipment	-	26,828	31,068	(4,240)	27,963
	<u>19,233,721</u>	<u>21,174,842</u>	<u>21,062,691</u>	<u>112,151</u>	<u>21,942,803</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018
 With Comparative Actual Totals for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Student Activities:					
Certificated Salaries	\$ 1,012,721	\$ 911,631	\$ 858,304	\$ 53,327	\$ 831,389
Non-Certificated Salaries	394,169	469,367	472,534	(3,167)	531,734
Employee Benefits	357,802	358,810	334,630	24,180	337,259
Staff Travel	9,550	10,326	8,575	1,751	7,488
Student Travel	262,762	297,712	280,807	16,905	246,234
Other Purchased Services	90,151	33,319	31,721	1,598	44,741
Supplies, Materials, and Media	8,187	49,175	45,468	3,707	52,404
Other Expenses	42,135	44,759	44,164	595	44,716
Equipment	-	15,406	-	15,406	-
	<u>2,177,477</u>	<u>2,190,505</u>	<u>2,076,203</u>	<u>114,302</u>	<u>2,095,965</u>
 Total Expenditures	 <u>137,469,496</u>	 <u>139,538,636</u>	 <u>138,652,630</u>	 <u>886,006</u>	 <u>139,310,231</u>
 Other Financing Uses:					
Transfer To Food Service Fund	1,100,000	1,100,000	850,000	250,000	1,100,000
Transfer To Student Transportation	-	-	-	-	655,072
Total Other Financing Uses	<u>1,100,000</u>	<u>1,100,000</u>	<u>850,000</u>	<u>250,000</u>	<u>1,755,072</u>
 Total Expenditures and Other Financing Uses	 <u>\$ 138,569,496</u>	 <u>\$ 140,638,636</u>	 <u>\$ 139,502,630</u>	 <u>\$ 1,136,006</u>	 <u>\$ 141,065,303</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 SCHEDULE OF COMPLIANCE - AS 14.17.505
 Year Ended June 30, 2018

Total fund balance - School Operating Fund		\$ 14,199,854
less exemptions per 4 ACC 09.160(a)		
Encumbrances		713,689
Home School allotment		675,503
Inventory		781,784
Prepaid Items		<u>1,292,972</u>
Total exemptions		<u>3,463,948</u>
Fund balance subject to 10% limitation		<u><u>\$ 10,735,906</u></u>

Nonexempt fund balance as a percentage of current year expenditures:

$$\begin{array}{rcl}
 \text{Fund balance subject to limitation} & & 10,735,906 \\
 \hline
 \text{Current year expenditures} & = & \frac{10,735,906}{138,652,630} = \underline{\underline{7.74\%}}
 \end{array}$$

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 SCHEDULE OF COMPLIANCE - AS 14.17.520
 For the Year Ended June 30, 2018

Instruction:

Regular Instruction	\$ 62,615,102	
Special Education Instruction	20,962,197	
Special Education Support Services - Student	5,777,098	
Support Services - Student	4,517,746	
Support Services - Instruction	2,953,227	
School Administration	<u>6,354,513</u>	
Total Instruction	<u>103,179,883</u>	74.42%

Non-Instruction:

School Administration Support Services	5,173,092	
District Administration	1,290,042	
District Administration Support Services	5,870,719	
Operations and Maintenance of Plant	21,062,691	
Student Activities	<u>2,076,203</u>	
Total Non-Instruction	<u>35,472,747</u>	25.58%
Total Expenditures	<u>138,652,630</u>	

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
BALANCE SHEET - MAJOR FUND - EQUIPMENT
June 30, 2018

With Comparative Totals as of June 30, 2017

	2018	2017
ASSETS		
Equity in Central Treasury	\$ 3,153,068	\$ 3,339,808
Total Assets	\$ 3,153,068	\$ 3,339,808
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ -	\$ -
Due to General Fund	-	-
Total Liabilities	-	-
Assigned	3,153,068	3,339,808
Total Fund Balance:	3,153,068	3,339,808
Total Liabilities and Fund Balances	\$ 3,153,068	\$ 3,339,808

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, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2016 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Earnings on Investments	\$ 75,000	\$ 75,000	\$ 57,029	\$ (17,971)	\$ 24,290
Expenditures					
Instruction:					
Other Purchased Services	-	-	-	-	2,942
Supplies, Materials, and Media	-	35,102	34,525	577	102,485
Equipment	3,334,431	3,173,925	83,740	3,090,185	95,876
Total Instruction	3,334,431	3,209,027	118,265	3,090,762	201,303
School Administration Support Services:					
Supplies, Materials, and Media	-	2,810	2,809	1	6,631
Equipment	-	6,915	6,915	-	901
Total School Administration	-	9,725	9,724	1	7,532
District Administration Support Services:					
Equipment	-	4,125	4,125	-	901
Total District Administration Support Services:	-	4,125	4,125	-	901
Operations and Maintenance of Plant:					
Other Purchased Services	-	2,800	-	2,800	-
Supplies, Materials, and Media	-	11,207	11,119	88	97,852
Equipment	-	102,924	100,536	2,388	186,444
Total Operations and Maintenance of Plant	-	116,931	111,655	5,276	284,296
Total Expenditures	3,334,431	3,339,808	243,769	3,096,039	493,131
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,259,431)	\$ (3,264,808)	(186,740)	\$ 3,078,068	(468,841)
Fund Balance, Beginning of Year			3,339,808		3,808,649
Fund Balance, End of Year			\$ 3,153,068		\$ 3,339,808

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
BALANCE SHEET - MAJOR FUND - TITLE I
June 30, 2018

With Comparative Totals as of June 30, 2017

	2018	2017
ASSETS		
Assets:		
Due from other Governments	\$ 1,403,430	\$ 1,545,343
Total Assets	\$ 1,403,430	\$ 1,545,343
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 777	\$ 1,204
Due to General Fund	1,402,653	1,544,139
Total Liabilities	1,403,430	1,545,343
Fund Balance:	-	-
Total Liabilities and Fund Balances	\$ 1,403,430	\$ 1,545,343

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, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 4,121,774	\$ 4,123,129	\$ 3,477,548	\$ (645,581)	\$ 2,774,290
Expenditures:					
Instruction					
Certificated Salaries	1,939,612	1,974,197	1,688,777	285,420	1,381,525
Non-Certificated Salaries	243,169	275,018	267,204	7,814	218,169
Employee Benefits	961,700	985,245	842,523	142,722	742,714
Professional and Technical Service	57,750	84,554	40,479	44,075	16,298
Staff Travel	221,543	199,238	129,380	69,858	107,294
Student Travel	78,998	27,855	23,771	4,084	25,971
Utility Services	9,767	8,439	3,534	4,905	4,083
Other Purchased Services	5,600	9,196	3,958	5,238	18,694
Supplies, Materials, and Media	292,433	265,679	236,580	29,099	164,257
Other Expenses	34,088	27,788	17,182	10,606	8,416
Equipment	138,002	126,537	112,073	14,464	18,324
Total Regular Instruction	<u>3,982,662</u>	<u>3,983,746</u>	<u>3,365,461</u>	<u>618,285</u>	<u>2,705,745</u>
District Administration Support Services					
Indirect Costs	<u>139,112</u>	<u>139,383</u>	<u>112,087</u>	<u>27,296</u>	<u>68,545</u>
Total Expenditures	<u>4,121,774</u>	<u>4,123,129</u>	<u>3,477,548</u>	<u>645,581</u>	<u>2,774,290</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>

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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	Migrant Education
Broadband Assistance	Prince William Sound Council
Building Trades	Project Aware
Carl Perkins – Basic	Safe Children’s Act
Community Theater	Staff Development Mini – Grants
Corporate and Miscellaneous Grants	Science Technology Engineering Math
Food Service	Student Transportation
Food Service - FFVP	Suicide Awareness Pre & Postvention
Food Service –NSLP Equipment	Title I-D, Delinquent
Food Service – Nutritional Alaskan Foods	Title VI-B, IDEA
Future Educators	Title VI, Indian Education
Gear Up Kenai Peninsula	Upward Bound
Governor’s Alternative Schools	Youth in Detention
Marine/Aquatic Education	Youth Risk Behavior Survey
McKinney – Vento Homeless	

SPECIAL REVENUE FUNDS

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

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.

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 – NSLP Equipment is to purchase milk coolers

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

Future Educators grant is for travel to CTSO conference for teachers advisors and students.

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.

Migrant Education grant provides additional resources to Migrant eligible students.

Prince William Sound Council grant is for student travel to learn about oil spill prevention in Kachemak Bay.

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.

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

Science Technology Engineering Math grant is for student travel to the STEM Conference.

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.

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.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
 June 30, 2018
 With Comparative Totals as of June 30, 2017

	AK Mental Health	Building Trades	Carl Perkins Basic	Community Theater
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ 98,259
Accounts receivable	-	-	-	4,990
Due from other Governments	1,398	-	85,901	-
Inventory	-	60,618	-	-
Total Assets	\$ 1,398	\$ 60,618	\$ 85,901	\$ 103,249
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ 64
Due to General Fund	1,398	44,976	85,901	-
Total Liabilities	1,398	44,976	85,901	64
Fund Balances:				
Nonspendable	-	60,618	-	-
Assigned	-	-	-	103,185
Unassigned	-	(44,976)	-	-
Total Fund Balances	-	15,642	-	103,185
Total Liabilities and Fund Balances	\$ 1,398	\$ 60,618	\$ 85,901	\$ 103,249

Continued

	Corporate & Miscellaneous Grants	Food Service	Gear - Up Kenai	Governor's Alt. Schools
ASSETS				
Equity in Central Treasury	\$ 224,190	\$ 765,505	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other Governments	-	-	13,026	33,795
Inventory	-	241,078	-	-
Total Assets	<u>\$ 224,190</u>	<u>\$ 1,006,583</u>	<u>\$ 13,026</u>	<u>\$ 33,795</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ 744	\$ -	\$ -
Due to General Fund	-	-	13,026	33,795
Total Liabilities	<u>-</u>	<u>744</u>	<u>13,026</u>	<u>33,795</u>
Fund Balances:				
Nonspendable	-	241,078	-	-
Assigned	224,190	764,761	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>224,190</u>	<u>1,005,839</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 224,190</u>	<u>\$ 1,006,583</u>	<u>\$ 13,026</u>	<u>\$ 33,795</u>

Continued

	Marine/Aquatic Education	McKinney-Vento Homeless	Migrant Education	Prince William Sound Council
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other Governments	11,038	2,490	11,039	3,834
Inventory	-	-	-	-
Total Assets	\$ 11,038	\$ 2,490	\$ 11,039	\$ 3,834
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to General Fund	11,038	2,490	11,039	3,834
Total Liabilities	11,038	2,490	11,039	3,834
Fund Balances:				
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	\$ 11,038	\$ 2,490	\$ 11,039	\$ 3,834

Continued

	Project Aware	Safe Children's Act	Staff Development Mini-Grants	Student Transportaion
ASSETS				
Equity in Central Treasury	\$ -	\$ 8,286	\$ -	\$ 1,660,562
Accounts receivable	-	-	-	-
Due from other Governments	110,521	-	1,120	-
Inventory	-	-	-	-
Total Assets	\$ 110,521	\$ 8,286	\$ 1,120	\$ 1,660,562
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ 193	\$ 327,183
Due to General Fund	110,521	-	927	-
Total Liabilities	110,521	-	1,120	327,183
Fund Balances:				
Nonspendable	-	-	-	-
Assigned	-	8,286	-	1,333,379
Unassigned	-	-	-	-
Total Fund Balances	-	8,286	-	1,333,379
Total Liabilities and Fund Balances	\$ 110,521	\$ 8,286	\$ 1,120	\$ 1,660,562

Continued

	Suicide Awareness	Title I-D Delinquent	Title VI-B IDEA	Title VI Indian Education
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other Governments	16,008	8,014	285,594	256,716
Inventory	-	-	-	-
Total Assets	<u>\$ 16,008</u>	<u>\$ 8,014</u>	<u>\$ 285,594</u>	<u>\$ 256,716</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ 7,129
Due to General Fund	16,008	8,014	285,594	249,587
Total Liabilities	<u>16,008</u>	<u>8,014</u>	<u>285,594</u>	<u>256,716</u>
Fund Balances:				
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 16,008</u>	<u>\$ 8,014</u>	<u>\$ 285,594</u>	<u>\$ 256,716</u>

Concluded

	Total June 30, 2018	Total June 30, 2017
ASSETS		
Equity in Central Treasury	\$ 2,756,802	\$ 1,407,819
Accounts receivable	4,990	302,610
Due from other Governments	840,494	1,781,845
Inventory	301,696	159,748
Total Assets	<u>\$ 3,903,982</u>	<u>\$ 3,652,022</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 335,313	\$ 33,490
Due to General Fund	878,148	1,580,054
Total Liabilities	<u>1,213,461</u>	<u>1,613,544</u>
Fund Balances:		
Nonspendable	301,696	159,748
Assigned	2,433,801	1,923,706
Unassigned	(44,976)	(44,976)
Total Fund Balances	<u>2,690,521</u>	<u>2,038,478</u>
Total Liabilities and Fund Balances	<u>\$ 3,903,982</u>	<u>\$ 3,652,022</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, 2018
 With Comparative Totals for the Year Ended June 30, 2017

	<u>Artist in Schools</u>	<u>Alaska Mental Health Trust</u>	<u>Broadband Assistance</u>	<u>Building Trades</u>
Revenues:				
State	\$ 750	\$ 7,763	\$ 6,116	\$ -
Federal-Direct	-	-	-	-
Federal-Through the State	750	-	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	1,650	-	-	-
Total Revenues	<u>3,150</u>	<u>7,763</u>	<u>6,116</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	3,150	7,763	-	-
Special Education - Instruction	-	-	-	-
Special Education Support Services - Instruction	-	-	-	-
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
School Administration	-	-	-	-
School Administration Support Services	-	-	6,116	-
Operations and Maintenance of Plant	-	-	-	-
Student Activities	-	-	-	-
Community Services	-	-	-	-
District Administration Support Services	-	-	-	-
Student Transportation	-	-	-	-
Food Services	-	-	-	-
Total Expenditures	<u>3,150</u>	<u>7,763</u>	<u>6,116</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes In Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	15,642
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,642</u>

Continued

	Carl Perkins - Basic	Community Theater	Corporate & Miscellaneous Grants	Food Service
Revenues:				
State	\$ -	\$ -	\$ -	\$ -
Federal-Direct	-	-	-	-
Federal-Through the State	215,369	-	-	2,435,774
Food sales	-	-	-	659,306
Corporate grants and user fees	-	39,465	286,019	-
Other Local	-	-	-	1,815
Total Revenues	<u>215,369</u>	<u>39,465</u>	<u>286,019</u>	<u>3,096,895</u>
Expenditures:				
Current:				
Instruction	207,895	-	76,438	-
Special Education - Instruction	-	-	-	-
Special Education Support Services - Instruction	-	-	-	-
Support Services - Students	-	-	500	-
Support Services - Instruction	-	-	5,855	-
School Administration	-	-	-	-
School Administration Support Services	-	-	-	-
Operations and Maintenance of Plant	-	-	428	-
Student Activities	-	-	35,043	-
Community Services	-	9,642	-	-
District Administration Support Services	7,474	-	-	-
Student Transportation	-	-	-	-
Food Services	-	-	-	3,798,616
Total Expenditures	<u>215,369</u>	<u>9,642</u>	<u>118,264</u>	<u>3,798,616</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>29,823</u>	<u>167,755</u>	<u>(701,721)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	850,000
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>850,000</u>
Net Changes In Fund Balances	-	29,823	167,755	148,279
Fund Balances, Beginning of Year	<u>-</u>	<u>73,362</u>	<u>56,435</u>	<u>633,895</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ 103,185</u>	<u>\$ 224,190</u>	<u>\$ 782,174</u>

Continued

	Food Service FFVP	Food Service NSLP Equipment	Food Service Nutritional Alaskan Foods	Future Educators
Revenues:				
State	\$ -	\$ 4,711	\$ -	\$ -
Federal-Direct	-	-	-	-
Federal-Through the State	122,759	10,000	-	14,527
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	-	-
Total Revenues	<u>122,759</u>	<u>14,711</u>	<u>-</u>	<u>14,527</u>
Expenditures:				
Current:				
Instruction	-	-	-	14,527
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	122,759	14,711	239	-
Total Expenditures	<u>122,759</u>	<u>14,711</u>	<u>239</u>	<u>14,527</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>(239)</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	-	-	(239)	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>223,904</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 223,665</u>	<u>\$ -</u>

Continued

	Gear Up Kenai Peninsula	Governor's Alternative Schools	Marine/Aquatic Education	McKinney - Vento Homeless
Revenues:				
State	\$ -	\$ 48,289	\$ -	\$ -
Federal-Direct	50,503	-	-	-
Federal-Through the State	-	-	16,018	20,043
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	-	-
Total Revenues	50,503	48,289	16,018	20,043
Expenditures:				
Current:				
Instruction	48,566	44,031	16,018	19,094
Special Education - Instruction	-	236	-	-
Special Education Support Services - Instruction	-	-	-	-
Support Services - Students	-	-	-	-
Support Services - Instruction	-	1,710	-	-
School Administration	-	-	-	-
School Administration Support Services	-	242	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Activities	-	-	-	-
Community Services	-	-	-	-
District Administration Support Services	1,937	2,070	-	949
Student Transportation	-	-	-	-
Food Services	-	-	-	-
Total Expenditures	50,503	48,289	16,018	20,043
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes In Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -

Continued

	Migrant Education	Prince William Sound Council	Project Aware	Safe Children's Act
Revenues:				
State	\$ -	\$ -	\$ -	\$ 47,121
Federal-Direct	-	-	-	-
Federal-Through the State	19,568	-	288,339	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	3,834	-	-
Total Revenues	<u>19,568</u>	<u>3,834</u>	<u>288,339</u>	<u>47,121</u>
Expenditures:				
Current:				
Instruction	19,568	3,834	-	38,835
Special Education - Instruction	-	-	-	-
Special Education Support Services - Instruction	-	-	-	-
Support Services - Students	-	-	212,357	-
Support Services - Instruction	-	-	62,426	-
School Administration	-	-	-	-
School Administration Support Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Activities	-	-	-	-
Community Services	-	-	-	-
District Administration Support Services	-	-	13,556	-
Student Transportation	-	-	-	-
Food Services	-	-	-	-
Total Expenditures	<u>19,568</u>	<u>3,834</u>	<u>288,339</u>	<u>38,835</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,286</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	-	-	-	8,286
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,286</u>

Continued

	Staff Development Mini-Grants	STEM	Student Transportation	Suicide Awareness Pre & PostVention
Revenues:				
State	\$ 600	\$ -	\$ 8,074,746	\$ 35,369
Federal-Direct	-	-	-	-
Federal-Through the State	8,979	4,719	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	-	-
Total Revenues	9,579	4,719	8,074,746	35,369
Expenditures:				
Current:				
Instruction	9,579	4,719	-	33,694
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	-	-	28,740	-
Community Services	-	-	-	-
District Administration Support Services	-	-	-	1,675
Student Transportation	-	-	7,747,867	-
Food Services	-	-	-	-
Total Expenditures	9,579	4,719	7,776,607	35,369
Excess (Deficiency) of Revenues over Expenditures	-	-	298,139	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes In Fund Balances	-	-	298,139	-
Fund Balances, Beginning of Year	-	-	1,035,240	-
Fund Balances, End of Year	\$ -	\$ -	\$ 1,333,379	\$ -

Continued

	Title I-D Delinquent	Title VI-B IDEA	Title VI Indian Education	Youth In Detention
Revenues:				
State	\$ -	\$ -	\$ -	\$ 73,776
Federal-Direct	-	-	481,868	-
Federal-Through the State	13,548	2,089,204	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	-	-
Total Revenues	<u>13,548</u>	<u>2,089,204</u>	<u>481,868</u>	<u>73,776</u>
Expenditures:				
Current:				
Instruction	13,030	-	459,053	70,283
Special Education - Instruction	-	1,990,287	-	-
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	518	98,917	22,815	3,493
Student Transportation	-	-	-	-
Food Services	-	-	-	-
Total Expenditures	<u>13,548</u>	<u>2,089,204</u>	<u>481,868</u>	<u>73,776</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes In Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Concluded

	<u>Total June 30, 2018</u>	<u>Total June 30, 2017</u>
Revenues:		
State	\$ 8,299,241	\$ 7,939,266
Federal-Direct	532,371	595,801
Federal-Through the State	5,259,597	5,844,472
Food sales	659,306	609,409
Corporate grants and user fees	325,484	154,144
Other Local	<u>7,299</u>	<u>3,168</u>
 Total Revenues	 <u>15,083,298</u>	 <u>15,146,260</u>
Expenditures:		
Current:		
Instruction	1,090,077	1,426,326
Special Education - Instruction	1,990,523	2,605,572
Special Education Support Services - Instruction	-	500
Support Services - Students	212,857	203,721
Support Services - Instruction	69,991	51,949
School Administration	-	-
School Administration Support Services	6,358	24,521
Operations and Maintenance of Plant	428	3,393
Student Activities	63,783	112,224
Community Services	9,642	21,330
District Administration Support Services	153,404	162,356
Student Transportation	7,747,867	8,182,675
Food Services	<u>3,936,325</u>	<u>4,017,147</u>
 Total Expenditures	 <u>15,281,255</u>	 <u>16,811,714</u>
 Excess (Deficiency) of Revenues over Expenditures	 <u>(197,957)</u>	 <u>(1,665,454)</u>
Other Financing Sources (Uses):		
Transfers in	850,000	1,755,072
Transfers Out	<u>-</u>	<u>-</u>
 Total Other Financing Sources (Uses):	 <u>850,000</u>	 <u>1,755,072</u>
 Net Changes In Fund Balances	 652,043	 89,618
 Fund Balances, Beginning of Year	 <u>2,038,478</u>	 <u>1,948,860</u>
 Fund Balances, End of Year	 <u>\$ 2,690,521</u>	 <u>\$ 2,038,478</u>

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, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ 600	\$ 750	\$ 750	\$ -	\$ 500
Federal - Through the State	750	750	750	-	500
Other Local	<u>750</u>	<u>1,650</u>	<u>1,650</u>	-	<u>1,786</u>
Total Revenues	<u>2,100</u>	<u>3,150</u>	<u>3,150</u>	-	<u>2,786</u>
Expenditures:					
Instruction					
Certificated Salaries	-	-	-	-	-
Employee Benefits	-	-	-	-	-
Professional and Technical Services	2,100	2,800	2,799	1	2,000
Supplies, Materials, and Media	<u>-</u>	<u>350</u>	<u>351</u>	<u>(1)</u>	<u>786</u>
Total Expenditures	<u>2,100</u>	<u>3,150</u>	<u>3,150</u>	-	<u>2,786</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
ALASKA MENTAL HEALTH TRUST
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ 7,956	\$ 7,956	\$ 7,763	\$ (193)	\$ -
Expenditures:					
Instruction					
Equipment	7,956	7,956	7,763	193	-
Total Expenditures	7,956	7,956	7,763	193	-
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
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, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal - Through the State	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Instruction					
Supplies, Materials, and Media	-	-	-	-	536
Equipment	-	-	-	-	1,860
Total Expenditures	-	-	-	-	2,396
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	(2,396)
Fund Balance, Beginning of Year			-		2,396
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</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, 2018
 With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ 6,116	\$ 6,116	\$ 6,116	\$ -	\$ 24,521
Expenditures:					
School Administration Support Services					
Utility Services	6,116	6,116	6,116	\$ -	24,521
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, 2018
 With Comparative Actual Totals for the Year Ended June 30, 2017

	2018				2017 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, 2018
 With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal - Through the State	\$ 194,106	\$ 219,060	\$ 215,369	\$ (3,691)	\$ 211,027
Expenditures:					
Instruction					
Certificated Salaries	53,157	53,157	43,077	10,080	56,727
Non-Certificated Salaries	14,150	8,261	7,034	1,227	14,421
Employee Benefits	18,175	18,175	17,209	966	19,194
Professional and Technical Services	9,000	10,699	17,935	(7,236)	9,000
Staff Travel	8,050	8,050	9,213	(1,163)	19,242
Student Travel	12,726	12,726	10,973	1,753	8,705
Other Purchased Services	-	350	364	(14)	-
Supplies, Materials, and Media	23,962	42,735	44,568	(1,833)	35,529
Other Expenses	7,559	-	-	-	-
Equipment	40,032	57,246	57,522	(276)	41,712
Total Instruction	186,811	211,399	207,895	3,504	204,530
District Administration Support Services					
Indirect Costs	7,295	7,661	7,474	187	6,497
Total Expenditures	194,106	219,060	215,369	3,691	211,027
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
COMMUNITY THEATER
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Corporate Grants and User Fees	\$ 35,000	\$ 35,000	\$ 39,465	\$ 4,465	\$ 46,460
Expenditures:					
Community Services:					
Non-Certificated Salaries	32,500	32,500	3,559	28,941	13,401
Employee Benefits	8,500	8,500	288	8,212	3,157
Staff Travel	2,000	2,000	226	1,774	231
Supplies, Materials, and Media	3,500	3,500	3,569	(69)	-
Equipment	-	-	2,000	(2,000)	4,541
Total Expenditures	46,500	46,500	9,642	36,858	21,330
Excess (Deficiency) of Revenue over Expenditures	(11,500)	(11,500)	29,823	41,323	25,130
Other Financing Sources:					
Transfers In	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			73,362		48,232
Fund Balance, End of Year			\$ 103,185		\$ 73,362

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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, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Corporate Grants and User Fees	-	286,019	286,019	-	107,684
Expenditures:					
Instruction:					
Certificated Salaries	1,189	421	421	-	471
Non-Certificated Salaries	730	3,437	3,926	(489)	4,751
Employee Benefits	147	296	333	(37)	375
Professional and Technical Service	6,924	29,334	23,334	6,000	5,346
Staff Travel	900	763	763	-	-
Student Travel	14,775	21,675	10,080	11,595	12,378
Other Purchased Services	2,242	1,200	1,200	-	300
Supplies, Materials, and Media	16,734	70,654	23,473	47,181	6,590
Other Expenses	-	296	295	1	-
Equipment	-	166,213	12,613	153,600	3,498
Total Instruction	43,641	294,289	76,438	217,851	33,709
Special Education - Instruction:					
Supplies, Materials, and Media	-	-	-	-	500
Special Education Support Services - Students					
Supplies, Materials, and Media	-	-	-	-	500
Support Services - Students					
Supplies, Materials, and Media	500	500	500	-	-
Support Services - Instruction					
Non-Certificated Salaries	-	1,197	1196	1	
Employee Benefits	-	92	92	-	
Staff Travel	1,000	4,604	4460	144	
Supplies, Materials, and Media	-	1,107	107	1,000	-
Total Support Services - Instruction	1,000	7,000	5,855	1,145	-
Operations and Maintenance of Plant:					
Supplies, Materials, and Media	149	429	428	1	1,391
Equipment	-	-	-	-	2,002
Total Operations and Maintenance of Plant	149	429	428	1	3,393

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
CORPORATE AND MISCELLANEOUS GRANTS - CONTINUED
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Student Activities:					
Non-Certificated Salaries	-	-	-	-	83
Employee Benefits	-	-	-	-	6
Staff Travel	-	-	-	-	198
Student Travel	3,990	12,620	12,621	(1)	18,062
Other Purchased Services	4,641	1,500	1,500	-	2,102
Supplies, Materials, and Media	-	13,947	8,753	5,194	10,873
Other Expenses	2,000	2,166	2,166	-	-
Equipment	-	10,003	10,003	-	3,385
Total Student Activities	<u>10,631</u>	<u>40,236</u>	<u>35,043</u>	<u>5,193</u>	<u>34,709</u>
Total Expenditures	<u>55,921</u>	<u>342,454</u>	<u>118,264</u>	<u>223,045</u>	<u>72,811</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (55,921)</u>	<u>\$ (56,435)</u>	167,755	<u>\$ 224,190</u>	34,873
Fund Balance, Beginning of Year			<u>56,435</u>		<u>21,562</u>
Fund Balance, End of Year			<u>\$ 224,190</u>		<u>\$ 56,435</u>

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, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ -	\$ -	\$ -	\$ -	\$ 272,718
Expenditures:					
Instruction					
Certificated Salaries	-	-	-	-	51,722
Non-Certificated Salaries	-	-	-	-	6,009
Employee Benefits	-	-	-	-	7,106
Staff Travel	-	-	-	-	113,714
Student Travel	-	-	-	-	528
Other Purchased Services	-	-	-	-	7,675
Supplies, Materials, and Media	-	-	-	-	74,652
Other Expenses	-	-	-	-	-
Equipment	-	-	-	-	882
Total Instruction	-	-	-	-	262,288
District Administration Support Services					
Indirect Costs	-	-	-	-	10,430
Total Expenditures	-	-	-	-	272,718
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, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal - Direct	\$ -	\$ -	\$ -	\$ -	\$ 37,261
Expenditures:					
Instruction					
Other Purchased Services	-	-	-	-	37,261
Supplies, Materials, and Media	-	-	-	-	-
Equipment	-	-	-	-	-
Total Expenditures	-	-	-	-	37,261
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
FOOD SERVICE
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 2,314,000	\$ 2,314,000	\$ 2,266,691	\$ (47,309)	\$ 2,192,556
Food Sales	739,500	739,500	659,306	(80,194)	609,409
Commodities	160,000	160,000	169,083	9,083	132,531
Other Local Revenues	-	-	1,815	1,815	1,382
Total Revenues	<u>3,213,500</u>	<u>3,213,500</u>	<u>3,096,895</u>	<u>(116,605)</u>	<u>2,935,878</u>
Expenditures:					
Food Services					
Non-Certificated Salaries	1,543,713	1,543,713	1,396,499	147,214	1,489,789
Employee Benefits	1,212,200	1,212,200	1,040,476	171,724	1,120,407
Staff Travel	11,300	6,711	4,795	1,916	10,032
Utility Services	2,600	2,600	1,636	964	1,907
Other Purchased Services	55,200	42,301	21,169	21,132	22,090
Supplies, Materials, and Media	1,603,156	1,602,277	1,314,620	287,657	1,193,605
Other Expenses	1,200	1,722	1,579	143	4,071
Equipment	-	17,845	17,842	3	27,504
Total Expenditures	<u>4,429,369</u>	<u>4,429,369</u>	<u>3,798,616</u>	<u>630,753</u>	<u>3,869,405</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(1,215,869)</u>	<u>(1,215,869)</u>	<u>(701,721)</u>	<u>514,148</u>	<u>(933,527)</u>
Other Financing Sources:					
Transfers In	<u>\$ 1,100,000</u>	<u>\$ 1,100,000</u>	850,000	<u>\$ (250,000)</u>	1,100,000
Fund Balance, Beginning of Year			<u>633,895</u>		<u>467,422</u>
Fund Balance, End of Year			<u>\$ 782,174</u>		<u>\$ 633,895</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, 2018
 With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 28,366	\$ 122,759	\$ 122,759	\$ -	\$ 141,829
Expenditures:					
Food Service					
Non-Certificated Salaries	-	-	-	-	16,498
Employee Benefits	-	-	-	-	9,820
Supplies, Materials, and Media	28,366	122,759	122,759	-	115,511
Total Expenditures	28,366	122,759	122,759	-	141,829
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, 2018
 With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Food Service					
Supplies, Materials, and Media	-	223,904	239	223,665	5,913
Total Expenditures	-	223,904	239	223,665	5,913
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ (223,904)	(239)	\$ 223,665	(5,913)
Fund Balance, Beginning of Year			223,904		229,817
Fund Balance, End of Year			\$ 223,665		\$ 223,904

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, 2018
 With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ -	\$ 4,711	\$ 4,711	\$ -	\$ -
Federal-Through the State	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>10,000</u>	<u>14,711</u>	<u>14,711</u>	<u>-</u>	<u>-</u>
Expenditures:					
Food Service Equipment	<u>10,000</u>	<u>14,711</u>	<u>14,711</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>10,000</u>	<u>14,711</u>	<u>14,711</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance, Beginning of Year			<u>-</u>		<u>-</u>
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 FUTURE EDUCATORS - UNIVERSITY OF ALASKA
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018
 With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 15,180	\$ 18,191	\$ 14,527	\$ (3,664)	\$ -
Expenditures:					
Instruction					
Certificated Salaries	5,350	6,100	6,100	-	-
Employee Benefits	750	847	846	1	-
Staff Travel	-	910	782	128	-
Student Travel	9,080	10,334	6,799	3,535	-
Total Instruction	15,180	18,191	14,527	3,664	-
Total Expenditures	15,180	18,191	14,527	3,664	-
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, 2018
 With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Direct	\$ 50,503	\$ 50,503	\$ 50,503	\$ -	\$ 111,049
Expenditures:					
Instruction					
Professional and Technical Service	48,566	48,566	48,566	-	106,788
District Administration Support Services					
Indirect Costs	1,937	1,937	1,937	-	4,261
Total Expenditures	50,503	50,503	50,503	-	111,049
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, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ 48,400	\$ 48,400	\$ 48,289	\$ (111)	\$ 24,123
Expenditures:					
Instruction:					
Certificated Salaries	-	140	140	-	926
Non-Certificated Salaries	-	1,311	1,354	(43)	-
Employee Benefits	-	296	110	186	71
Professional and Technical Service	-	9,903	9,903	-	-
Student Travel	-	1,136	1,136	-	-
Other Purchased Service	-	4,486	4,486	-	1,104
Supplies, Materials, and Media	-	22,338	22,338	-	21,096
Other Expenses	48,400	-	-	-	-
Equipment	-	4,673	4,564	109	-
Total Instruction	48,400	44,283	44,031	252	23,197
Special Education - Instruction					
Non-Certificated Salaries	-	182	182	-	-
Employee Benefits	-	54	54	-	-
Total Special Education - Instruction	-	236	236	-	-
Support Services - Instruction					
Non-Certificated Salaries	-	1,501	1,501	-	-
Employee Benefits	-	24	209	(185)	-
Total Support Services - Instruction	-	1,525	1,710	(185)	-
School Administration Support Services					
Non-Certificated Salaries	-	236	189	47	-
Employee Benefits	-	53	53	-	-
Total School Administration Support Services	-	289	242	47	-
District Administration Support Services					
Indirect Costs	-	2,067	2,070	(3)	926
Total Expenditures	48,400	48,400	48,289	111	24,123
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, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 20,798	\$ 20,798	\$ 16,018	\$ (4,780)	\$ 9,203
Expenditures:					
Instruction					
Non-Certificated Salaries	-	-	708	(708)	69
Employee Benefits	-	-	53	(53)	5
Professional and Technical Services	1,500	2,050	1,300	750	-
Student Travel	16,772	13,724	11,392	2,332	7,885
Supplies, Materials, and Media	2,526	5,024	2,565	2,459	1,244
Total Instruction	20,798	20,798	16,018	4,780	9,203
Total Expenditures	20,798	20,798	16,018	4,780	9,203
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, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 20,043	\$ 20,043	\$ 20,043	\$ -	\$ 16,615
Expenditures:					
Instruction					
Staff Travel	-	3,225	3,225	-	2,041
Student Travel	-	450	450	-	700
Other Purchased Services	-	-	-	-	2,001
Supplies, Materials, and Media	-	15,419	15,419	-	11,235
Other Expenses	20,043	-	-	-	-
Total Instruction	20,043	19,094	19,094	-	15,977
District Administration Support Services					
Indirect Costs	-	949	949	-	638
Total Expenditures	20,043	20,043	20,043	-	16,615
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, 2018
 With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ -	\$ -	\$ -	\$ -	\$ 110,181
Expenditures:					
Instruction					
Certificated Salaries	-	-	-	-	71,724
Employee Benefits	-	-	-	-	31,146
Staff Travel	-	-	-	-	2,477
Supplies, Materials and Media	-	-	-	-	606
Total Instruction	-	-	-	-	105,953
District Administration Support Services					
Indirect Costs	-	-	-	-	4,228
Total Expenditures	-	-	-	-	110,181
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
MIGRANT EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 21,880	\$ 21,880	\$ 19,568	\$ (2,312)	\$ 18,131
Expenditures:					
Instruction					
Staff Travel	5,500	5,500	3,774	1,726	439
Supplies, Materials, and Media	16,380	16,380	15,794	586	11,714
Equipment	-	-	-	-	5,978
Total Expenditures	<u>21,880</u>	<u>21,880</u>	<u>19,568</u>	<u>2,312</u>	<u>18,131</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
 PRINCE WILLIAM SOUND COUNCIL
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018
 With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Other Local	\$ 4,000	\$ 4,000	\$ 3,834	\$ (166)	\$ -
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>3,834</u>	<u>(166)</u>	<u>-</u>
Expenditures:					
Instruction					
Non-Certificated Salaries	-	118	118	-	-
Employee Benefits	-	7	7	-	-
Student Travel	4,000	3,875	3,709	166	-
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>3,834</u>	<u>166</u>	<u>-</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
PROJECT AWARE
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal - Through the State	\$ 316,609	\$ 316,609	\$ 288,339	\$ (28,270)	\$ 265,871
Expenditures:					
Support Services - Student					
Certificated Salaries	-	133,970	146,609	(12,639)	142,643
Employee Benefits	-	55,768	65,298	(9,530)	60,628
Supplies, Materials, and Media	-	450	450	-	450
Total Support Services - Student	-	190,188	212,357	(22,169)	203,721
Support Services - Instruction					
Certificated Salaries	-	46,532	30,194	16,338	28,157
Non-Certificated Salaries	-	1,460	1,425	35	240
Employee Benefits	-	31,467	9,817	21,650	9,247
Staff Travel	-	6,965	5,222	1,743	5,581
Supplies, Materials, and Media	-	20,808	13,748	7,060	8,724
Other Expenses	316,609	-	-	-	-
Equipment	-	4,407	2,020	2,387	-
Total Support Services - Instruction	316,609	111,639	62,426	49,213	51,949
District Administration Support Services					
Indirect Costs	-	14,782	13,556	1,226	10,201
Total Expenditures	316,609	316,609	288,339	28,270	265,871
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

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, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ 47,121	\$ 47,121	\$ 47,121	\$ -	\$ 12,855
Total Revenues	<u>47,121</u>	<u>47,121</u>	<u>47,121</u>	<u>-</u>	<u>12,855</u>
Expenditures:					
Instruction					
Certificated Salaries	16,940	4,678	5,125	(447)	-
Non-Certificated Salaries	2,955	535	535	-	-
Employee Benefits	1,916	890	874	16	-
Professional and Technical Service	-	4,082	2,229	1,853	-
Staff Travel	22,610	16,560	12,756	3,804	-
Supplies, Materials, and Media	2,500	20,376	17,316	3,060	12,855
Other Expenses	200	-	-	-	-
Total Expenditures	<u>47,121</u>	<u>47,121</u>	<u>38,835</u>	<u>8,286</u>	<u>12,855</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	8,286	<u>\$ -</u>	-
Fund Balance, Beginning of Year			<u>-</u>		<u>-</u>
Fund Balance, End of Year			<u>\$ 8,286</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, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal - Through the State	\$ -	\$ -	\$ -	\$ -	\$ 4,000
Expenditures:					
Instruction					
Other Purchased Services	-	-	-	-	2,327
Supplies, Materials, and Media	-	-	-	-	1,673
Total Expenditures	-	-	-	-	4,000
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
 STAFF DEVELOPMENT MINI-GRANTS
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018
 With Comparative Actual Totals for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ -	\$ 1,532	\$ 600	\$ (932)	\$ 6,062
Federal-Through the State	<u>1,250</u>	<u>9,680</u>	<u>8,979</u>	<u>(701)</u>	<u>5,270</u>
Total Revenues	<u>1,250</u>	<u>11,212</u>	<u>9,579</u>	<u>(1,633)</u>	<u>11,332</u>
Expenditures:					
Instruction					
Certificated Salaries	-	360	-	360	140
Non-Certificated Salaries	-	122	120	2	120
Employee Benefits	-	-	9	(9)	20
Staff Travel	<u>1,250</u>	<u>10,730</u>	<u>9,450</u>	<u>1,280</u>	<u>11,052</u>
Total Expenditures	<u>1,250</u>	<u>11,212</u>	<u>9,579</u>	<u>1,633</u>	<u>11,332</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
 SCIENCE, TECHNOLOGY, ENGINEERING, ART/ARCHITECTURE/ AGRICULTURE AND MATHEMATICS
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018

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

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 5,379	\$ 5,379	\$ 4,719	\$ (660)	\$ -
Expenditures:					
Instruction					
Non-Certificated Salaries	-	351	350	1	-
Employee Benefits	-	27	27	-	-
Student Travel	5,379	5,001	4,342	659	-
Total Expenditures	5,379	5,379	4,719	660	-
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, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenue:					
State	\$ 7,480,340	\$ 8,074,746	\$ 8,074,746	\$ -	\$ 7,476,569
Expenditures:					
Student Transportation					
Home to School					
Non-Certificated Salaries	85,847	52,336	43,661	8,675	60,511
Employee Benefits	44,399	32,999	31,201	1,798	38,778
Staff Travel	9,500	9,500	540	8,960	745
Utility Services	1,500	1,500	275	1,225	446
Other Purchased Services	7,514,124	7,521,624	7,658,334	(136,710)	8,071,980
Supplies, Materials, and Media	7,300	8,904	13,856	(4,952)	9,867
Other Expenses	1,300	388,470	-	388,470	-
Equipment	-	-	-	-	348
Total Student Activities	<u>7,663,970</u>	<u>8,015,333</u>	<u>7,747,867</u>	<u>267,466</u>	<u>8,182,675</u>
Student Transportation					
Student Activities					
Non-Certificated Salaries	3,000	11,255	8,500	2,755	28,724
Employee Benefits	230	7,928	7,939	(11)	14,364
Staff Travel	1,000	1,000	-	1,000	85
Utility Services	1,000	4,000	3,595	405	2,975
Other Purchased Services	-	2,730	2,677	53	2,931
Supplies, Materials, and Media	32,000	32,000	6,009	25,991	7,778
Other Expenses	500	500	20	480	1,908
Equipment	-	-	-	-	18,750
Total Student Transportation	<u>37,730</u>	<u>59,413</u>	<u>28,740</u>	<u>30,673</u>	<u>77,515</u>
Total Expenditures	<u>7,701,700</u>	<u>8,074,746</u>	<u>7,776,607</u>	<u>298,139</u>	<u>8,260,190</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(221,360)</u>	<u>-</u>	<u>298,139</u>	<u>298,139</u>	<u>(783,621)</u>
Other Financing Sources:					
Transfers In	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 655,072</u>
Fund Balance, Beginning of Year			1,035,240		1,163,789
Fund Balance, End of Year			<u>\$ 1,333,379</u>		<u>\$ 1,035,240</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SUICIDAL AWARENESS PRE & POSTVENTION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ 37,070	\$ 35,455	\$ 35,369	\$ (86)	\$ 27,721
Expenditures:					
Instruction					
Certificated Salaries	-	2,850	2,850	-	420
Non-Certificated Salaries	-	315	240	75	-
Employee Benefits	-	423	418	5	32
Professional and Technical Services	-	16,538	16,538	-	21,161
Staff Travel	-	11,769	11,767	2	4,120
Student Travel	-	1,881	1,881	-	116
Supplies, Materials, and Media	-	-	-	-	808
Other Expenses	34,070	-	-	-	-
Total Instruction	34,070	33,776	33,694	82	26,657
District Administration Support Services					
Indirect Costs	-	1,679	1,675	4	1,064
Total Expenditures	34,070	35,455	35,369	86	27,721
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, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 22,973	\$ 22,973	\$ 13,548	\$ (9,425)	\$ 4,373
Expenditures:					
Instruction					
Certificated Salaries	4,700	2,200	1,477	723	1,876
Non-Certificated Salaries	990	990	-	990	246
Employee Benefits	595	378	157	221	162
Professional and Technical Services	3,400	9,500	6,167	3,333	-
Staff Travel	2,000	1,000	20	980	-
Utilities	300	300	-	300	-
Supplies, Materials, and Media	4,292	3,814	2,610	1,204	1,921
Equipment	5,887	3,887	2,599	1,288	-
Total Instruction	22,164	22,069	13,030	9,039	4,205
District Administration Support Services					
Indirect Costs	809	904	518	386	168
Total Expenditures	22,973	22,973	13,548	9,425	4,373
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, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 3,080,777	\$ 3,080,777	\$ 2,089,204	\$ (991,573)	\$ 2,709,014
Expenditures:					
Special Education - Instruction					
Certificated Salaries	254,186	254,746	218,369	36,377	356,229
Non-Certificated Salaries	1,138,537	1,139,360	897,284	242,076	1,049,598
Employee Benefits	1,374,839	1,374,942	792,676	582,266	1,098,166
Professional and Technical Services	-	-	-	-	16,261
Staff Travel	85,000	92,995	61,815	31,180	77,343
Other Purchased Services	3,000	3,000	2,383	617	4,278
Supplies, Materials, and Media	69,869	69,869	17,760	52,109	3,197
Other Expenses	9,952	-	-	-	-
Total Special Education - Instruction	<u>2,935,383</u>	<u>2,934,912</u>	<u>1,990,287</u>	<u>944,625</u>	<u>2,605,072</u>
District Administration Support Services					
Indirect Costs	<u>145,394</u>	<u>145,865</u>	<u>98,917</u>	<u>46,948</u>	<u>103,942</u>
Total Expenditures	<u>3,080,777</u>	<u>3,080,777</u>	<u>2,089,204</u>	<u>991,573</u>	<u>2,709,014</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
TITLE VI - INDIAN EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Direct	\$ 497,357	\$ 497,357	\$ 481,868	\$ (15,489)	\$ 447,491
Expenditures:					
Instruction					
Certificated Salaries	92,053	62,725	95,111	(32,386)	56,661
Non-Certificated Salaries	123,353	123,353	67,468	55,885	88,103
Employee Benefits	69,843	69,843	46,230	23,613	68,961
Professional and Technical Services	162,000	182,880	178,615	4,265	158,832
Staff Travel	5,000	5,000	6,256	(1,256)	11,355
Student Travel	7,155	7,155	47,012	(39,857)	29,461
Utilities	-	-	-	-	390
Other Purchased Services	-	1,768	1,785	(17)	550
Supplies, Materials, and Media	13,360	20,040	16,576	3,464	16,008
Total Instruction	472,764	472,764	459,053	13,711	430,321
District Administration Support Services					
Indirect Costs	24,593	24,593	22,815	1,778	17,170
Total Expenditures	497,357	497,357	481,868	15,489	447,491
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

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, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ -	\$ -	\$ -	\$ -	\$ 23,371
Expenditures:					
Instruction					
Certificated Salaries	-	-	-	-	11,842
Non-Certificated Salaries	-	-	-	-	509
Employee Benefits	-	-	-	-	1,691
Student Travel	-	-	-	-	1,128
Supplies, Materials, and Media	-	-	-	-	1,997
Other Expenses	-	-	-	-	6,204
Total Expenditures	-	-	-	-	23,371
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, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018			Variance- Positive (Negative)	2017 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	\$ 73,776	\$ 73,776	\$ 73,776	\$ -	\$ 73,776
Expenditures:					
Instruction:					
Certificated Salaries	51,916	51,916	51,916	-	52,060
Non-Certificated Salaries	-	-	-	-	132
Employee Benefits	18,367	18,367	18,367	-	18,629
Supplies	-	-	-	-	124
Total Instruction	<u>70,283</u>	<u>70,283</u>	<u>70,283</u>	-	<u>70,945</u>
District Administration Support Services					
Indirect Costs	<u>3,493</u>	<u>3,493</u>	<u>3,493</u>	-	<u>2,831</u>
Total Expenditures	<u>73,776</u>	<u>73,776</u>	<u>73,776</u>	-	<u>73,776</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
YOUTH RISK BEHAVIOR SURVEY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
With Comparative Actual Totals for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ -	\$ -	\$ -	\$ -	\$ 20,421
Expenditures:					
Instruction					
Certificated Salaries	-	-	-	-	1,500
Employee Benefits	-	-	-	-	208
Professional and Technical Services	-	-	-	-	6,924
Supplies, Materials, and Media	-	-	-	-	11,789
Total Expenditures	-	-	-	-	20,421
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

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, 2018

	<u>Employee Compensated Leave Fund</u>	<u>Health Care Fund</u>	<u>Total Internal Service Funds</u>
<u>ASSETS</u>			
Equity in Central Treasury	\$ 2,975,193	\$ 2,425,267	\$ 5,400,460
Equity in Central Treasury - Restricted for Healthcare	-	3,318,306	3,318,306
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 2,975,193</u>	<u>\$ 5,743,573</u>	<u>\$ 8,718,766</u>
<u>LIABILITIES</u>			
Current Liabilities			
Health Claims Payable (IBNR)	\$ -	\$ 3,718,000	\$ 3,718,000
Contributions Collected from Employees in Excess of Negotiated Agreement	-	678,808	678,808
Compensated Absences	99,775		99,775
Total Current Liabilities	<u>99,775</u>	<u>4,396,808</u>	<u>4,496,583</u>
Noncurrent Liabilities		-	
Compensated Absences, net of current portion	<u>2,875,418</u>	<u>-</u>	<u>2,875,418</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>\$ 2,975,193</u>	<u>\$ 4,396,808</u>	<u>\$ 7,372,001</u>
<u>NET POSITION</u>			
Net Position - Unrestricted	<hr/> -	<hr/> 1,346,765	<hr/> 1,346,765
	<hr/>	<hr/>	<hr/>
Total Net Position	<u>\$ -</u>	<u>\$ 1,346,765</u>	<u>\$ 1,346,765</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, 2018

	Employee Compensated Leave Fund	Health Care Fund	Total Internal Service Funds
Operating Revenues:			
Charges to Other Funds	\$ 2,952,916	\$ -	\$ 2,952,916
Employer Contributions	-	23,777,075	23,777,075
Employee Contributions, Net of adjustment per negotiated agreement.	-	5,183,218	5,183,218
Total Operating Revenues	2,952,916	28,960,293	31,913,209
Operating Expenses:			
Administrative services	2,952,916	-	2,952,916
Healthcare Claims and Administrative Fees	-	28,768,395	28,768,395
Total operating expenses	2,952,916	28,768,395	31,721,311
Operating income	-	191,898	191,898
Nonoperating Revenues - Interest Income	-	14,232	14,232
Increase in net position	-	206,130	206,130
Total net position, beginning of year	-	1,140,635	1,140,635
Total net position, end of year	\$ -	\$ 1,346,765	\$ 1,346,765

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2018

	Employee Compensated Leave Fund	Health Care Fund	Total Internal Service Funds
Cash flows for operating activities:			
Payments for interfund services provided	\$ 2,952,916	\$ -	\$ 2,952,916
Payments to employees	(3,087,469)	-	(3,087,469)
Receipts from employer - current year contributions	-	23,777,075	23,777,075
Receipts from employees - current year contributions	-	5,160,628	5,160,628
Payments for claims and services	-	(28,963,574)	(28,963,574)
Net cash flow for operating activities	<u>(134,553)</u>	<u>(25,871)</u>	<u>(160,424)</u>
Cash flows from investing activities - interest income received	-	14,232	14,232
Net increase (decrease) in cash and cash equivalents	<u>(134,553)</u>	<u>(11,639)</u>	<u>(146,192)</u>
Cash and cash equivalents, beginning of year	<u>3,109,746</u>	<u>5,755,212</u>	<u>8,864,958</u>
Cash and cash equivalents, end of year	<u>\$ 2,975,193</u>	<u>\$ 5,743,573</u>	<u>\$ 8,718,766</u>
Reconciliation of operating income to net cash used in operating activities:			
Operating income	\$ -	\$ 191,899	\$ 191,899
Decrease in compensated absences payable	(134,553)	-	(134,553)
Decrease in health care payable	-	(195,179)	(195,179)
Contributions collected from employees in excess of negotiated agreement	-	(22,591)	(22,591)
Net cash used in operating activities	<u>\$ (134,553)</u>	<u>\$ (25,871)</u>	<u>\$ (160,424)</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, 2018

<u>Student Activity</u>	<u>Total June 30, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Total June 30, 2018</u>
Assets:				
Cash	\$ 15,091	\$ 2,578,184	2,571,401	\$ 21,874
Equity in Central Treasury	<u>2,726,367</u>	<u>6,159,997</u>	<u>6,155,860</u>	<u>\$ 2,730,504</u>
Total Assets:	<u><u>\$ 2,741,458</u></u>	<u><u>\$ 8,738,181</u></u>	<u><u>\$ 8,727,261</u></u>	<u><u>\$ 2,752,378</u></u>
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Amount Due Student Groups	<u>2,741,458</u>	<u>8,738,181</u>	<u>8,727,261</u>	<u>2,752,378</u>
Total Liabilities:	<u><u>\$ 2,741,458</u></u>	<u><u>\$ 8,738,181</u></u>	<u><u>\$ 8,727,261</u></u>	<u><u>\$ 2,752,378</u></u>

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CAPITAL ASSETS

Schedule of Changes in General Capital Assets

Schedule of General Capital Assets – By Location

Comparative Schedule of General Capital Assets – By Source

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS
For the Year Ended June 30, 2018

	General Capital Assets June 30, 2017	Additions	Deletions	Transfers	General Capital Assets June 30, 2018
Administration	\$ 2,691,073	\$ 86,245	\$ (199,694)	\$ (20,099)	\$ 2,557,525
Schools	6,722,666	178,121	(118,724)	20,099	6,802,162
	<u>\$ 9,413,739</u>	<u>\$ 264,366</u>	<u>\$ (318,418)</u>	<u>\$ -</u>	<u>\$ 9,359,687</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SCHEDULE OF GENERAL CAPITAL ASSETS - BY LOCATION
June 30, 2018

	<u>Equipment</u>		<u>Equipment</u>
Administration:		Kenai:	
District Office and		Aurora Borealis	196,130
Warehouse	\$ 2,557,525	High School	1,172,367
Total Administration	<u>2,557,525</u>	Kaleidoscope	77,580
		Kenai Alternative	5,721
		Middle School	252,920
Schools:		Mt. View Elementary	<u>79,947</u>
Outside Cities:		Total Kenai	<u>1,784,665</u>
Chapman Elementary	60,755		
Cooper Landing	36,596	Seldovia:	<u>105,556</u>
Hope	49,963	Susan B. English	<u>105,556</u>
Kachemak Selo	32,093	Total Seldovia	
K-Beach	90,474		
McNeil Canyon	42,508	Seward:	
Moose Pass	12,401	Elementary	51,725
Nanwalek	46,551	High School	556,393
Nikiski High	707,318	Middle	<u>58,432</u>
Nikiski North Star	60,552	Total Seward	<u>666,550</u>
Nikolaevsk	107,302		
Ninilchik	162,162	Soldotna:	
Port Graham	30,176	Connections	24,048
Skyview Middle	303,795	Elementary	113,075
Sterling	46,173	High School	885,175
Tebughna	32,672	Peninsula Optional High	6,047
Tustumena	34,400	Prep School	125,130
Voznesenka	21,365	Redoubt Elementary	<u>85,033</u>
Total Outside Cities	<u>1,877,256</u>	Total Soldotna	<u>1,238,508</u>
Homer:		Total Schools	<u>6,802,162</u>
Fireweed Academy	55,462		
High School	856,942	Total General Capital Assets	<u>\$ 9,359,687</u>
Homer Flex	19,810		
Middle School	68,724		
Paul Banks	28,430		
Razdolna	36,897		
West Homer	<u>63,362</u>		
Total Homer	<u>1,129,627</u>		

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 COMPARATIVE SCHEDULE OF CAPITAL ASSETS - BY SOURCE
 June 30, 2018 and 2017

	2018	2017
General Capital Assets:		
Furniture and Equipment	\$ 9,359,687	\$ 9,413,739
Investments in General Capital Assets from:		
General Obligation Bonds	\$ 384,936	\$ 399,125
State and Federal Grants	3,771,480	3,926,934
General Fund Revenue	5,203,271	5,087,680
Total Investment in General Capital Assets:	\$ 9,359,687	\$ 9,413,739

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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, 2018

<u>State Grantor</u>	<u>Program Number</u>	<u>Amount Expended</u>
Department of Administration:		
* TRS On Behalf		\$ 7,664,800
* PERS On Behalf		631,378
* PERS On Behalf passed through Kenai Peninsula Borough		<u>106,060</u>
Total Department of Administration		<u>8,402,238</u>
Department of Education and Early Development:		
* Public School Funding Program		79,312,743
* Pupil Transportation		8,074,746
Alternative Schools	BH 18.KPSD.01	48,289
Artist in Schools	FY18AIS0010	750
Broadband Assistance Grant	SBG 18.024.12	6,115
NSLP Equipment Assistance Grant	NS 18.KPSD.01	4,711
*Quality Schools		286,790
Safe Childrens Act	SC18.KPSD.01	38,835
Suicide Awareness, Prevention & Postvention	SP 18.KPSD.01	35,369
Youth In Detention - Kenai Youth Facility	EY18.KPSD.01	73,776
Total Department of Education and Early Development		<u>87,882,124</u>
Alaska Mental Health Authority		
Interactive Learning for West Homer Elementary Intervention Classroom	8900	<u>7,763</u>
Total Alaska Mental Health Trust Authority		<u>7,763</u>
Department of Commerce, Community and Economic Development:		
Nutritional Alaskan Foods in Schools	13-NAFS-025	<u>239</u>
Total Department of Commerce, Community and Economic Development		<u>239</u>
Total State Financial Assistance		\$ <u><u>96,292,364</u></u>

* State major program

Note 1: Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state grant activity of Kenai Peninsula Borough School District under programs of the State of Alaska for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of the State of Alaska Audit Guide and Compliance Supplement for State Single Audits. Because the Schedule presents only a selected portion of the operations of Kenai Peninsula Borough School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Kenai Peninsula Borough School District.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2018

<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 06/30/18</u>
U.S. Department of Education - Direct:			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	P334A110121-16	\$ 50,503
Indian Education Grants to Local Educational Agencies	84.060A	S060A170799	<u>481,868</u>
Total U.S. Department of Education - Direct			<u>532,371</u>
Passed through Alaska Department of Education and Early Development:			
Title I Grants to Local Educational Agencies			
NCLB - Title I-A Basic	84.010	IP 18.KPSD.01	1,220,258
NCLB - Title I-A 1% Parent Involvement	84.010	IP 18.KPSD.01	15,624
NCLB - Title I-A Pre-K	84.010	IP 18.KPSD.01	<u>950,809</u>
Total CFDA 84.010			<u>2,186,691</u>
Supporting Effective Instruction State Grants			
Higher Ed /Library Assessment Literacy	84.367B	HE 18.KPSD.02	20,010
NCLB - Title II-A, Training & Recruiting	84.367	IP 18.KPSD.01	<u>740,134</u>
Total CFDA 84.367			<u>760,144</u>
Special Education Cluster:			
Title VI-B	84.027	SE 18.KPSD.01	2,045,834
Preschool Disabled, One Time	84.027	SA 18.KPSD.01	<u>7,627</u>
Total CFDA 84.027			<u>2,053,461</u>
Preschool Disabled	84.173	SE 18.KPSD.01	<u>35,743</u>
Total Special Education Cluster			<u>2,089,204</u>
Migrant Education State Grant Program			
Migrant Education, Book	84.011A	MB 18.KPSD.01	15,794
Migrant Education, Parent Advisory Council	84.011	MB 18.KPSD.02	3,774
NCLB - Title I-C Migrant	84.011	IP 18.KPSD.01	<u>469,554</u>
Total CFDA 84.011			<u>489,122</u>
Education for Homeless Children and Youth	84.196	FR 18.KPSD.01	20,043
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	IP 18.KPSD.01	13,548
Student Support and Academic Enrichment Program	84.424A	IP 18.KPSD.01	43,451
Career and Technical Education	84.048	EK 18.KPSD.01	215,369
English Language Acquisition State Grants	84.365	IP 18.KPSD.01	<u>17,709</u>
Total passed through Alaska Department of Education and Early Development			<u>5,835,281</u>
Alaska Native Education Program			
Passed through the University of Fairbanks - Educator Rising	84.356	S356A150061	<u>14,527</u>
Total U.S. Department of Education			<u>6,382,179</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 06/30/18</u>
U.S. Department of Commerce:			
UAF-Marine Aquatic Education and Sea Week Activities	11.417		\$ <u>16,018</u>
Total U.S. Department of Commerce			<u>16,018</u>
U.S. Department of Health and Human Services:			
Passed through Alaska Department of Education and Early Development			
Substance Abuse and Mental Health Services Projects of Regional and National Significance			
Project AWARE - Youth Mental Health	93.243	AW 18.KPSD.01	36,872
Project AWARE - Youth Mental Health	93.243	AW 18.KPSD.02	<u>251,467</u>
Total CFDA 93.243			<u>288,339</u>
Total U.S Department of Health and Human Services			<u>288,339</u>
Promotion of the Arts Partnerships Agreements			
Passed through Alaska State Council on the Arts -			
Artist in Schools	45.025	FY18AIS0010	<u>750</u>
U.S. Department of Agriculture:			
Passed through Alaska Department of Education and Early Development:			
Child Nutrition Cluster:			
National School Lunch Program - After School Snack	10.553	MA 18.024.01	1,959
National School Lunch Program - Breakfast Program	10.553	MA 18.024.01	<u>451,454</u>
Total CFDA 10.553			453,413
Commodities	10.555		155,795
National School Lunch Program - Lunch Program	10.555	MA 18.024.01	<u>1,813,277</u>
Total CFDA 10.555			1,969,072
Total Child Nutrition Cluster			<u>2,422,485</u>
U.S. Department of Agriculture, continued:			
Passed through Alaska Department of Education and Early Development:			
NSLP Equipment Assistance Grant	10.579	NS 18.KPSD.01	10,000
State Administrative Expenses for Child Nutrition	10.560	FD 18.KPSD.01	13,289
Fresh Fruit & Vegetable Program	10.582	FF 18.KPSD.00	<u>122,759</u>
Total U.S. Department of Agriculture			<u>2,568,533</u>
Total Expenditures of Federal Awards			\$ <u><u>9,255,819</u></u>

Note 1. Basis of Presentation

The above schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Kenai Peninsula Borough School District under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Kenai Peninsula Borough School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Kenai Peninsula Borough School District.

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

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The Kenai Peninsula Borough School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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.

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TABLE I

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)**

	FISCAL YEAR				
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Invested in Capital Assets	\$ 2,598,361	\$ 2,407,561	\$ 2,774,938	\$ 3,088,378	\$ 3,054,829
Restricted					
Charter Schools	570,373	675,350	507,663	645,261	556,395
Facilities Maintenance	-	-	-	-	-
Homeschool Allotment	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
Total Restricted	570,373	675,350	507,663	645,261	556,395
Unrestricted	29,588,884	28,489,644	30,878,045	27,921,811	27,516,245
Total Net Position	<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>

TABLE I

	FISCAL YEAR				
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Invested in Capital Assets	\$ 3,604,976	\$ 3,516,215	\$ 3,491,363	\$ 3,083,746	\$ 2,699,269
Restricted					
Charter Schools	625,619	664,091	626,097	741,273	894,618
Facilities Maintenance	1,845,512	2,042,930	2,288,499	1,321,447	1,791,509
Homeschool Allotment	-	281,975	393,338	549,790	675,503
Special Revenue Funds	-	-	-	-	-
Total Restricted	2,471,131	2,988,996	3,307,934	2,612,510	3,361,630
Unrestricted	23,662,678	(30,561,702)	(51,911,437)	(75,117,199)	(81,097,334)
Total Net Position	\$ 29,738,785	\$ (24,056,491)	\$ (45,112,140)	\$ (69,420,943)	\$ (75,036,435)

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				
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Expenses					
Government Activities:					
Instruction	\$ 61,820,342	\$ 68,715,631	\$ 68,158,156	\$ 70,671,418	\$ 73,207,376
Special Education - Instruction	15,047,686	16,673,739	18,495,855	19,939,292	21,592,288
Special Education Support Services-Students	4,568,803	4,712,605	5,016,857	5,606,638	6,090,491
Support Services - Students	3,569,636	3,817,779	3,898,385	4,307,528	4,769,002
Support Services - Instruction	2,382,071	2,612,624	2,358,838	3,432,382	3,476,192
School Administration	5,903,499	6,414,684	6,673,392	6,666,723	7,261,568
School Administration Support Services	4,011,390	4,140,290	4,178,505	4,585,996	4,805,263
District Administration	839,511	861,516	957,877	1,065,732	1,134,698
District Administration Support Services	4,831,610	6,323,003	5,628,931	6,658,848	6,210,335
Operations and Maintenance of Plant	18,537,698	19,048,197	20,646,201	22,639,419	21,254,202
Student Activities	1,509,638	2,262,698	2,306,828	2,344,153	2,364,058
Community Service	55,605	58,130	64,559	64,408	48,657
Student Transportation	5,636,018	5,500,984	5,514,495	6,116,707	7,459,992
Food Service	3,190,105	3,262,858	3,283,102	3,814,960	4,226,732
Total expenses	<u>\$ 131,903,612</u>	<u>\$ 144,404,738</u>	<u>\$ 147,181,981</u>	<u>\$ 157,914,204</u>	<u>\$ 163,900,854</u>
Program Revenues					
Charges for Services					
Food Service /Community Theater	994,849	950,232	896,109	825,329	745,201
Operating Grants and Contributions	14,967,746	20,631,827	21,116,546	18,381,570	18,134,117
Total Program Revenues	<u>15,962,595</u>	<u>21,582,059</u>	<u>22,012,655</u>	<u>19,206,899</u>	<u>18,879,318</u>
Total Net(Expense)Governmental Activities	(115,941,017)	(122,822,679)	(125,169,326)	(138,707,305)	(145,021,536)
General Revenues:					
Government Activities:					
Borough Direct Appropriation	\$ 41,146,945	\$ 42,983,376	\$ 42,588,135	\$ 43,251,135	\$ 43,000,000
Public School Funding Program	62,317,926	64,062,960	69,123,351	71,912,349	75,563,384
Retirement: On-behalf Payments	15,227,995	11,901,565	13,615,283	17,803,814	22,907,953
Other State Revenue	245,599	250,195	263,359	1,658,523	2,010,671
Earnings on Investment	1,563,679	1,351,985	837,735	898,439	55,918
E-Rate Program	426,290	575,663	591,046	118,707	590,640
Medicaid Reimbursement	288,038	408,492	593,496	343,617	164,384
Other	173,326	103,380	145,012	215,525	200,605
Total General Revenues	<u>\$ 121,389,798</u>	<u>\$ 121,637,616</u>	<u>\$ 127,757,417</u>	<u>\$ 136,202,109</u>	<u>\$ 144,493,555</u>
Special Item - writeoff NPO/OPEB	5,024,344	-	-	-	-
Change in Net Position	<u>\$ 10,473,125</u>	<u>\$ (1,185,063)</u>	<u>\$ 2,588,091</u>	<u>\$ (2,505,196)</u>	<u>\$ (527,981)</u>

	FISCAL YEAR				
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Expenses					
Government Activities:					
Instruction	\$ 75,266,303	\$ 87,002,086	\$ 78,317,961	\$ 79,665,098	\$ 63,689,016
Special Education - Instruction	21,809,338	25,120,274	27,315,525	27,506,978	20,645,587
Special Education Support Services-Students	5,958,859	6,985,692	6,345,150	6,579,272	5,425,276
Support Services - Students	4,961,996	5,139,495	7,037,564	6,303,071	3,733,089
Support Services - Instruction	3,780,721	4,025,162	4,002,804	3,505,986	2,861,897
School Administration	7,846,925	9,185,386	7,219,494	7,342,662	6,021,382
School Administration Support Services	4,969,562	5,197,826	6,849,331	6,358,677	4,506,896
District Administration	1,253,600	1,020,470	1,466,633	1,426,130	1,112,258
District Administration Support Services	6,219,036	6,349,127	8,191,709	7,223,584	5,489,703
Operations and Maintenance of Plant	23,096,259	23,453,558	24,178,696	23,610,034	20,274,357
Student Activities	2,452,215	2,684,455	2,499,171	2,515,146	2,152,801
Community Service	40,583	39,110	39,979	21,273	9,629
Student Transportation	7,334,939	7,932,255	7,998,559	8,160,684	7,737,829
Food Service	4,479,711	4,490,808	4,254,755	4,014,919	3,983,053
Total expenses	<u>\$ 169,470,047</u>	<u>\$ 188,625,704</u>	<u>\$ 185,717,331</u>	<u>\$ 184,233,514</u>	<u>\$ 147,642,773</u>
Program Revenues					
Charges for Services					
Food Service /Community Theater	683,135	669,280	686,127	655,869	698,771
Operating Grants and Contributions	19,290,617	18,719,908	18,531,943	17,288,971	17,919,104
Total Program Revenues	<u>19,973,752</u>	<u>19,389,188</u>	<u>19,218,070</u>	<u>17,944,840</u>	<u>18,617,875</u>
Total Net(Expense)Governmental Activities	(149,496,295)	(169,236,516)	(166,499,261)	(166,288,674)	(129,024,898)
General Revenues:					
Government Activities:					
Borough Direct Appropriation	\$ 43,500,000	\$ 44,013,525	\$ 48,238,432	\$ 48,238,432	\$ 49,738,432
Public School Funding Program	74,891,748	79,159,764	80,573,648	81,595,174	79,599,533
Retirement: On-behalf Payments	24,234,519	39,377,047	14,492,689	10,867,950	7,904,796
Other State Revenue	3,456,964	3,290,897	-	-	-
Earnings on Investment	475,548	326,758	623,325	83,033	193,053
E-Rate Program	1,219,637	287,658	1,088,548	751,344	719,477
Medicaid Reimbursement	200,451	211,375	287,646	250,781	298,727
Other	128,744	399,614	139,324	193,157	196,098
Total General Revenues	<u>\$ 148,107,611</u>	<u>\$ 167,066,638</u>	<u>\$ 145,443,612</u>	<u>\$ 141,979,871</u>	<u>\$ 138,650,116</u>
Special Item - writeoff NPO/OPEB	-	-	-	-	-
Change in Net Position	<u>\$ (1,388,684)</u>	<u>\$ (2,169,878)</u>	<u>\$ (21,055,649)</u>	<u>\$ (24,308,803)</u>	<u>\$ 9,625,218</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

	FISCAL YEAR				
	2008-2009*	2009-2010	2010-2011	2011-2012	2012-2013
Change in Net Position	\$ 10,473,125	\$ (1,185,063)	\$ 2,588,091	\$ (2,505,196)	\$ (527,981)
Net Position - Beginning	22,284,493	32,757,618	31,572,555	34,160,646	31,655,450
Net Position - Ending	<u>\$ 32,757,618</u>	<u>\$ 31,572,555</u>	<u>\$ 34,160,646</u>	<u>\$ 31,655,450</u>	<u>\$ 31,127,469</u>

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

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

***Beginning Net Position for 2017-2018 was restated for compliance of GASB 75.

TABLE III

	FISCAL YEAR				
	2013-2014	2014-2015**	2015-2016	2016-2017	2017-2018***
Change in Net Position	\$ (1,388,684)	\$ (2,169,878)	\$ (21,055,649)	\$ (24,308,803)	\$ 9,625,218
Net Position - Beginning	31,127,469	(21,886,613)	(24,056,491)	(45,112,140)	(84,661,653)
Net Position - Ending	\$ 29,738,785	\$ (24,056,491)	\$ (45,112,140)	\$ (69,420,943)	\$ (75,036,435)

TABLE IV

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**GENERAL FUND BALANCES, SPECIAL REVENUE FUND BALANCES, TOTAL FUND BALANCE
LAST TEN FISCAL YEARS
(Unaudited)**

	FISCAL YEAR				
	2008-2009	2009-2010	2010-2011*	2011-2012	2012-2013
General Fund					
Reserved	\$ 9,645,680	\$ 9,071,018	\$ -	\$ -	\$ -
Unreserved	6,833,310	6,192,633	-	-	-
Undesignated	4,683,677	5,737,714	-	-	-
Total General Fund	<u>\$ 21,162,667</u>	<u>\$ 21,001,365</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Special Revenue Funds					
Reserved	\$ 267,430	\$ 393,526	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Undesignated	8,729,160	7,770,103	-	-	-
Total Special Revenue Funds	<u>\$ 8,996,590</u>	<u>\$ 8,163,629</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Fund Balance	<u>\$ 30,159,257</u>	<u>\$ 29,164,994</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General Fund					
Nonspendable	\$ -	\$ -	\$ 2,160,675	\$ 1,978,610	\$ 1,715,712
Committed	-	-	-	-	-
Restricted	-	-	892,467	983,984	1,485,931
Assigned	-	-	14,513,862	10,593,166	10,131,139
Unassigned	-	-	5,792,038	6,808,518	6,290,517
Total General Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,359,042</u>	<u>\$ 20,364,278</u>	<u>\$ 19,623,299</u>
Special Revenue Funds					
Nonspendable	\$ -	\$ -	\$ 284,397	\$ 366,559	\$ 218,298
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	7,787,245	6,783,452	6,744,505
Unassigned	-	-	(44,976)	(44,976)	(44,976)
Total Special Revenue Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,026,666</u>	<u>\$ 7,105,035</u>	<u>\$ 6,917,827</u>
Total Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,385,708</u>	<u>\$ 27,469,313</u>	<u>\$ 26,541,126</u>

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

TABLE IV

	FISCAL YEAR				
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Undesignated	-	-	-	-	-
Total General Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Special Revenue Funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Undesignated	-	-	-	-	-
Total Special Revenue Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General Fund					
Nonspendable	\$ 1,687,933	\$ 707,220	\$ 2,064,255	\$ 2,212,284	\$ 2,074,756
Committed	-	-	4,200,580	4,157,085	4,289,271
Restricted	2,471,131	2,988,996	3,307,934	2,612,510	3,361,630
Assigned	8,120,850	5,655,347	3,625,958	1,618,721	2,802,979
Unassigned	6,116,952	7,897,978	2,671,214	3,954,326	1,671,218
Total General Fund	<u>\$ 18,396,866</u>	<u>\$ 17,249,541</u>	<u>\$ 15,869,941</u>	<u>\$ 14,554,926</u>	<u>\$ 14,199,854</u>
Special Revenue Funds					
Nonspendable	\$ 467,256	\$ 271,235	\$ 233,827	\$ 159,748	\$ 301,696
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	5,623,019	5,389,396	5,568,658	5,263,514	5,586,869
Unassigned	(44,976)	(44,976)	(44,976)	(44,976)	(44,976)
Total Special Revenue Funds	<u>\$ 6,045,299</u>	<u>\$ 5,615,655</u>	<u>\$ 5,757,509</u>	<u>\$ 5,378,286</u>	<u>\$ 5,843,589</u>
Total Fund Balance	<u>\$ 24,442,165</u>	<u>\$ 22,865,196</u>	<u>\$ 21,627,450</u>	<u>\$ 19,933,212</u>	<u>\$ 20,043,443</u>

TABLE V

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

	FISCAL YEAR				
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Federal Sources:					
Federal - Direct	\$ 306,186	\$ 401,153	\$ 377,756	\$ 424,110	\$ 455,577
Federal - Through the State	7,856,624	13,617,440	14,547,490	10,999,132	8,291,671
Federal - Through other Agencies	3,305	-	-	-	2,500
Total Federal Sources	\$ 8,166,115	\$ 14,018,593	\$ 14,925,246	\$ 11,423,242	\$ 8,749,748
State Sources:					
Public School Funding Program	\$ 62,563,525	\$ 64,313,155	\$ 69,386,710	\$ 72,182,738	\$ 75,839,317
Retirement: On-behalf Payments	15,227,995	11,901,565	13,615,283	17,803,814	22,907,953
One Time State Funding	-	-	-	1,388,134	1,734,738
Other State Revenue	6,622,333	6,769,831	6,542,513	7,076,188	9,278,661
Total All Other Government Funds	\$ 84,413,853	\$ 82,984,551	\$ 89,544,506	\$ 98,450,874	\$ 109,760,669
Local Sources:					
Borough Direct Appropriation	\$ 41,146,945	\$ 42,983,376	\$ 42,588,135	\$ 43,251,135	\$ 43,000,000
Corporate Grants and User Fees	163,808	106,591	84,059	117,033	98,285
Food Sales	952,018	905,767	853,654	781,299	703,256
Earnings on Investments	1,563,679	1,351,985	837,735	898,439	78,701
Other Local Revenue	945,975	868,812	936,737	486,986	982,214
Total All Other Government Funds	\$ 44,772,425	\$ 46,216,531	\$ 45,300,320	\$ 45,534,892	\$ 44,862,456
Total Revenue	\$ 137,352,393	\$ 143,219,675	\$ 149,770,072	\$ 155,409,008	\$ 163,372,873

TABLE V

	FISCAL YEAR				
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Federal Sources:					
Federal - Direct	\$ 498,606	\$ 514,450	\$ 723,255	\$ 595,801	\$ 532,371
Federal - Through the State	9,130,871	8,251,490	8,822,785	8,897,264	9,035,872
Federal - Through other Agencies	-	-	-	-	-
Total Federal Sources	\$ 9,629,477	\$ 8,765,940	\$ 9,546,040	\$ 9,493,065	\$ 9,568,243
State Sources:					
Public School Funding Program	\$ 75,166,711	\$ 79,442,023	\$ 80,573,648	\$ 81,595,174	\$ 79,599,533
Retirement: On-behalf Payments	24,234,519	143,894,553	9,867,341	8,638,367	8,402,238
One Time State Funding	3,182,001	3,008,638	-	-	-
Other State Revenue	9,443,778	9,822,601	8,906,803	7,911,545	8,300,141
Total All Other Government Funds	\$ 112,027,009	\$ 236,167,815	\$ 99,347,792	\$ 98,145,086	\$ 96,301,912
Local Sources:					
Borough Direct Appropriation	\$ 43,500,000	\$ 44,013,525	\$ 48,238,432	\$ 48,238,432	\$ 49,738,432
Corporate Grants and User Fees	121,502	89,114	101,594	154,144	325,484
Food Sales	657,295	637,595	648,542	609,409	659,306
Earnings on Investments	614,272	421,928	806,217	107,323	250,082
Other Local Revenue	1,531,808	877,415	1,347,717	947,669	921,974
Total All Other Government Funds	\$ 46,424,877	\$ 46,039,577	\$ 51,142,502	\$ 50,056,977	\$ 51,895,278
Total Revenue	\$ 168,081,363	\$ 290,973,332	\$ 160,036,334	\$ 157,695,128	\$ 157,765,433

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

	FISCAL YEAR				
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Expenditures:					
Instruction	\$ 62,067,541	\$ 68,929,841	\$ 68,248,693	\$ 70,705,651	\$ 73,540,692
Special Education - Instruction	15,047,687	16,687,607	18,493,550	19,969,419	21,697,320
Special Education Support Services - Student	4,567,626	4,709,847	5,016,857	5,614,026	6,106,612
Support Services - Student	3,569,636	3,828,379	3,898,385	4,313,204	4,741,625
Support Services - Instruction	2,374,251	2,608,450	2,354,134	3,503,879	3,495,584
School Administration	5,894,424	6,414,515	6,672,373	6,674,487	7,279,767
School Administration Support Services	4,026,857	4,141,233	4,162,807	4,579,314	4,804,920
District Administration	834,584	855,280	977,921	1,060,774	1,132,748
District Administration Support Services	4,837,284	6,312,937	5,873,132	6,954,273	6,121,508
Operations and Maintenance of Plant	18,579,831	19,112,022	20,693,008	22,839,229	21,442,833
Student Activities	1,334,903	1,831,912	2,161,214	2,194,608	2,211,478
Community Services	55,605	58,130	64,559	64,493	48,786
Student Transportation	5,586,792	5,492,429	5,498,915	6,092,404	7,473,969
Food Service	3,243,735	3,231,356	3,433,810	3,870,392	4,203,218
Total Expenditures	<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>

TABLE VI

	FISCAL YEAR				
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Expenditures:					
Instruction	\$ 75,303,404	\$ 153,282,907	\$ 68,954,024	\$ 67,655,239	\$ 67,188,905
Special Education - Instruction	21,824,017	39,901,135	22,477,371	23,002,905	22,952,720
Special Education Support Services - Student	5,964,489	12,031,526	5,523,880	5,632,611	5,777,098
Support Services - Student	4,966,685	8,417,273	4,829,934	4,685,499	4,730,603
Support Services - Instruction	3,771,683	6,436,525	3,355,331	2,946,476	3,023,218
School Administration	7,853,319	16,635,574	6,319,716	6,102,965	6,364,237
School Administration Support Services	4,961,926	6,000,353	5,648,777	5,366,431	5,179,450
District Administration	1,261,255	1,673,515	1,266,201	1,246,047	1,290,042
District Administration Support Services	6,241,343	7,198,837	6,367,538	6,091,360	6,140,335
Operations and Maintenance of Plant	23,177,075	24,591,509	22,221,887	22,230,492	21,174,774
Student Activities	3,020,149	3,983,318	2,048,424	2,208,189	2,139,986
Community Services	40,621	38,992	39,961	21,330	9,642
Student Transportation	7,343,482	7,908,357	7,994,914	8,182,675	7,747,867
Food Service	4,450,876	4,450,480	4,226,122	4,017,147	3,936,325
Total Expenditures	<u>\$ 170,180,324</u>	<u>\$ 292,550,301</u>	<u>\$ 161,274,080</u>	<u>\$ 159,389,366</u>	<u>\$ 157,655,202</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCE
LAST TEN FISCAL YEARS
(Unaudited)**

	FISCAL YEAR				
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Excess of revenues over (under) expenditures	\$ 5,331,637	\$ (994,263)	\$ 2,220,714	\$ (3,027,145)	\$ (928,187)
Other Financing Sources (Uses)					
Capitalized Leases	-	-	-	-	-
Transfers In	4,451,076	830,279	362,104	675,000	816,836
Transfers Out	(4,451,076)	(830,279)	(362,104)	(1,564,250)	(816,836)
Total other financing sources (Uses)	-	-	-	(889,250)	-
Net Change in fund balances	\$ 5,331,637	\$ (994,263)	\$ 2,220,714	\$ (3,916,395)	\$ (928,187)

TABLE VII

	FISCAL YEAR				
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Excess of revenues over (under) expenditures	\$ (2,098,961)	\$ (1,576,969)	\$ (1,237,746)	\$ (1,694,238)	\$ 110,231
Other Financing Sources (Uses)					
Capitalized Leases	-	-	-	-	-
Transfers In	1,424,759	1,300,000	1,200,000	1,755,072	850,000
Transfers Out	(1,424,759)	(1,300,000)	(1,200,000)	(1,755,072)	(850,000)
Total other financing sources (Uses)	-	-	-	-	-
Net Change in fund balances	\$ (2,098,961)	\$ (1,576,969)	\$ (1,237,746)	\$ (1,694,238)	\$ 110,231

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			
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%
2017-18	7,342,187	1,468,599	361,549	998,047	33,842	8,140,446	4.50	88.75%

This information was obtained from the Kenai Peninsula Borough.

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

Fiscal Year	TAX RATE (MILLS)						
	Borough	City of Homer	City of Kenai	City of Seldovia	City of Seward	City of Kachemak*	City of Soldotna
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
2017-18	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, 2018
(Unaudited)

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value
Hilcorp Alaska, LLC	\$ 821,982,330	1	10.10%	\$ -		
Furie Operating Alaska, LLC	243,139,330	2	2.99%			
Tesoro Alaska	196,200,841	3	2.41%	200,081,684	1	3.35%
Bluecrest Energy, Inc	120,769,650	4	1.48%	-		
CING Storage Alaska, LLC	102,691,688	5	1.26%	-		
Harvest Alaska	100,838,690	6	1.24%	-		
Cook Inlet Energy, LLC	90,670,500	7	1.11%	-		
Alaska Pipeline	72,711,797	8	0.89%	-		
Alaska Communications Systems	65,401,732	9	0.80%	-		
Enstar Natural Gass	46,853,128	10	0.58%	-		
ConocoPhillips, Inc.				162,640,779	3	2.73%
Union Oil/Unocal	-			186,237,020	2	3.12%
Marathon Oil Co.	-			130,856,530	4	2.19%
BP Exploration Alaska, INC.	-			71,539,503	5	1.20%
ACS of the Northland, Inc	-			64,132,699	6	1.07%
Agrium US, Inc	-			19,161,536	9	0.32%
XTO Energy, INC.	-			44,716,770	7	0.75%
Kenai Kachemak Pipeline	-			42,857,780	8	0.72%
Fred Meyer	-			18,928,022	10	0.32%
Totals	<u>\$ 1,861,259,686</u>		<u>22.86%</u>	<u>\$ 941,152,323</u>		<u>15.77%</u>

This information obtained from the Kenai Peninsula Borough.

Total Assessed value based on total tax levy for FY2018 and FY2009 respectively.

\$ 8,140,446,000

\$ 5,966,757,000

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

PRINCIPAL EMPLOYERS
June 30, 2018
(Unaudited)

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

This information obtained from the Kenai Peninsula Borough.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

Fiscal Year	Collected in the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
	Total Tax Levy for Fiscal Year	Amount	Percentage of Levy		Amount	Percentage of Levy
2008-09	26,779,449	26,431,968	98.702%	344,419	26,776,387	99.989%
2009-10	28,875,124	28,375,677	98.270%	496,252	28,871,929	99.989%
2010-11	29,058,274	28,630,610	98.528%	422,047	29,052,657	99.981%
2011-12	30,419,493	29,946,804	98.446%	466,731	30,413,535	99.980%
2012-13	30,823,497	30,382,636	98.570%	431,649	30,814,285	99.970%
2013-14	31,750,392	31,332,596	98.684%	408,046	31,740,642	99.969%
2014-15	31,685,014	31,142,025	98.286%	331,054	31,473,079	99.331%
2015-16	33,108,951	32,410,590	97.891%	678,529	33,089,119	99.940%
2016-17	35,591,917	35,157,568	98.780%	330,509	35,488,077	99.708%
2017-18	37,068,282	36,645,827	98.860%	-	36,645,827	98.860%

This information was obtained from the Kenai Peninsula Borough.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

NO DEBT LIMIT IS MANDATED BY LAW

This information was obtained from the Kenai Peninsula Borough.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

Fiscal Year	Population*	Average Daily Membership	Total Taxable Assessed Value	Net Bonded Debt Total Primary Government	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita	Net Bonded Debt Per Student Capita
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	5,343
2017-18	58,060	8,712	8,140,446,000	43,495,000 **	0.53%	749	4,993

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)

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS
 YEAR ENDED JUNE 30, 2018
 (Unaudited)

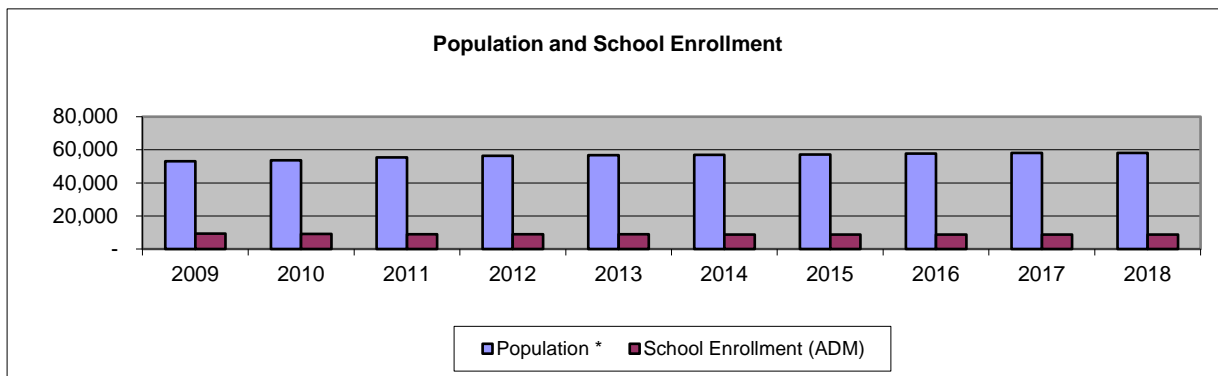
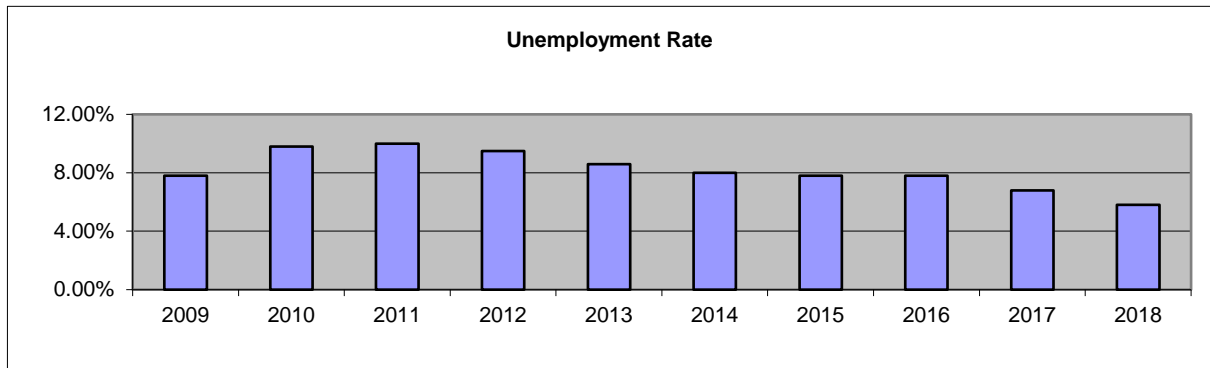
DEMOGRAPHIC DATA

Fiscal Year	Population *	Median Age **	School Enrollment (ADM)	Unemployment rate **
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%
2018	58,024	41.4	8,712	5.80%

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)

<i>Fiscal Year</i>	<i>Instruction</i>	<i>Special Education Instruction</i>	<i>Special Education Support Svcs - Student</i>	<i>Support Services Student</i>	<i>Support Services Instruction</i>	<i>School Administration</i>	<i>School Administration Support Services</i>	<i>District Administration</i>	<i>District Administration Support Services</i>	<i>Operations and Maintenance of Plant</i>	<i>Student Activity</i>	<i>Total FTE</i>
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	547.14	213.28	46.47	45.86	30.57	39.07	56.16	5.00	38.50	85.28	2.70	1110.03
2015-16	542.89	228.70	42.71	45.48	29.84	39.32	55.70	5.00	38.75	84.78	2.60	1115.77
2016-17	529.60	232.13	42.80	44.41	26.77	37.67	54.99	5.00	36.25	85.23	2.60	1097.45
2017-18	508.96	230.20	41.39	44.86	26.94	38.50	54.37	5.00	34.25	75.76	2.60	1062.83

This information is obtained yearly from current staffing formula tables.

TABLE XVIII

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

<i>Fiscal Year</i>	<i>Instruction</i>	<i>Special Education Instruction</i>	<i>Special Education Support Svcs Student</i>	<i>Support Services Student</i>	<i>Support Services Instruction</i>	<i>School Administration</i>	<i>School Administration Support Services</i>	<i>District Administration</i>	<i>District Administration Support Services</i>	<i>Operations and Maintenance of Plant</i>	<i>Student Activity</i>	<i>Food Service</i>	<i>Student Transportation</i>	<i>Total FTE</i>
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	585.11	257.61	46.47	45.86	30.57	39.07	56.16	5.00	38.50	85.28	2.70	49.28	2.00	1243.61
2015-16	578.59	257.88	42.71	47.73	29.84	39.32	55.70	5.00	38.75	84.78	2.60	48.59	1.75	1233.24
2016-17	563.07	270.18	42.80	46.66	26.77	37.67	54.99	5.00	36.25	85.23	2.60	48.80	1.63	1221.65
2017-18	543.59	271.78	41.36	47.11	26.94	38.50	54.37	5.00	34.25	75.76	2.60	45.82	1.38	1188.46

* 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
2008-09	119,621,242	0.25	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)
2017-18	139,502,630	(0.01)	8,712	16,013	0.00

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
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
2017-18	8,712	-0.83%	8,140,446,000	4.15%	934,395

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	1,989
Middle Schools	4	1,222
Elementary Schools	13	3,104
Combined Elem/High School	11	733
Charter Schools	4	747
Alternative Schools	4	192
Correspondence Schools	1	725
Total	43	8,712