

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Comprehensive Annual Financial Report For the Fiscal Year Ended

June 30, 2007



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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

**For the Fiscal Year Ended
June 30, 2007**

Dr. Donna Peterson, Superintendent of Schools

Prepared by Finance Department

**Melody Douglas, RSBO
Chief Financial Officer**

**Laurie Olson
Chief Accountant**

Kenai Peninsula Borough School District

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INTRODUCTORY SECTION

INTRODUCTORY SECTION

School District Map

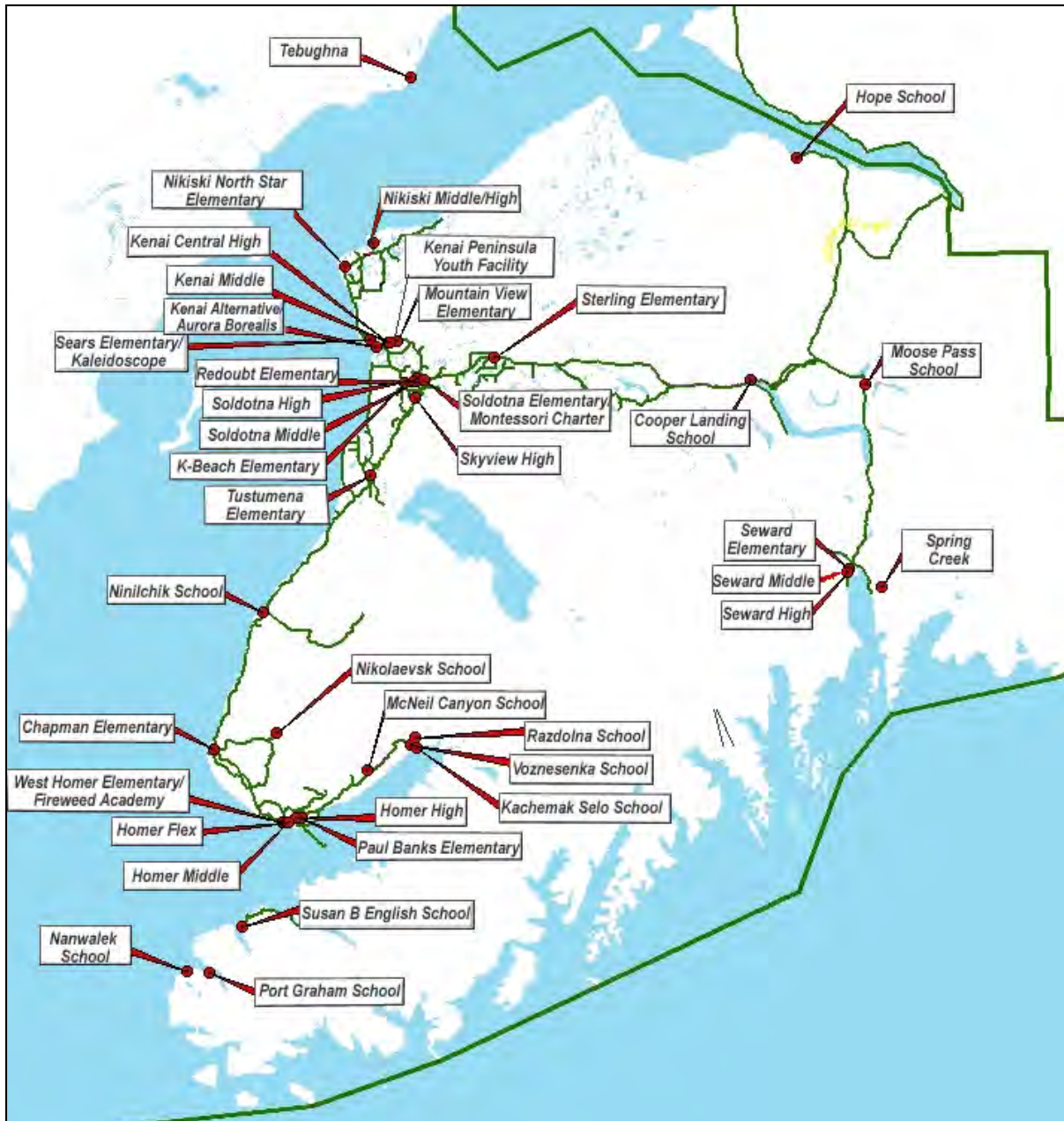
Letter of Transmittal

Certificate of Excellence, ASBO

Organizational Chart

Kenai Peninsula Borough School Board and Administration

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 on the first and third Monday of each month. The meetings are held in the Assembly Chambers of the Borough Building located on Binkley Street in Soldotna, Alaska. In addition, special meetings and work sessions are scheduled throughout the year.



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Melody Douglas, Chief Financial Officer
148 North Binkley Street Soldotna, Alaska 99669-7553
Phone (907) 262-5846 Fax (907) 262-9645

November 2, 2007

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, 2007 is submitted herewith. This report was prepared by the School District's finance department following the guidelines recommended by the Association of School Business Officials International and generally accepted accounting principles (GAAP). The statutes of the State of Alaska require that the Board of Education provide for an audit of all school accounts within ninety days following the close of the fiscal year, by an independent certified public accountant.

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

The District's financial statements have been audited by Mikunda, Cottrell & Co., a firm of licensed certified public accountants; field work was completed September 14, 2007. 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, 2007 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2007 are fairly presented in conformity with GAAP. The auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, state and federally mandated "Single Audit" designed to meet the special needs of state and federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited school district's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of state and federal awards. These reports are available in the District's separately issued single-audit report.

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

Comprehensive Annual Financial Report (CAFR)

The District's CAFR consists of four parts:

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

The Reporting Entity

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

Relationship with Kenai Peninsula Borough

Pursuant to Alaska Statute 14.12.020(c) the Kenai Peninsula Borough Assembly provides the money which must be raised from local sources to maintain and operate the School District. Alaska Statute 14.14.060 states 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 and fire insurance for school facilities.

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

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, elected each year for overlapping terms.

Profile of the District

The District encompasses 25,600 square miles. Approximately 9,368 students attend forty-four schools and the guided independent study program in our district, in twenty-one communities. Our schools include K-12 configurations in remote sites to conventional configurations in our larger communities. The School District provides a full range of educational services on an area-wide basis within the Kenai Peninsula Borough. These services include elementary, secondary, bilingual and vocational education, 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 Alaska Native education, gifted/talented, bilingual/bicultural, Chapter 1/Migrant Education and special education.

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 \$10,000 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 funds 85% of the State's budget, cannot be counted on to continue to fund local governments at the current level. State funding for municipal operations ended in FY2003 with the exception of school debt reimbursement and fish tax. As the State government attempts to control its operating budget, more responsibilities will tend to be shifted down to the local level.

The Borough's economy has experienced consistent, gradual growth since the late 1980s. Local indicators point to continued growth and stability. 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 FY1996 to 6.5 mills in FY2007. Sales tax continues to generate a large portion of the borough's revenue. In FY1998, sales tax revenue represented 21% of total general fund revenues; in FY2007 sales tax revenue represents 29% of general fund revenues. The oil and gas industry is demonstrating strength in diversity. Its focus is expanding from natural gas exploration and reworking of existing fields to include explorational drilling for both oil and natural gas resources.

The Alaska State Legislature increased the base student dollar allocation used in the Public School Funding Program from \$4,919 to \$5,380 per student representing a 9.4% increase to public education for FY2007. This funding increase allowed the District to keep abreast of structured salary and benefit increases and employer rate increases to the Public Employers Retirement System and Teachers Retirement System systems. In addition, the District was able to maintain pupil/teacher ratios district-wide in an effort focused toward increased student achievement.

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 School District anticipates being at the local effort cap under the formula again next fiscal year for the nineteenth year. Future inflationary costs will most likely need to be absorbed by budget reductions. Of significant concern is the ability of the Kenai Peninsula Borough to continue funding the District to the funding cap with reduced State municipal support.

Changes in enrollment have a dramatic impact on the District's Public School Funding Program revenue from the State. Enrollment is expected to decline over the next few years due in part to the aging demographic of the Kenai Peninsula. Currently, the Public School Funding Program does not provide mechanisms to deal with inflation and general price increases. There is an ongoing effort to review the adequacy of educational funding and regional cost differences, but any changes would be subject to action by the State Legislature.

The Alaska Legislature authorized a Joint Legislative Education Funding Task Force to meet the summer of 2007 to address the district cost factor and other portions of the education funding formula. Task Force recommendations will be addressed by the Legislature when it convenes in January 2008. Recommendations include phasing in recommended district cost factors, structured increases to the special needs enrollment adjustment, and structured increases to the base student allocation portions of the education funding formula.

Cash Management

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

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

Risk Management

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

Pension and Other Post-employment Benefits

The District participates in two defined benefit pension plans. The Alaska Public Employees' Retirement System (PERS) is an agent multiple employer plan that 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. PERS and TRS are established and administered by the State of Alaska to provide pension, post-employment health care, death, and disability benefits to eligible employees. The District records a net pension obligation as required by GASB 45.

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 plan is administered by the State of Alaska, Department of Administration Commissioner, and benefit and contribution provisions are established by State law and may be amended by the State Legislature. The Alaska Retirement Management Board may also amend 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 International (ASBO) 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, 2006.

This was the seventeenth year the District has received this prestigious award. In order to be awarded a Certificate of Excellence, the school district must 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

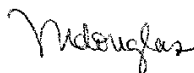
The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the District's Business Office and the cooperation of the Borough Finance Department. We would like to express our appreciation to all the people who assisted and contributed to 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.

We would also like to acknowledge the student efforts, particularly Benjamin Sibley, a 6th grade Connections student, for designing the cover of this document.

Respectfully submitted,



Dr. Donna Peterson
Superintendent



Melody Douglas, RSBO
Chief Financial Officer

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL



This Certificate of Excellence in Financial Reporting

is presented to

Kenai Peninsula Borough School District



For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2006

upon recommendation of the Association's Panel of Review

which has judged that the Report substantially conforms

to principles and standards of ASBO's Certificate of Excellence Program

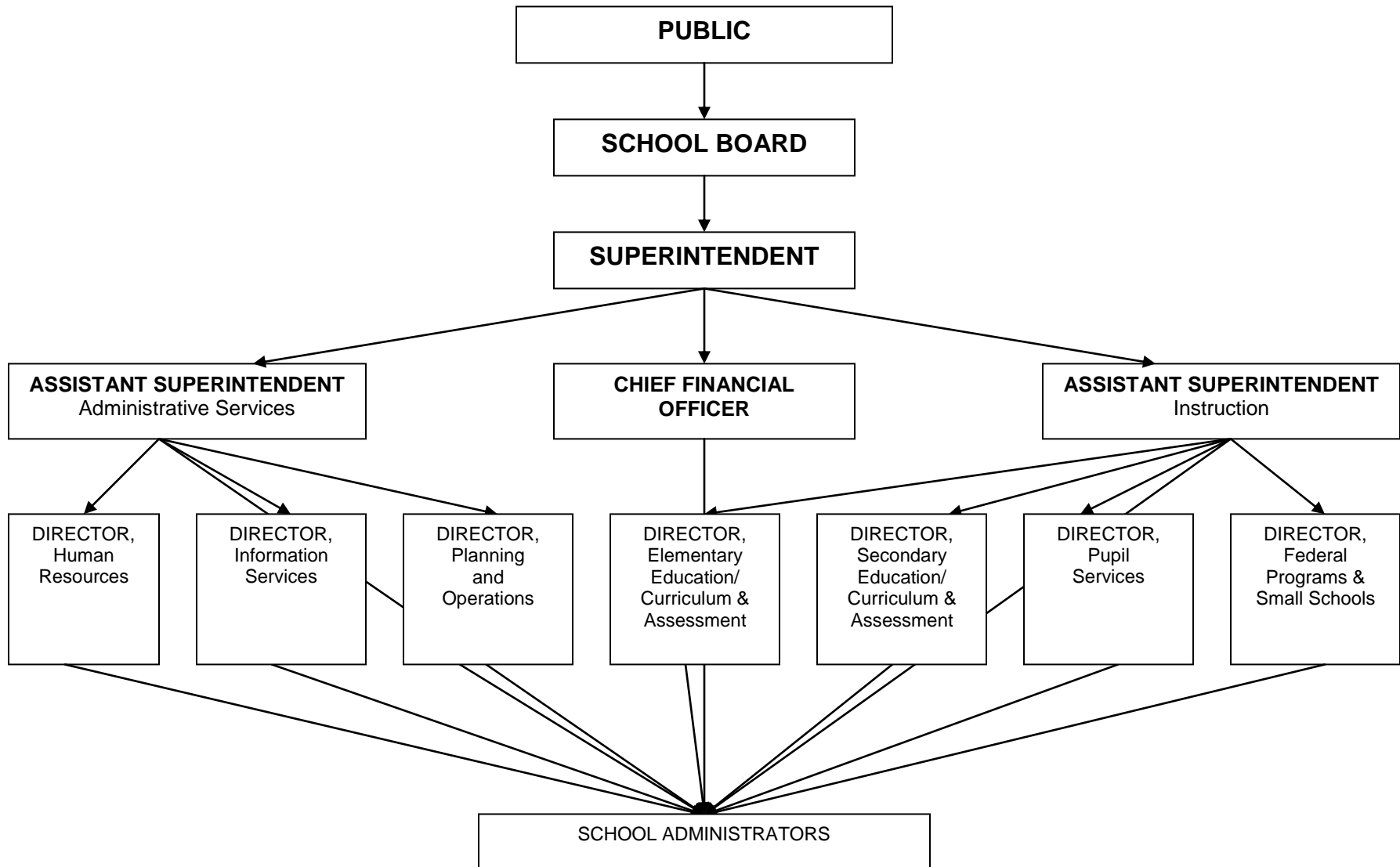
A handwritten signature in dark ink, appearing to read 'John P. ...', written over a horizontal line.

President

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

Executive Director

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
Organizational Chart



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**148 North Binkley Street
Soldotna, Alaska 99669**

SCHOOL BOARD

**Mrs. Debra Mullins, President
Mrs. Sammy Crawford, Vice President
Ms. Sandra Wassilie, Clerk
Dr. Nels Anderson, Member
Mr. Marty Anderson, Member
Ms. Liz Downing, Member
Mr. Bill Hatch, Member
Ms. Sunni Hilts, Member
Mrs. Debbie Brown, Member
Miss Kelly King, Student Representative**

ADMINISTRATION

**Dr. Donna Peterson, Superintendent of Schools
Mr. Glen Szymoniak, Assistant Superintendent of Administrative Services
Mr. Sam Stewart, Assistant Superintendent of Instruction
Mrs. Melody Douglas, Chief Financial Officer**

FINANCIAL SECTION

FINANCIAL SECTION

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kenai Peninsula Borough School District, as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Kenai Peninsula Borough School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Kenai Peninsula Borough School District, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Title I Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2007 on our consideration of the Kenai Peninsula Borough School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* and should be considered in assessing the results of our audit.

Members of the School Board
Kenai Peninsula Borough School District

The management's discussion and analysis on pages 25-33 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kenai Peninsula Borough School District's basic financial statements. The combining and individual fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mikunda, Cottrell & Co.

Anchorage, Alaska
November 2, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 5-9 of this report.

Financial Highlights

- The assets of the Kenai Peninsula Borough School District exceeded its liabilities at the close of the most recent year by \$14,006,260. Of this amount, \$9,576,795 (unrestricted net assets) may be used to meet the District's ongoing obligations.
- As of June 30, 2007, the District's governmental funds reported combined ending fund balances of \$15,892,803, an increase of \$6,552,213 in comparison to the prior year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$9,183,137. Of this amount, \$2,688,335 was unreserved, undesignated and available for spending. The unreserved, undesignated fund balance for the General Fund represented 3.5% of total General Fund expenditures.
- The District's total debt increased by \$1,424,177. The most increase significant portion of the increase is due to recording the long-term liability for PERS that results from funding PERS at less than the actuarial rate.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements can be found on pages 35-36 of this report.

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

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

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

The District maintains 30 individual governmental funds. Information is presented separately in the Balance Sheet – Governmental Funds and The Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds for the General Fund and the Title I Fund, both of which are considered to be major funds. 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 combining and individual funds section of the financial statements.

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

The basic governmental fund financial statements can be found on pages 37-42 of this report.

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

The District uses this fund to account for compensated leave balances. Individual fund data for this fund can be found on pages 43-45.

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 46 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 45-60 of this report.

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

The combining and individual fund statements referred to earlier in connection with nonmajor governmental funds can be found on pages 81-129.

Governmental-wide Financial Analysis

The District's financial position has improved slightly as of June 30, 2007 compared to June 30, 2006, due primarily to three factors: conservative fiscal policy targeting financial stability to ensure current pupil/teacher ratios for subsequent years, a statewide increase in funding and enrollment higher than originally projected. Enrollment exceeded projections for the first time in approximately ten years. Although the Alaska Legislature has increased educational funding in recent years, much of the increase has been needed to address annual increases to employer Public Employee Retirement System (PERS) and Teachers Retirement System (TRS) rate increases and other costs.

As noted earlier, the increase or decrease in net assets over time may serve as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$14,006,260, on June 30, 2007 compared to \$7,033,380 on June 30, 2006.

**Net Assets
Governmental Activities**

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Current and other assets	\$27,769,730	\$20,557,934
Capital assets	<u>2,788,379</u>	<u>1,197,683</u>
Total Assets	<u>30,558,109</u>	<u>21,755,617</u>
Current and other liabilities	9,356,640	11,286,070
Long-term liabilities	<u>7,195,209</u>	<u>3,436,167</u>
Total Liabilities	<u>16,551,849</u>	<u>14,722,237</u>
Net Assets		
Invested in capital assets, net of debt	2,788,379	1,128,957
Restricted	1,641,086	1,040,701
Unrestricted	<u>9,576,795</u>	<u>4,863,722</u>
Total Net Assets	<u>\$14,006,260</u>	<u>\$7,033,380</u>

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

Changes in Net Assets Governmental Activities		
	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Revenues:		
Program revenues		
Charges for Services	\$1,006,322	\$1,216,514
Operating Grants and Contributions	13,523,365	15,528,173
Capital Grants and Contributions	1,420,868	-
General Revenues		
Public School Funding Program	59,959,314	50,003,179
Other State Funding	1,116,108	-
Borough Appropriation	37,941,676	34,973,682
Earnings on Investments	1,067,126	494,410
Other	<u>1,252,533</u>	<u>1,289,969</u>
Total Revenues	<u>117,287,312</u>	<u>103,505,927</u>
Expenses:		
Instruction	52,582,325	49,522,478
Special Education - Instruction	9,735,531	8,862,570
Special Education - Pupil	3,550,817	3,225,301
Support Services - Pupil	2,871,350	2,600,385
Support Services - Instruction	2,194,911	2,044,711
School Administration	4,965,544	4,468,581
School Administration - Support	3,579,108	3,318,375
District Administration	824,354	824,772
District Administration - Support	3,907,855	3,567,003
Operation and Maintenance of Plant	16,470,683	16,197,981
Student Activities	1,282,403	1,196,254
Student Transportation Services	5,209,957	4,737,416
Community Services	60,417	291,539
Student Nutrition Services	<u>3,079,177</u>	<u>3,292,881</u>
Total Expenses	<u>110,314,432</u>	<u>104,150,247</u>
Change in Net Assets	<u>6,972,880</u>	<u>(644,320)</u>
Beginning Net Assets as of July 1	<u>7,033,380</u>	<u>7,677,700</u>
Ending Net Assets as of June 30	<u><u>\$14,006,260</u></u>	<u><u>\$7,033,380</u></u>

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 inflow, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, the unreserved fund balance may serve as a useful

measure of a government's net resources available for spending at the end of the fiscal year. Did the District generate enough revenue to pay for current obligations? What is available for spending at the end of the year?

As of June 30, 2007, the District's governmental funds reported combined ending fund balances of \$15,892,803, an increase of \$6,552,213 in comparison with the prior year. A portion of this amount is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period: \$1,081,225, 2) for inventories: \$1,034,419, and 3) for expected health care costs and workers compensation insurance costs: \$2,481,149. The fund balance remainder of \$11,296,010 is unreserved, although \$6,494,802 is shown as designated for certain ongoing projects and FY08 operations and maintenance. The remaining undesignated fund balance is comprised of \$2,112,873 for special revenue funds, leaving \$2,688,335 available for spending at the District's discretion.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance was \$13,491,648, unreserved fund balance was \$9,183,137, and unreserved undesignated fund balance was \$2,688,335. The general fund balance increased \$4,823,476 from the prior year. The key factor relevant to this increase is due to a limited spending approach on a district-wide basis. Given expected increased costs per the collective bargaining process, rising utility and expected increases to employer retirement system rates, it has been necessary to review all spending with an eye to future needs.

General Fund Budgetary Highlights

Significant differences between the original budget and the final amended budget can be summarized as follows:

- Enrollment exceeded the projection by 144 FTE, representing \$2,001,851 in increased revenue; this budget adjustment was approved on December 4, 2006 and revised on June 4, 2007.
- The District revises all salary and benefit budgets annually to reflect actual costs; adjustments were approved December 4, 2006 and June 4, 2007 in the amount of \$2,001,851 for increases in utility budgets, summer school, the contingency fund and to the Connections program because of increased enrollment.

Capital Assets and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2007 amounts to \$2,788,379 (net of accumulated depreciation) compared to \$1,197,683 as of June 30, 2006. The investment in capital assets includes furniture and equipment. Additional information on the District's capital assets can be found in note 4.

Long-term debt. At the end of the current fiscal year, the District had total outstanding debt of \$6,898,246 compared to \$5,491,695 as of June 30, 2006. This reflects compensated absences payable in addition to PERS and Other post employment benefit (OPEB) amounts. Additional information on long-term debt can be found in note 5 of this report.

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

In setting the budgets for FY2008, the District considered a number of issues with District-wide impact, among them:

- A sufficient level of funding necessary to meet the needs of the District including maintaining pupil/teacher ratios and settlement of collective bargaining agreements.
- Fund increasing Teachers Retirement System and Public Employee Retirement System costs.

- A continued reduction in the historical variance between budget and actual revenues and expenditures.
- Expectation of declining enrollment and, therefore, declining revenue, paired with increasing costs, such as utility, insurance and collective bargaining agreement increases.
- Maintenance of the District's financial condition, targeting pupil/teacher ratio stability in subsequent years
- The highest level of local educational funding which Borough residents can reasonably afford and sustain.
- 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 finance. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Chief Financial Officer, Kenai Peninsula Borough School District, 148 N. Binkley Street, Soldotna, AK 99669.

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:

Statement of Net Assets

Statement of Activities

Fund Financial Statements:

Balance Sheet, Governmental Funds

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

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

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

Major Governmental Funds – General Fund – Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual

Major Governmental Funds – Title I – Statement of Revenues, Expenditures and Changes In Fund Balance, Budget and Actual

Statement of Net Assets – Internal Service Fund

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

Statement of Cash Flows – Internal Service Fund

Fiduciary Funds, Statement of Fiduciary Assets and Liabilities

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEMENT OF NET ASSETS
June 30, 2007

ASSETS

Current Assets:	
Cash	\$ 39,676
Equity in Central Treasury	24,080,138
Accounts Receivable	148,672
Due from Other Governments	2,444,825
Prepaid	22,000
Inventories	<u>1,034,419</u>
Total Current Assets	<u>27,769,730</u>
Capital Assets:	
Furniture and Equipment	6,360,654
Less Accumulated Depreciation	<u>(3,572,275)</u>
Capital Assets - Net of Accumulated Depreciation	<u>2,788,379</u>
Total Assets	<u>30,558,109</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	730,982
Accrued Liabilities	8,368,428
Unearned Revenue	7,230
Compensated Absences	<u>250,000</u>
Total Current Liabilities	<u>9,356,640</u>
Noncurrent Liabilities:	
Noncurrent Portion of Long-Term Obligations:	
Compensated Absences	2,520,287
PERS Liability	<u>4,674,922</u>
Total Noncurrent Liabilities	<u>7,195,209</u>
Total Liabilities	<u>16,551,849</u>

NET ASSETS

Invested in Capital Assets, net of related debt	2,788,379
Restricted:	
Charter Schools	1,641,086
Unrestricted	<u>9,576,795</u>
Total Net Assets	<u>\$ 14,006,260</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 52,582,325	\$ -	\$ 7,012,695	\$ -	\$ (45,569,630)
Special Education - Instruction	9,735,531	-	-	-	(9,735,531)
Special Education - Pupil	3,550,817	-	-	-	(3,550,817)
Support Services - Pupil	2,871,350	-	16,374	-	(2,854,976)
Support Services - Instruction	2,194,911	-	-	-	(2,194,911)
School Administration	4,965,544	-	237,534	-	(4,728,010)
School Administration - Support	3,579,108	-	-	-	(3,579,108)
District Administration	824,354	-	-	-	(824,354)
District Administration - Support	3,907,855	-	-	-	(3,907,855)
Operation & Maintenance of Plant	16,470,683	-	45,753	-	(16,424,930)
Pupil Activities	1,282,403	-	-	1,420,868	138,465
Community Services	60,417	41,160	-	-	(19,257)
Pupil Transportation	5,209,957	-	4,542,449	-	(667,508)
Food Service	3,079,177	965,162	1,668,560	-	(445,455)
Total governmental activities	<u>\$ 110,314,432</u>	<u>\$ 1,006,322</u>	<u>\$ 13,523,365</u>	<u>\$ 1,420,868</u>	<u>\$ (94,363,877)</u>
General revenues:					
Grants and contributions not restricted to specific programs:					
					37,941,676
					59,959,314
					1,116,108
					1,067,126
					657,616
					492,697
					102,220
					<u>101,336,757</u>
					6,972,880
					<u>7,033,380</u>
					<u>\$ 14,006,260</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2007

	General	Title I	Other Governmental	Total Governmental Funds
<u>ASSETS</u>				
Assets:				
Cash	\$ 39,676	\$ -	\$ -	\$ 39,676
Equity in Central Treasury	19,096,846	-	2,213,005	21,309,851
Accounts Receivable	144,700	-	3,972	148,672
Prepaid Items	22,000	-	-	22,000
Due from Other Governments	-	1,008,049	1,436,776	2,444,825
Due from Special Revenue Funds	2,467,848	-	-	2,467,848
Inventories	746,137	-	288,282	1,034,419
Total Assets	<u>\$ 22,517,207</u>	<u>\$ 1,008,049</u>	<u>\$ 3,942,035</u>	<u>\$ 27,467,291</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts Payable	\$ 657,131	\$ 24,736	\$ 49,115	\$ 730,982
Accrued Liabilities	8,368,428	-	-	8,368,428
Deferred Revenue	-	-	7,230	7,230
Due to General Fund	-	983,313	1,484,535	2,467,848
Total Liabilities	<u>9,025,559</u>	<u>1,008,049</u>	<u>1,540,880</u>	<u>11,574,488</u>
Fund Balances:				
Reserved for:				
Encumbrances	1,081,225	-	-	1,081,225
Inventories	746,137	-	288,282	1,034,419
Self Insurance - Health Care	2,256,149	-	-	2,256,149
Self Insurance - Workers Compensation	225,000	-	-	225,000
Unreserved:				
Designated for:				
Charter Schools	1,641,086	-	-	1,641,086
Facilities Maintenance	655,983	-	-	655,983
FY08 Operations	2,094,604	-	-	2,094,604
Potential Interest Shortfall	400,000	-	-	400,000
School Incentive Purchases	833,129	-	-	833,129
Technology Plan II	870,000	-	-	870,000
Undesignated:				
General Fund	2,688,335	-	-	2,688,335
Special Revenue Fund	-	-	2,112,873	2,112,873
Total Fund Balances	<u>13,491,648</u>	<u>-</u>	<u>2,401,155</u>	<u>15,892,803</u>
Total Liabilities and Fund Balances	<u>\$ 22,517,207</u>	<u>\$ 1,008,049</u>	<u>\$ 3,942,035</u>	<u>\$ 27,467,291</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2007

Fund balances – total governmental funds		\$ 15,892,803
Amounts reported for governmental activities in the statement of net assets are different because:		
<p style="margin-left: 40px;">Additional PERS liability for FY06 due to paying a rate of 16.81% of payroll, which is less than the actuarial rate of 28.21% of covered payroll</p>		
PERS liability	\$1,221,129	
PERS liability due to other governments	<u>17,626</u>	
	1,238,755	
Prior year Cumulative Net Pension Obligation	<u>3,436,167</u>	
Total PERS liability		(4,674,922)
<p style="margin-left: 40px;">The cost of capital assets (furniture and equipment) purchased is reported as an expenditure in governmental funds. The statement of net assets includes those capital assets among the assets of the School District as a whole. The cost of those capital assets is allocated over their useful lives (as depreciation expense) to the various functions reported as governmental activities in the statement of activities.</p>		
Cost of capital assets	6,360,654	
Accumulated depreciation to date	<u>(3,572,275)</u>	
		<u>2,788,379</u>
Net assets		<u>\$14,006,260</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

	General	Title I	Other Governmental	Total Governmental Funds
Revenues:				
Local	\$ 37,941,676	\$ -	\$ -	\$ 37,941,676
State	61,075,422	-	5,604,033	66,679,455
Federal-Direct	-	-	290,474	290,474
Federal-Through the State	492,697	2,957,723	4,609,049	8,059,469
Food Sales	-	-	965,162	965,162
Corporate Grants and User Fees	-	-	103,246	103,246
Earnings on Investments	1,067,126	-	-	1,067,126
Other Revenues	759,836	-	-	759,836
Total Revenues	101,336,757	2,957,723	11,571,964	115,866,444
Expenditures - Current:				
Instruction	45,362,472	2,957,723	4,087,108	52,407,303
Special Education - Instruction	9,513,798	-	-	9,513,798
Special Education Services - Pupil	3,528,292	-	-	3,528,292
Support Services - Pupil	2,854,976	-	16,374	2,871,350
Support Services - Instruction	2,061,766	-	-	2,061,766
School Administration	4,712,425	-	237,534	4,949,959
School Administration - Support	3,415,962	-	-	3,415,962
District Administration	826,561	-	-	826,561
District Administration - Support	3,765,948	-	-	3,765,948
Operations & Maintenance of Plant	16,142,036	-	45,753	16,187,789
Pupil Activities	1,606,325	-	-	1,606,325
Community Services	-	-	56,971	56,971
Pupil Transportation	-	-	5,147,858	5,147,858
Food Service	-	-	2,974,349	2,974,349
Total Expenditures	93,790,561	2,957,723	12,565,947	109,314,231
Excess (Deficiency) of Revenues Over Expenditures	7,546,196	-	(993,983)	6,552,213
Other Financing Sources (Uses):				
Transfers In	-	-	2,722,720	2,722,720
Transfers Out	(2,722,720)	-	-	(2,722,720)
Total Other Financing Sources (Uses)	(2,722,720)	-	2,722,720	-
Net Change in Fund Balances	4,823,476	-	1,728,737	6,552,213
Fund Balances, Beginning of Year	8,668,172	-	672,418	9,340,590
Fund Balances, End of Year	\$ 13,491,648	\$ -	\$ 2,401,155	\$ 15,892,803

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2007

Net change in fund balances – total governmental funds		\$ 6,552,213
Amounts reported for governmental activities in the statement of activities are different because:		
The Employee Public Employee Retirement System (PERS) employer adjusted actual contribution rate approved by the PERS Board for FY07 was 21.81%. The actuarial required rate was 31.50%; the 9.69% difference, as well as the PERS obligation to the Kenai Peninsula Borough for District In-Kind Maintenance, results in additional pension expense on the Statement of Activities.		(1,238,755)
Governmental funds report capital outlays 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 depreciation exceeded capital outlays in the current period.		
Capital outlays	\$ 441,452	
Receipt of contributed assets	1,420,868	
Current depreciation expense	<u>(271,624)</u>	
		1,590,696
Repayment of principal of long-term debt consumes current financial resources in governmental funds, but has no effect on net assets		<u>68,726</u>
Change in net assets		<u>\$6,972,880</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MAJOR GOVERNMENTAL FUNDS - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local	\$ 36,761,137	\$ 37,941,676	\$ 37,941,676	\$ -
State	60,133,524	60,954,836	61,075,422	120,586
Federal-Through the State	380,000	380,000	492,697	112,697
Earnings on Investments	420,000	420,000	1,067,126	647,126
Other Revenues	560,563	560,563	759,836	199,273
Fund Balance Appropriation	-	-	-	-
Total Revenues	98,255,224	100,257,075	101,336,757	1,079,682
Expenditures:				
Current:				
Instruction	50,568,682	50,052,907	45,362,472	4,690,435
Special Education - Instruction	9,328,216	9,860,085	9,513,798	346,287
Special Education Services - Pupil	3,291,769	3,719,024	3,528,292	190,732
Support Services - Pupil	2,518,165	2,880,049	2,854,976	25,073
Support Services - Instruction	2,180,675	2,236,787	2,061,766	175,021
School Administration	4,518,997	4,874,234	4,712,425	161,809
School Administration - Support	3,030,857	3,344,058	3,415,962	(71,904)
District Administration	840,043	878,284	826,561	51,723
District Administration - Support	3,614,779	4,340,517	3,765,948	574,569
Operations & Maintenance of Plant	16,336,034	16,901,229	16,142,036	759,193
Pupil Activities	1,333,065	1,397,473	1,606,325	(208,852)
Total Expenditures	97,561,282	100,484,647	93,790,561	6,694,086
Other Financing Uses:				
Transfers Out - Special Revenue Fund	693,942	693,942	2,722,720	(2,028,778)
Total Expenditures and Other Financing Uses	98,255,224	101,178,589	96,513,281	4,665,308
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ (921,514)</u>	<u>\$ 4,823,476</u>	<u>\$ 5,744,990</u>
Fund Balances, Beginning of Year			<u>8,668,172</u>	
Fund Balances, End of Year			<u>\$ 13,491,648</u>	

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 MAJOR GOVERNMENTAL FUNDS - TITLE I
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal-Through the State	5,670,843	4,731,496	2,957,723	(1,773,773)
Expenditures:				
Current:				
Instruction	5,670,843	4,731,496	2,957,723	1,773,773
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	-	\$ -
Fund Balances, Beginning of Year			-	
Fund Balances, End of Year			\$ -	

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEMENT OF NET ASSETS
INTERNAL SERVICE FUND
For the Year Ended June 30, 2007

	Employee Compensated Leave Fund
ASSETS	
Current assets:	
Equity in central treasury	<u>\$ 2,770,287</u>
Total current assets	<u>2,770,287</u>
Total assets	<u>2,770,287</u>
LIABILITIES	
Current liabilities:	
Compensated absences payable	<u>2,770,287</u>
Total current liabilities	<u>2,770,287</u>
NET ASSETS	
Unrestricted	<u>-</u>
Total net assets	<u>\$ -</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUND
For the Year Ended June 30, 2007

	Employee Compensated Leave Fund
Operating Revenues:	
Charges for sales and services	\$ 1,287,318
Total operating revenues	<u>1,287,318</u>
Operating Expenses:	
Administrative service	<u>1,287,318</u>
Total Operating expenses	<u>1,287,318</u>
Operating income (loss)	<u>-</u>
Total net assets-beginning	<u>-</u>
Total net assets-ending	<u><u>\$ -</u></u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
For the Year Ended June 30, 2007

	Employee Compensated Leave Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Charges to other funds	\$ 1,287,318
Cash paid to employees	<u>\$ (1,101,896)</u>
Net cash provided by operating activities	<u>185,422</u>
Increase in cash and cash equivalents	185,422
Cash and cash equivalents, beginning of year	<u>2,584,865</u>
Cash and cash equivalents, end of year	<u>\$ 2,770,287</u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating Income	-
Change in assets and liabilities:	
Increase in compensated leave liability	185,422
Total adjustments	<u>185,422</u>
Net cash provided by operating activities	<u>\$ 185,422</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
FIDUCIARY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2007

	<u>Student Activity Agency Funds</u>
Assets:	
Equity in Central Treasury	\$ 2,075,778
Cash	<u>45,783</u>
Total Assets	<u><u>2,121,561</u></u>
Liabilities:	
Amounts Due to Student Groups	<u>2,121,561</u>
Total Liabilities	<u><u>\$ 2,121,561</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2007

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 accounting principles generally accepted in the United States (GAAP) 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 Statutes, Title 29-35.160, the Kenai Peninsula Borough (the "Borough") has the responsibility of establishing, maintaining and operating a system of public schools. The Borough has delegated the administrative responsibilities for compliance with the statutes to the School Board of the Kenai Peninsula Borough School District, while retaining the responsibility for the physical plant except furniture and equipment. School District financial data is discretely presented in the Kenai Peninsula Borough Comprehensive Annual Financial Report.

Complete financial statements of the Borough may be obtained from the Borough Clerk's Office at 144 N. Binkley Street, Soldotna, Alaska 99669; phone number 907-262-4441.

These financial statements include all funds and account groups 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, 2007, the School District recorded in-kind services provided by the Borough for school operations as follows:

Custodial	\$ 101,874
Utilities	54,833
Maintenance	5,367,784
Insurance	2,011,056
Audit	<u>17,500</u>
	<u>\$ 7,553,047</u>

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

The district-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 district-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 and claims and judgments, are recorded only when payment is due.

All major revenue sources including revenues from the Kenai Peninsula Borough, the State of Alaska 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.

When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

The School District reports the following major governmental funds:

General Fund – The School District's primary operating fund. Major revenue sources include the local government's contribution to education, the State of Alaska public school foundation program, 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.

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

Additionally, the School District reports the following fund types:

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

Internal Service Fund – This fund accounts for the assets needed to pay for accrued employee compensated leave.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the district-wide fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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. Undesignated fund balance represents the excess of assets over liabilities and reserved fund balance.

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 the Kenai Peninsula Borough and allocations received from the State of Alaska and the United States government. Primary expenditures in the general fund are made for student instruction, operation of plant and administration.

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

Special Revenue Funds - These funds account for revenues from specific revenue sources including food sales, transportation, grants from the State of Alaska and United States government, and transfers from the General Fund designated to finance particular functions and activities.

Proprietary Funds Proprietary funds are focused on the measurement of the economic resources required for a particular purpose and limitations on the use of net assets rather than on the source of those assets. Proprietary funds report a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. Proprietary funds distinguish operating revenues and expenses from 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. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Internal Service Fund – The employee compensated leave fund was established effective FY04 to account for the assets required to pay for sick, personal, and annual leave accrued by employees.

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

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

Government-wide Financial Statements

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

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

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

Budgets

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

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

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

Activities of the general fund and the special revenue funds are included in the annual appropriating budget.

Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.

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

The School District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Open encumbrance amounts lapse at year-end. However, these amounts are automatically reappropriated by Board Policy as part of the subsequent year's budget.

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

In May 2006, the Alaska Legislature increased the base student allocation from \$4,919 to \$5,380, an increase of \$461. The legislature also provided funds for employer relief for the PERS and TRS unfunded liabilities in HB 95 and SB 53. The FY07 budget was developed with a forecast of 9,244 students. There were actually 9,388 students in grades K-12 at the end of the 20-day count on October 27, 2006.

The increase in enrollment and resulting increase in OASIS figures used in the foundation formula led to increased revenue. A combination of budget revisions on December 4, 2006 and June 4, 2007 reflected increases in both state and local funding, in the amounts of \$821,312 and \$1,180,539, respectively, from the original revenue estimates. Local effort reflected "at the cap" funding once again.

The budget amendments are detailed as follows:

**Kenai Peninsula Borough School District
FY07 Revenue Budget Change – General Fund**

<u>Revenue Source</u>	7-17-06 KPBSD Original Budget	12-4-06 KPBSD Budget Revision	6-4-07 KPBSD Budget Revision	KPBSD Final Budget
Borough In-Kind	\$ 7,879,423	\$ -	\$ -	\$ 7,879,423
Borough Appropriation	28,881,714	1,183,732	(3,193)	30,062,253
Earnings on Investments	420,000	-	-	420,000
E-Rate	480,563	-	-	480,563
Miscellaneous	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>80,000</u>
Local Revenue	<u>37,741,700</u>	<u>1,183,732</u>	<u>(3,193)</u>	<u>38,922,239</u>
Foundation Program + ¼ ISER	59,159,643	813,553	(13,881)	59,959,315
Quality Schools	222,814	-	(41)	222,773
School Improvement Grant	<u>751,067</u>	<u>13,939</u>	<u>7,742</u>	<u>772,748</u>
State Revenue	<u>60,133,524</u>	<u>827,492</u>	<u>(6,180)</u>	<u>60,954,836</u>
Medicaid	380,000	-	-	380,000
Public Law 874	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Federal Revenue	<u>380,000</u>	<u>-</u>	<u>-</u>	<u>380,000</u>
General Fund Revenue	<u>\$ 98,255,224</u>	<u>\$ 2,011,224</u>	<u>\$ (9,373)</u>	<u>\$ 100,257,075</u>

Cash and Investments

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

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, the lowest risk category as defined by Statement No. 3 of the Governmental Accounting Standards Board.

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 and equipment held at the central warehouse for issuance to schools or other School District locations. Food Service Fund inventory consists primarily of foodstuffs. The cost of inventory items in the School Operating Fund and Food Service Fund is included in expenditures when issued to schools from the central warehouse or issued for consumption. Land acquired for the Building Trades Project (see Note 7) is recorded at cost. A portion of fund balance is reserved for inventory 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. General capital assets are valued at cost or estimated historical cost when the original cost is not available and depreciated/amortized over their estimated useful lives. Donated capital assets are valued at their estimated fair market value on the date received. The District owns land to be used for furthering vocational instruction. Additional information may be found in Note 7. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on estimated useful lives of 5 to 20 years for furniture and equipment.

Compensated Absences

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

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

Fund Balance

Reserves for encumbrances, inventories, and Charter Schools represent those portions of fund balance legally segregated for future use. Designated portions of fund balances for the technology plan, potential interest shortfall, school incentive purchases, and for the next year's operations represent tentative planning for future use of financial resources. Undesignated fund balance represents the excess of assets over liabilities and designated fund balance.

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 General Fund and Special Revenue Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities and will be honored through subsequent year's expenditures.

Grants

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

In-Kind Contributions

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

Interfund Transactions

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

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

NOTE 2 - EQUITY IN CENTRAL TREASURY

The carrying value of the equity in the Central Treasury varies from the balances reported on the balance sheet by the amount that individual funds have overdrawn their share of the pooled cash. A reconciliation of the carrying value to the reported value as of June 30, 2007 is as follows:

	General	Special Revenue	Internal Service Fund	Governmental Total	Agency
Carrying value of equity in Central Treasury	\$ 19,096,846	\$ 2,213,005	\$ 2,770,287	\$ 24,080,138	\$ 2,075,778
Due to (from) other funds	<u>(2,467,848)</u>	<u>2,467,848</u>	-	-	-
Reported Equity in Central Treasury	<u>\$ 16,628,998</u>	<u>\$ 4,680,853</u>	<u>\$ 2,770,287</u>	<u>\$ 24,080,138</u>	<u>\$ 2,075,778</u>

NOTE 3 - RECEIVABLES

Receivables at June 30, 2007, consist of the following:

	General	Special Revenue	Total
Accounts	\$ 144,700	\$ 3,972	\$ 148,672
Intergovernmental	-	2,444,825	2,444,825
Total receivables	<u>\$ 144,700</u>	<u>\$ 2,448,797</u>	<u>\$ 2,593,497</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, 2007, were as follows:

	July 1, 2006 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	June 30, 2007 <u>Balance</u>
Governmental activities:				
Furniture and equipment	\$ 4,721,488	\$ 1,862,320	\$ (223,154)	\$ 6,360,654
Less accumulated depreciation for furniture and equipment	<u>(3,523,805)</u>	<u>(271,624)</u>	<u>223,154</u>	<u>(3,572,275)</u>
Governmental activities capital assets, net	<u>\$ 1,197,683</u>	<u>\$ 1,590,696</u>	<u>\$ 0</u>	<u>\$ 2,788,379</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 127,425
Special Education - pupil instruction	2,650
Support services - instruction	3,798
School administration	15,585
School administration - support	6,346
District administration	1,680
District administration - support	19,498
Operation and maintenance of plant	15,213
Pupil activities	19,863
Pupil transportation	52,630
Food services	<u>6,936</u>
Total depreciation expense	<u>\$ 271,624</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, 2007 is comprised of the following:

Long-term contracts payable

\$ 623,522 for the purchase of (100) copiers, with contracts due in annual payments through 2007 at 4.4% interest was paid in full during FY07.

The following is a summary of changes in long-term debt for the year ended June 30, 2007

	<u>Long-Term Contracts Payables</u>
Payable at July 1, 2006	\$ 69,873
Payments	<u>(69,873)</u>
Payable at July 1, 2007	<u>\$ -</u>

Interest expense of \$1,147 is included in Instruction expenses on the Statement of Activities. The current portion of contracts payable at June 30, 2007 is zero.

Compensated absences payable

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

Net Pension Obligation payable

As discussed in Note 6, the School District has an additional long-term debt in the form of a Net Pension Obligation and Other Post-Employment Benefits (OPEB) for the Public Employees Retirement System (PERS).

Following is a schedule of changes in long-term debt to reflect Compensated absences payable and the Net Pension Obligation for the year end June 30, 2007.

	Total June 30, 2006	Additions	Deletions	Ending Total June 30, 2007	Amount due in one year
Compensated Absences	\$ 2,584,865	\$ 1,287,318	\$ 1,101,896	2,770,287	250,000
Net Pension Obligation/OPEB	<u>2,906,830</u>	<u>1,221,129</u>	<u>-</u>	<u>4,127,959</u>	<u>-</u>
Total Long -Term Debt	<u>\$ 5,491,695</u>	<u>\$ 2,508,447</u>	<u>\$ 1,101,896</u>	<u>6,898,246</u>	<u>250,000</u>

NOTE 6 – PENSION PLANS

DEFINED BENEFIT PENSION PLANS

The following information conforms to the requirements of Governmental Accounting Standards Board (GASB) Statement 27, *Accounting for Pensions by State and Local Government Employers*. In addition, this note includes the information required by GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The District elected to early implement GASB Statement 45 with the FY 2005 financial statement.

Description of Plans

The School 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 an agent multiple employer plan which covers eligible State and local government employees. The 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. The reports are available at the following address:

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

Funding Policy

For PERS, employees are required to contribute 6.75% of their annual covered salary (3.95% for pension and 2.80% for health care). The employee contribution rate for TRS is 8.65% of covered base salary (6.86% for pension and 1.79% for health care). Under both plans, the funding policy provides for periodic employer contributions, based on actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay both pension and postemployment healthcare benefits when due, subject to an increase limitation.

Through June 30, 2007, PERS employer rates could not be increased by more than five percentage points per year. As a result of the five percentage point limit, a significant difference exists between the actuarial rate and the actual pay-in rate for PERS during fiscal year 2006. TRS rates are also subject to the five percentage point limit; however, TRS rates are contractually established; therefore, there is no difference between the required rate and the actual rate, if the District pays the agreed-upon amount.

The five percentage point limit regulation was repealed in 2005, with an effective date of July 1, 2007. Rates are established three years in advance of their effective date.

The District's contribution rates for 2007 are as follows:

	<u>PERS</u>		<u>TRS</u>
	Adjusted Actual Rate	Actuarial Required Rate	Contractually Agreed-upon Rate
Pension	12.79%	18.47%	20.63%
Post-employment healthcare	<u>9.02%</u>	<u>13.03%</u>	<u>5.37%</u>
Total contribution rate	<u>21.81%</u>	<u>31.50%</u>	<u>26.00%</u>

Under both plans, employer contribution rates are a level percentage of payroll and are determined using the projected unit credit actuarial funding method. Unfunded liabilities and future gains/losses are amortized over a 25 year period as a level percentage of pay. The net amortization period will not exceed 30 years.

The required contribution for each plan was determined as part of the June 30, 2004 actuarial valuation. The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plans and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

The significant actuarial assumptions used in the valuation of the plans follow:

1. Investment return of 8.25% per annum, compounded annually, net of expenses;
2. Projected salary increases of 5.5% for the first five years of employment and 4.0% per year thereafter for TRS; Projected salary increases of 5.5% for the first ten years and 4.0% thereafter for PERS;
3. Medical cost inflation of 9.5% for 2005, trending downward 0.5% per year to 5.0% in FY14 and remaining at 5.0% thereafter; and prescription cost inflation of 14% for 2005, trending downward 1.0% per year to 5.0% in FY14 and remaining at 5.0% thereafter;
4. Total inflation, as measured by the Consumer Price Index for urban and clerical workers for Anchorage, is assumed to increase 3.5% annually; and
5. Asset valuation – recognizes 20% of the investment gain or loss in each of the current and preceding four years. Assets are valued at market value. Valuation assets cannot be outside the range of 80% to 120% of market value of assets.

Annual Pension and Postemployment Healthcare Cost - TRS

The District's annual pension and other postemployment benefit (OPEB) costs for the years ending June 30, 2007, 2006, and 2005, respectively, were equal to the contractually agreed upon rate for each year. Amounts contributed were as follows:

<u>Year Ending</u>	<u>Annual Pension Cost</u>	<u>Annual OPEB Cost</u>	<u>Total Benefit Cost (TBC)</u>	<u>Percentage of TBC Contributed</u>
June 30, 2005	\$ 4,874,613	\$ 1,091,865	\$5,966,478	100%
June 30, 2006	6,547,311	1,657,339	8,204,650	100%
June 30, 2007	7,358,729	1,917,369	9,726,098	100%

Annual Pension and Postemployment Healthcare Cost - PERS

For the year ended June 30, 2007, the District's annual pension and other postemployment benefit (OPEB) costs were as follows:

	<u>Pension</u>	<u>OPEB</u>	<u>Total</u>
Annual required contribution	\$ 2,276,458	\$ 1,605,633	\$ 3,882,091
Interest on net pension obligation	70,789	49,929	120,718
Adjustment to annual required contribution	(55,056)	(38,833)	(93,889)
Annual pension cost	<u>2,292,191</u>	<u>1,616,729</u>	<u>3,908,920</u>
Contributions made	<u>1,576,121</u>	<u>1,111,670</u>	<u>2,687,791</u>
Increase in net pension/OPEB obligation	716,070	505,059	1,221,129
Net pension/OPEB obligation, beginning of year	<u>1,776,404</u>	<u>1,130,426</u>	<u>2,906,830</u>
Net pension/OPEB obligation, end of year	<u>\$ 2,492,474</u>	<u>\$ 1,635,485</u>	<u>\$ 4,127,959</u>

In addition to the above pension and OPEB obligation due directly to PERS, the District also has an obligation to the Kenai Peninsula Borough for PERS and OPEB for the District's In-Kind Maintenance provided by the borough as follows:

<u>Fiscal Year Ending</u>	<u>Total Pension and OPEB</u>
June 30, 2005	\$ 297,811
June 30, 2006	231,526
June 30, 2007	<u>17,626</u>
	\$ 546,963

Total net pension/OPEB obligation to PERS and Kenai Peninsula Borough is \$4,674,922.

Three-year trend information for PERS follows:

Pension	<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contributions</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
	June 30, 2005	\$ 1,758,787	\$ 848,500	48%	\$ 910,287
	June 30, 2006	2,109,273	1,243,156	59%	1,776,404
	June 30, 2007	2,292,191	1,576,121	68%	2,492,474
Post- employment healthcare	<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Actual Contributions</u>	<u>Percentage of OPEB Contributed</u>	<u>Net Pension Obligation</u>
	June 30, 2005	\$ 1,068,390	\$ 515,428	48%	\$ 552,962
	June 30, 2006	1,408,308	830,844	59%	1,130,426
	June 30, 2007	1,616,729	1,111,670	69%	1,635,485

Funding Progress - PERS

The following schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liabilities for benefits.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Assets in Excess of Liability)	Funded Ratio	Covered Payroll	Unfunded (Assets in Excess of) Liability as Percentage of Covered Payroll
June 30, 2003:						
Pension	\$ 37,374,000	\$ 52,357,000	\$14,983,000	71%	\$10,487,000	143%
Postemployment healthcare	24,980,000	34,993,000	10,013,000	71%	10,487,000	95%
Totals:	<u>62,354,000</u>	<u>87,350,000</u>	<u>24,996,000</u>			
June 30, 2004:						
Pension	37,272,000	55,959,000	18,687,000	67%	11,193,000	167%
Postemployment healthcare	26,281,000	39,457,000	13,176,000	67%	11,193,000	118%
Totals:	<u>63,553,000</u>	<u>95,416,000</u>	<u>31,863,000</u>			
June 30, 2005:						
Pension	27,592,416	46,196,752	18,604,336	60%	13,270,063	140%
Postemployment healthcare	39,610,357	66,317,855	26,707,498	60%	13,270,063	201%
Totals:	<u>\$ 67,202,773</u>	<u>\$ 112,514,607</u>	<u>\$ 45,311,834</u>			

DEFINED CONTRIBUTION PENSION PLAN

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

	PERS TIER IV	TRS TIER III
Individual account	5.00%	7.00%
Health reimbursement arrangement (HRA) *	3.00	3.00
Retiree medical plan	1.75	1.75
Occupational death and disability benefits	.30	-
	<u>10.05%</u>	<u>11.75%</u>

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

The School District and employee contributions to PERS, including the HRA contribution for the year ended June 30, 2007 were \$88,359 and \$57,744, respectively. The School District and employee contributions to TRS, including the HRA contribution for the year ended June 30, 2007 were \$258,140 and \$172,641, respectively.

NOTE 7 - BUILDING TRADES PROJECT

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

NOTE 8 - FOOD SERVICE SPECIAL REVENUE FUND

The United States Department of Agriculture provided \$68,082 of food, milk and supplies during the year without charge to the School District. These in-kind contributions have been reflected as revenue and expenditures within the Food Service Special Revenue Fund.

NOTE 9 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payables resulting from short-term operating advances at June 30, 2006 are as follows:

	<u>Receivable</u>	<u>Payable</u>
Major Fund - General Fund	\$ 2,467,848	\$ -
Major Fund - Title I	-	983,313
Non-major governmental funds	-	1,484,535
	<u>\$ 2,467,848</u>	<u>\$ 2,467,848</u>

Interfund Transfers

Transfers from the general fund to non-major governmental funds are for operating subsidies. The transfer to the internal service fund was to transfer funds to pay for future compensated leave, establishing the employee compensated leave fund.

Transfers between funds for the year ended June 30, 2007 were as follows:

	<u>Transfer In:</u>	
	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Transfer Out: General Fund	\$2,722,720	\$2,722,720

NOTE 10 - RISK MANAGEMENT

The School District participates in a limited self-insurance program which is codified by Kenai Peninsula 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 School District. All losses and claims are reported to the Risk Management Office and are handled internally within the retention and deductible level. New claims and outstanding claims are reviewed monthly by the Kenai Peninsula Borough Attorney, who has an extensive background in tort law, and the Risk Manager. There were no significant changes in the amount of coverage during the current fiscal year.

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

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

In an attempt to reduce workers' compensation costs, which had increased substantially in prior years, effective October 1, 2002, the Borough became self-insured for workers' compensation. This increase in cost represents the majority of the increase in the claims estimates as shown in the table below.

	Beginning of Fiscal <u>Year Liability</u>	Current Year <u>Claim Estimates</u>	Claim <u>Payments</u>	End of Fiscal <u>Year Liability</u>
2004 - 2005	824,132	1,413,454	(1,398,321)	839,265
2005 - 2006	839,265	1,526,956	(1,440,871)	925,350
2006 - 2007	925,350	1,617,290	(1,500,054)	1,042,586

The significant increase in claim costs is due to workers' compensation claims. Also included above is a liability for incurred but not reported (IBNR) claims of \$50,000. Experience indicates those losses or claims do not go unreported for any significant length of time; therefore, the exposure to IBNR losses or claims is minimal.

The Kenai Peninsula Borough annually allocates the costs of insurance coverage on a proportionate share basis to the School District. In addition, an appropriate sum is allocated for anticipated losses and claims that will be paid within the self-insured retention and deductible levels.

In addition to the Risk Management issues listed above, the School District maintains a health and medical benefit program which covers all 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 \$1,000,000 for aggregate claims. Health and medical expenditures totaled approximately \$12,565,828 for the year ended June 30, 2007 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 General Fund. A schedule of the changes in the health care claims liability for the two years ended June 30, 2007 and 2006 follows:

	Beginning of Fiscal <u>Year Liability</u>	Current Year <u>Claim Estimates</u>	Claim <u>Payments</u>	End of Fiscal <u>Year Liability</u>
2005 - 2006	\$1,960,196	\$10,583,082	\$(10,190,272)	\$2,353,006
2006 - 2007	2,353,006	12,823,183	(12,440,143)	2,736,046

NOTE 11 - CONTINGENCIES

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

current legal proceedings, commitments or contingent liabilities will not materially affect the financial position of the District.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, would become a liability of the General Fund. In the opinion of management, any disallowed claims will not have a material effect on any fund type of the School District included in the financial statements, as of and for the year ended June 30, 2007.

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, 2007, 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, 2007, will not have a material effect on the financial statements as of and for the year ended June 30, 2007.

MAJOR FUNDS

GENERAL FUND:

The general school district activities are recorded in the General Fund. The revenues of the General Fund are derived primarily from the Kenai Peninsula Borough and allocations received from the State of Alaska and the United States government. Primary expenditures in the General Fund are made for student instruction, administration, and operation and maintenance of plant.

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

Statement of Compliance – AS 14.17.505

TITLE I FUND:

Title I encompasses all of the NCLB special revenue funding for the purpose of:

Improving basic Title I programs,
Improving the education of migrant children,
Prevention and intervention for children and youth who are neglected, delinquent or at-risk,
Teacher and principal training and recruitment,
English language acquisition, language enhancement and academic achievement,
Safe and drug-free schools and communities, and
Recruitment and professional development of teachers to increase student achievement.

Balance Sheet – Major Fund – Title I

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
BALANCE SHEET
As of June 30, 2007 and 2006

<u>ASSETS</u>	<u>2007</u>	<u>2006</u>
Cash on hand	\$ 39,676	\$ 40,760
Equity in Central Treasury	19,096,846	13,085,840
Accounts receivable	144,700	316,737
Prepaid Items	22,000	-
Due from Special Revenue Funds	2,467,848	3,077,478
Inventory	<u>746,137</u>	<u>711,505</u>
Total Assets	<u>\$ 22,517,207</u>	<u>\$ 17,232,320</u>
 <u>LIABILITIES AND FUND BALANCE</u> 		
Liabilities:		
Accounts payable	<u>\$ 657,131</u>	<u>\$ 660,555</u>
Accrued liabilities:		
Payroll	3,862,414	3,779,469
Retirement	339,311	343,845
Payroll taxes	1,397,726	1,373,012
Payroll deductions	32,931	54,261
Health	<u>2,736,046</u>	<u>2,353,006</u>
Total Accrued Liabilities	<u>8,368,428</u>	<u>7,903,593</u>
Total Liabilities	<u>9,025,559</u>	<u>8,564,148</u>
Fund Balance:		
Reserved for encumbrances	1,081,225	1,050,902
Reserved for inventory	746,137	711,505
Reserved for self insurance - health care	2,256,149	-
Reserved for self insurance - workers compensation	225,000	-
Unreserved:		
Designated for software replacement	-	400,000
Designated Technology Plan II	870,000	652,500
Designated for potential interest shortfall	400,000	400,000
Designated for school/dept incentive purchases	833,129	557,829
Designated for charter schools	1,641,086	1,010,775
Designated for FY08 Operations	2,094,604	-
Designated for facilities maintenance	655,983	857,334
Undesignated	<u>2,688,335</u>	<u>3,027,327</u>
Total Fund Balance	<u>13,491,648</u>	<u>8,668,172</u>
Total Liabilities and Fund Balance	<u>\$ 22,517,207</u>	<u>\$ 17,232,320</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF CHANGES IN FUND BALANCE
YEARS ENDED JUNE 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Fund Balance, Beginning of Year	\$ 8,668,172	\$ 7,769,970
Add Revenues and Other Financing Sources	101,336,757	86,720,124
Deduct Expenditures and Other Financing Uses	<u>(96,513,281)</u>	<u>(85,821,922)</u>
Fund Balance, End of Year	<u>\$ 13,491,648</u>	<u>\$ 8,668,172</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance Positive (Negative)	
Revenues:					
Local:					
Operating Fund	\$ 28,881,714	\$ 30,062,253	\$ 30,388,629	\$ 326,376	\$ 27,587,592
Kenai Peninsula Borough - In-Kind	7,879,423	7,879,423	7,553,047	(326,376)	7,386,090
Total Local	<u>36,761,137</u>	<u>37,941,676</u>	<u>37,941,676</u>	<u>-</u>	<u>34,973,682</u>
State:					
Public School Funding	59,159,643	59,959,315	59,959,314	(1)	49,779,053
LOG/Quality Schools	973,881	995,521	995,531	10	224,126
Other	-	-	120,577	120,577	110,355
Total State	<u>60,133,524</u>	<u>60,954,836</u>	<u>61,075,422</u>	<u>120,586</u>	<u>50,113,534</u>
Federal - Through the State:					
Hurricane Katrina Relief	-	-	-	-	17,250
Medicaid	380,000	380,000	312,145	(67,855)	336,581
Medicaid - Direct Reimbursement	-	-	308,574	308,574	343,999
Medicaid - Allowance: State of Alaska	-	-	(128,022)	(128,022)	(153,662)
Total Federal - Through the State	<u>380,000</u>	<u>380,000</u>	<u>492,697</u>	<u>112,697</u>	<u>544,168</u>
Other Revenues:					
Earnings on Investments	420,000	420,000	1,067,126	647,126	494,410
Facilities Rental	30,000	30,000	16,600	(13,400)	17,100
Miscellaneous	50,000	50,000	85,620	35,620	68,292
E-Rate	480,563	480,563	657,616	177,053	508,938
Fund Balance Appropriation	-	-	-	-	-
Total Other Revenues	<u>980,563</u>	<u>980,563</u>	<u>1,826,962</u>	<u>846,399</u>	<u>1,088,740</u>
Total Revenues	<u>98,255,224</u>	<u>100,257,075</u>	<u>101,336,757</u>	<u>1,079,682</u>	<u>86,720,124</u>
Other Financing Sources:					
Operating Transfers In	-	-	-	-	-
Total Revenues and Other Financing Sources	<u>\$ 98,255,224</u>	<u>\$ 100,257,075</u>	<u>\$ 101,336,757</u>	<u>\$ 1,079,682</u>	<u>\$ 86,720,124</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Regular Instruction:					
Certified Salaries	\$ 26,139,026	\$ 26,713,543	\$ 25,770,204	\$ 943,339	\$ 24,938,061
Non-Certified Salaries	1,580,188	1,846,701	1,791,226	55,475	1,543,734
Employee Benefits	13,801,274	13,456,038	12,851,034	605,004	10,508,401
Professional-Technical Services	62,848	132,330	96,613	35,717	35,099
Travel	88,705	122,483	117,737	4,746	75,132
Student Travel	12,000	15,829	18,495	(2,666)	15,960
Utility Services	105,957	46,237	31,982	14,255	33,998
Purchased Services	764,212	885,846	817,116	68,730	676,933
Supplies and Materials	3,238,027	3,954,106	2,850,429	1,103,677	1,969,615
Other Expenses	3,732,738	1,744,428	97,474	1,646,954	68,130
Equipment	1,043,707	1,135,366	920,162	215,204	716,976
	<u>50,568,682</u>	<u>50,052,907</u>	<u>45,362,472</u>	<u>4,690,435</u>	<u>40,582,039</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Special Education Instruction:					
Certified Salaries	\$ 4,809,429	\$ 4,777,307	\$ 4,598,467	\$ 178,840	\$ 4,417,345
Non-Certified Salaries	1,551,819	1,676,331	1,709,153	(32,822)	1,483,477
Employee Benefits	2,826,687	3,224,481	3,081,139	143,342	2,549,611
Professional-Technical Services	14,843	65,791	20,807	44,984	29,322
Travel	27,518	22,743	19,707	3,036	13,310
Student Travel	7,000	307	316	(9)	2,813
Utility Services	-	-	-	-	1,111
Purchased Services	2,833	594	494	100	516
Supplies and Materials	73,337	74,084	65,310	8,774	66,078
Other Expenses	14,750	15,993	15,951	42	18,258
Equipment	-	2,454	2,454	-	2,335
	<u>9,328,216</u>	<u>9,860,085</u>	<u>9,513,798</u>	<u>346,287</u>	<u>8,584,176</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Special Education Services - Student:					
Certified Salaries	\$ 2,101,322	\$ 2,087,091	\$ 2,012,015	\$ 75,076	\$ 1,888,263
Non-Certified Salaries	175,512	274,257	241,211	33,046	193,155
Employee Benefits	902,199	1,061,298	985,661	75,637	783,324
Professional-Technical Services	7,786	196,595	195,890	705	258,217
Travel	57,135	57,870	58,428	(558)	50,651
Utility Services	4,975	5,662	5,677	(15)	6,327
Purchased Services	10,367	1,649	1,646	3	1,793
Supplies and Materials	29,150	24,368	19,378	4,990	24,666
Other Expenses	2,140	2,190	1,143	1,047	1,016
Equipment	1,183	8,044	7,243	801	1,183
	<u>3,291,769</u>	<u>3,719,024</u>	<u>3,528,292</u>	<u>190,732</u>	<u>3,208,595</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Support Services - Pupil:					
Certified Salaries	\$ 726,220	\$ 842,787	\$ 830,267	\$ 12,520	\$ 796,787
Non-Certified Salaries	972,676	1,022,720	1,024,770	(2,050)	967,048
Employee Benefits	736,848	910,929	922,098	(11,169)	745,783
Professional-Technical Services	3,920	420	80	340	80
Travel	24,462	36,657	26,510	10,147	21,299
Student Travel	-	142	142	-	-
Utility Services	2,045	2,845	1,934	911	1,560
Purchased Services	15,575	9,874	3,322	6,552	3,257
Supplies and Materials	28,089	43,039	37,631	5,408	29,244
Other Expenses	7,605	5,346	5,346	-	116
Equipment	725	5,290	2,876	2,414	5,053
	<u>2,518,165</u>	<u>2,880,049</u>	<u>2,854,976</u>	<u>25,073</u>	<u>2,570,227</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Support Services - Instruction:					
Certified Salaries	\$ 900,434	\$ 822,824	\$ 815,049	\$ 7,775	\$ 860,592
Non-Certified Salaries	425,015	489,701	475,613	14,088	334,764
Employee Benefits	544,103	621,582	550,777	70,805	438,361
Professional-Technical Services	2,300	4,317	2,017	2,300	16,287
Travel	28,839	32,016	30,339	1,677	28,775
Student Travel	6,000	6,000	5,614	386	4,014
Utility Services	8,990	12,176	8,462	3,714	10,274
Purchased Services	89,746	76,089	42,778	33,311	31,985
Supplies and Materials	169,546	154,246	116,381	37,865	123,734
Other Expenses	3,453	2,810	1,403	1,407	1,233
Equipment	2,249	15,026	13,333	1,693	89,398
	<u>2,180,675</u>	<u>2,236,787</u>	<u>2,061,766</u>	<u>175,021</u>	<u>1,939,417</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
School Administration:					
Certified Salaries	\$ 3,207,753	\$ 3,378,412	\$ 3,393,437	\$ (15,025)	\$ 3,166,454
Non-Certified Salaries	134,900	134,449	36,328	98,121	157,912
Employee Benefits	1,093,225	1,268,703	1,199,755	68,948	1,038,726
Professional - Technical Services	650	860	610	250	7,235
Travel	39,035	49,898	45,972	3,926	39,069
Utility Services	500	500	-	500	-
Purchased Services	-	-	-	-	-
Supplies and Materials	14,484	9,258	6,605	2,653	7,070
Other Expenses	28,450	30,085	27,649	2,436	27,176
Equipment	-	2,069	2,069	-	4,040
	<u>4,518,997</u>	<u>4,874,234</u>	<u>4,712,425</u>	<u>161,809</u>	<u>4,447,682</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
School Administration - Support:					
Non-Certified Salaries	\$ 1,543,857	\$ 1,621,061	\$ 1,639,501	\$ (18,440)	\$ 1,632,689
Employee Benefits	879,079	995,868	1,058,480	(62,612)	850,578
Professional - Technical Services	-	1,725	1,720	5	47,685
Travel	2,900	3,752	3,287	465	2,309
Utility Services	384,432	525,466	473,938	51,528	417,745
Purchased Services	33,689	17,566	6,964	10,602	11,167
Supplies And Materials	66,458	64,384	51,747	12,637	49,519
Other Expenses	29,578	20,007	86,937	(66,930)	4,987
Equipment	90,864	94,229	93,388	841	169,438
	<u>3,030,857</u>	<u>3,344,058</u>	<u>3,415,962</u>	<u>(71,904)</u>	<u>3,186,117</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
District Administration:					
Certified Salaries	\$ 225,733	\$ 232,465	\$ 236,851	\$ (4,386)	\$ 242,524
Non-Certified Salaries	133,005	143,757	140,531	3,226	141,663
Employee Benefits	172,677	198,658	185,771	12,887	154,830
Professional-Technical Services	129,000	117,340	90,781	26,559	109,088
Travel	65,362	73,872	58,110	15,762	64,924
Utility Services	19,650	22,323	20,458	1,865	17,732
Purchased Services	27,240	21,129	6,964	14,165	7,320
Supplies and Materials	17,482	19,375	17,240	2,135	19,799
Tuition and Stipends	17,100	19,980	19,980	-	18,270
Other Expenses	31,375	25,681	24,104	1,577	25,382
Equipment	1,419	3,704	25,771	(22,067)	5,416
	<u>840,043</u>	<u>878,284</u>	<u>826,561</u>	<u>51,723</u>	<u>806,948</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
District Administrative Support Services:					
Certified Salaries	\$ 299,255	\$ 313,145	\$ 326,658	\$ (13,513)	\$ 307,960
Non-Certified Salaries	1,538,326	1,593,867	1,690,726	(96,859)	1,652,889
Employee Benefits	721,280	843,146	853,643	(10,497)	713,863
Professional-Technical Services	45,750	50,693	42,161	8,532	42,070
Travel	71,574	78,919	76,712	2,207	81,913
Utility Services	73,573	38,006	36,108	1,898	35,500
Purchased Services	598,861	502,855	312,985	189,870	158,608
Insurance Premiums	-	444,828	444,828	-	508,174
Supplies and Materials	61,320	150,166	42,632	107,534	119,931
Other Expenses	34,068	71,568	21,842	49,726	20,160
Indirect Costs	146,983	171,668	(220,351)	392,019	(282,561)
Equipment	23,789	81,656	138,004	(56,348)	35,241
	<u>3,614,779</u>	<u>4,340,517</u>	<u>3,765,948</u>	<u>574,569</u>	<u>3,393,748</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Operation of Plant:					
Certified Salaries	\$ -	\$ -	\$ 50	\$ (50)	\$ 50
Non-Certified Salaries	2,790,040	2,872,398	2,748,372	124,026	2,703,436
Employee Benefits	1,468,932	1,665,838	1,645,712	20,126	1,403,904
Professional-Technical Services	-	1,003	998	5	644
Travel	3,150	2,724	1,694	1,030	3,858
Utility Services	379,599	370,319	302,370	67,949	299,431
Energy	4,428,715	4,641,242	4,461,621	179,621	4,313,842
Purchased Services	6,150,451	6,221,586	5,858,989	362,597	5,848,368
Insurance Premiums	848,103	848,103	848,103	-	650,318
Supplies and Materials	262,456	261,645	240,741	20,904	207,529
Other Expenses	1,000	600	790	(190)	-
Equipment	3,588	15,771	32,596	(16,825)	86,412
	<u>16,336,034</u>	<u>16,901,229</u>	<u>16,142,036</u>	<u>759,193</u>	<u>15,517,792</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2007
 With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Pupil Activity:					
Certified Salaries	\$ 848,429	\$ 693,833	\$ 627,736	\$ 66,097	\$ 631,951
Non-Certified Salaries	193,371	337,099	331,347	5,752	322,285
Employee Benefits	232,538	278,653	219,438	59,215	190,866
Professional - Technical Services	750	530	-	530	-
Travel	4,096	5,136	2,614	2,522	1,643
Student Travel	16,000	25,613	13,929	11,684	22,953
Utility Services	83	83	-	83	14
Purchased Services	20,744	20,680	20,642	38	19,500
Supplies and Materials	6,289	10,612	21,487	(10,875)	8,623
Other Expenses	10,765	25,056	24,525	531	1,220
Equipment	-	178	344,607	(344,429)	178
	<u>1,333,065</u>	<u>1,397,473</u>	<u>1,606,325</u>	<u>(208,852)</u>	<u>1,199,233</u>
 Total Expenditures	 <u>97,561,282</u>	 <u>100,484,647</u>	 <u>93,790,561</u>	 <u>6,694,086</u>	 <u>85,435,974</u>
Other Financing Uses:					
Transfer To Community Schools Fund	-	-	-	-	39,819
Transfer To Community Theater Fund	-	-	15,811	(15,811)	4,839
Transfer To Internal Service Fund	-	-	-	-	-
Transfer To Food Service Fund	184,884	184,884	621,539	(436,655)	341,290
Transfer To Pupil Transportation Fund	509,058	509,058	1,085,370	(576,312)	-
Transfer To Equipment Fund	-	-	1,000,000	(1,000,000)	-
Total Other Financing Uses	<u>693,942</u>	<u>693,942</u>	<u>2,722,720</u>	<u>(2,028,778)</u>	<u>385,948</u>
 Total Expenditures and Other Financing Uses	 <u>\$ 98,255,224</u>	 <u>\$ 101,178,589</u>	 <u>\$ 96,513,281</u>	 <u>\$ 4,665,308</u>	 <u>\$ 85,821,922</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEMENT OF COMPLIANCE - AS 14.17.505
Year Ended June 30, 2007

	School Operating Fund		
	Reserved Fund Balance	Unreserved Fund Balance	Total
Reserved:			
Encumbrances	\$ 1,081,225	\$ -	\$ 1,081,225
Self Insurance Workers Compensation	225,000		225,000
Self Insurance Health Care	2,256,149		2,256,149
Inventories	746,137	-	746,137
Unreserved:			
Designated			
Charter Schools	-	1,641,086	1,641,086
Facilities Maintenance	-	655,983	655,983
FY08 Operations	-	2,094,604	2,094,604
Potential Interest Shortfall	-	400,000	400,000
School Incentive Purchases	-	833,129	833,129
Technology Plan	-	870,000	870,000
Undesignated	-	2,688,335	2,688,335
	\$ 4,308,511	\$ 9,183,137	\$ 13,491,648

Unreserved fund balance as a percentage of current year expenditures:

$$\frac{\text{Unreserved fund balance}}{\text{Current year expenditures}} = \frac{9,183,137}{93,790,561} = \underline{9.79\%}$$

Concluded

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEMENT OF COMPLIANCE - AS 14.17.20
Year Ended June 30, 2007

Instruction:

Regular Instruction	\$ 45,362,472	
Special Education Instruction	9,513,798	
Special Education Services - Student	3,528,292	
Support Services - Pupil	2,854,976	
Support Services - Instruction	2,061,766	
School Administration	<u>4,712,425</u>	
Total Instruction	<u>68,033,729</u>	72.54%

Non-Instruction:

School Administration - Support	3,415,962	
District Administration	826,561	
District Administration - Support Services	3,765,948	
Operation of Plant	16,142,036	
Pupil Activities	<u>1,606,325</u>	
Total Non- Instruction	<u>25,756,832</u>	27.46%
Total Expenditures	<u>93,790,561</u>	

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
BALANCE SHEET - MAJOR FUND - TITLE I
June 30, 2007

With Comparative Totals as of June 30, 2006

	2007	2006
ASSETS		
Due from other Governments	\$ 1,008,049	\$ 1,319,471
Total Assets	\$ 1,008,049	\$ 1,319,471
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 24,736	\$ 3,224
Due to General Fund	983,313	1,316,247
Total Liabilities	1,008,049	1,319,471
Fund Balance:	-	-
Total Liabilities and Fund Balances	\$ 1,008,049	\$ 1,319,471

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 MAJOR FUND - TITLE I
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2007
 With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 5,670,843	\$ 4,731,496	\$ 2,957,723	\$ (1,773,773)	\$ 4,011,938
Expenditures:					
Certified Salaries	1,650,627	1,588,383	1,258,924	329,459	1,586,620
Non-Certified Salaries	371,590	243,212	158,998	84,214	354,483
Employee Benefits	879,468	755,673	614,366	141,307	770,690
Professional - Technical Service	835,582	879,146	341,697	537,449	515,680
Staff Travel	156,418	302,105	121,198	180,907	141,411
Student Travel	30,709	25,000	6,951	18,049	19,418
Utility Services	15,783	7,783	7,501	282	7,916
Purchased Services	218,103	196,900	105,164	91,736	215,500
Supplies and Materials	170,557	373,837	166,344	207,493	202,702
Other Expenses	1,043,847	113,442	8,361	105,081	6,408
Indirect Costs	192,764	155,283	100,958	54,325	138,060
Equipment	105,395	90,732	67,261	23,471	53,050
Total Expenditures	5,670,843	4,731,496	2,957,723	1,773,773	4,011,938
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

NON-MAJOR FUNDS – SPECIAL REVENUE FUNDS

Special Revenue Funds

Combining Balance Sheet Non-Major Special Revenue Funds

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

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

Funds included in the special revenue category are:

Alaska Community Learning Centers	Principal Coach
Boarding Home	Pupil Transportation
Building Trades	School Improvement
Carl Perkins – Basic	Staff Development Mini Grants
Charter Schools – EED	Statewide Alaska Mentorship
Community Theater	Title I-D, At Risk
Corporate Grants	Title I-D, Delinquent
Equipment	Title VI-B
Food Service	Title VII, Indian Education
Gear Up Kenai Peninsula	Upward Bound
Governor's Drug Prevention	Youth First
Legislative Equipment Fund	Youth in Detention
McKinney-Vento Homeless	Youth Risk Behavior Survey

SPECIAL REVENUE FUNDS

Alaska Community Learning Centers is a competitive grant program which supports after school learning opportunities for Title I eligible schools. Programs must provide academic support, healthy snacks, recreational opportunities and a safe environment.

Boarding Home provides host families for Port Graham juniors and seniors to attend a large high school to complete their high school diploma. Host families receive a monthly reimbursement through the state for their services to these students.

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.

Charter School - EED grants provide funding for planning, implementation, and supplemental needs of charter school independent educational programs.

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

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

Equipment was established by the Board of Education to track funds related to equipment purchases in support of the Districts' technology plan. The State of Alaska Department of Education and Early Development requires expenditures be recorded in the operating fund.

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

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 Drug Prevention funds the cost of a privately contracted coordinator who provides case management, direct supervision of pregnancy, parenting, and life skills education, counseling, intervention and maintenance of program records for students at Kenai Alternative High School.

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

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

Migrant Education Summer provides supplemental academic support for migrant eligible students and their families. Support includes supplemental reading and math programs, water safety, tutoring and distance education.

NTSA/NASA (National Science Teachers Association/National Aeronautics and Space Administration) schools from across the country are eligible to partner with NASA in a program designed to bring engaging mathematics, sciences, and technology learning to educators, students, and families.

Principal Coach is a program funded by EED, for superintendents and school-site administrators new to the profession or new to the state with less than two years experience in Alaska.

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

School Improvement funds provide additional supplemental support for Title I schools not making Adequate Yearly Progress. Support generally consists of after school tutoring and reading skills software.

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

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

Title I-D, At-Risk funds are used to provide vocational training for incarcerated youth so that they can be gainfully employed upon release from prison.

Title I-D, Delinquent 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 provides funds for the overall improvement of service for students receiving Special Education.

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

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

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

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

Youth Risk Behavior Survey provides fund to offset the costs incurred in implementing the Youth Risk Behavior Survey required by the Department of Health and Social Services.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2007

With Comparative Totals as of June 30, 2006

	Alaska Community Learning Centers	Boarding Home Program	Building Trades	Caribou Hills Fire
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	382
Due from other Governments	51,010	-	-	-
Inventory	-	-	60,618	-
Total Assets	\$ 51,010	\$ -	\$ 60,618	\$ 382
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-
Due to General Fund	51,010	-	44,976	382
Total Liabilities	51,010	-	44,976	382
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for equipment	-	-	-	-
Reserved for inventory	-	-	60,618	-
Unreserved:				
Unreserved - undesignated	-	-	(44,976)	-
Total Fund Balances	-	-	15,642	-
Total Liabilities and Fund Balances	\$ 51,010	\$ -	\$ 60,618	\$ 382

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2007

With Comparative Totals as of June 30, 2006

	Carl Perkins Basic	Charter Schools-EED	Community Theater	Corporate Grants
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ 25,659
Accounts receivable	-	-	3,590	-
Due from other Governments	46,523	10,307	-	-
Inventory	-	-	-	-
Total Assets	\$ 46,523	\$ 10,307	\$ 3,590	\$ 25,659
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 59	\$ -	\$ -	\$ 1,576
Deferred Revenue	-	-	-	-
Due to General Fund	46,464	10,307	3,590	-
Total Liabilities	46,523	10,307	3,590	1,576
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for equipment	-	-	-	-
Reserved for inventory	-	-	-	-
Unreserved:				
Unreserved - undesignated	-	-	-	24,083
Total Fund Balances	-	-	-	24,083
Total Liabilities and Fund Balances	\$ 46,523	\$ 10,307	\$ 3,590	\$ 25,659

Continued

<u>Equipment</u>	<u>Food Service</u>	<u>Gear Up Kenai Peninsula</u>	<u>Governor's Drug Prevention</u>	<u>Legislative Equipment</u>
\$ 1,000,000	\$ 91,808	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	46,414	16,737	-
-	227,664	-	-	-
<u>\$ 1,000,000</u>	<u>\$ 319,472</u>	<u>\$ 46,414</u>	<u>\$ 16,737</u>	<u>\$ -</u>
\$ -	\$ 38,560	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	46,414	16,737	-
-	38,560	46,414	16,737	-
-	-	-	-	-
-	-	-	-	-
-	227,664	-	-	-
<u>1,000,000</u>	<u>53,248</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,000,000</u>	<u>280,912</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,000,000</u>	<u>\$ 319,472</u>	<u>\$ 46,414</u>	<u>\$ 16,737</u>	<u>\$ -</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2007

With Comparative Totals as of June 30, 2006

	McKinney-Vento Homeless	Migrant Education Summer	NSTA/NASA	Principal Coach	Pupil Transportation
ASSETS					
Equity in Central Treasury	\$ -	\$ -	\$ 7,230	\$ -	\$ 1,080,593
Accounts Receivable	-	-	-	-	-
Due from other Governments	20,428	12,575	-	132,967	-
Inventory	-	-	-	-	-
Total Assets	\$ 20,428	\$ 12,575	\$ 7,230	\$ 132,967	\$ 1,080,593
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ 420	\$ -	\$ 710	\$ 75
Deferred Revenue	-	-	7,230	-	-
Due to General Fund	20,428	12,155	-	132,257	-
Total Liabilities	20,428	12,575	7,230	132,967	75
Fund Balances:					
Reserved for encumbrances	-	-	-	-	-
Reserved for equipment	-	-	-	-	-
Reserved for inventory	-	-	-	-	-
Unreserved:					
Unreserved - undesignated	-	-	-	-	1,080,518
Total Fund Balances	-	-	-	-	1,080,518
Total Liabilities and Fund Balances	\$ 20,428	\$ 12,575	\$ 7,230	\$ 132,967	\$ 1,080,593

Continued

<u>School Improvement</u>	<u>Staff Development Mini-Grants</u>	<u>Statewide Alaska Mentorship</u>	<u>Title I-D At Risk</u>	<u>Title I-D Delinquent</u>	<u>Title VI-B</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
9,466	2,379	96,425	8,339	40,528	715,661
-	-	-	-	-	-
<u>\$ 9,466</u>	<u>\$ 2,379</u>	<u>\$ 96,425</u>	<u>\$ 8,339</u>	<u>\$ 40,528</u>	<u>\$ 715,661</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
9,466	2,379	96,425	8,339	40,528	715,661
-	-	-	-	-	-
<u>9,466</u>	<u>2,379</u>	<u>96,425</u>	<u>8,339</u>	<u>40,528</u>	<u>715,661</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 9,466</u>	<u>\$ 2,379</u>	<u>\$ 96,425</u>	<u>\$ 8,339</u>	<u>\$ 40,528</u>	<u>\$ 715,661</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2007

With Comparative Totals as of June 30, 2006

	Title VII Indian Education	Upward Bound	Youth First	Youth in Detention	Youth Risk Behavior Survey
ASSETS					
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ 7,715	\$ -
Accounts Receivable	-	-	-	-	-
Due from Other Governments	121,468	23,269	82,280	-	-
Inventory	-	-	-	-	-
Total Assets	\$ 121,468	\$ 23,269	\$ 82,280	\$ 7,715	\$ -
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ 7,715	\$ -
Deferred Revenue	-	-	-	-	-
Due to General Fund	121,468	23,269	82,280	-	-
Total Liabilities	121,468	23,269	82,280	7,715	-
Fund Balances:					
Reserved for encumbrances	-	-	-	-	-
Reserved for equipment	-	-	-	-	-
Reserved for inventory	-	-	-	-	-
Unreserved:					
Unreserved - undesignated	-	-	-	-	-
Total Fund Balances	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 121,468	\$ 23,269	\$ 82,280	\$ 7,715	\$ -

Concluded

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2007

With Comparative Totals as of June 30, 2006

	<u>Total June 30, 2007</u>	<u>Total June 30, 2006</u>
ASSETS		
Equity in Central Treasury	\$ 2,213,005	\$ 668,603
Accounts Receivable	3,972	6,693
Due from Other Governments	1,436,776	1,497,190
Inventory	<u>288,282</u>	<u>326,270</u>
Total Assets	<u>\$ 3,942,035</u>	<u>\$ 2,498,756</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 49,115	\$ 10,131
Deferred Revenue	7,230	54,976
Due to General Fund	<u>1,484,535</u>	<u>1,761,231</u>
Total Liabilities	<u>1,540,880</u>	<u>1,826,338</u>
Fund Balances:		
Reserved for encumbrances	-	-
Reserved for equipment	-	-
Reserved for inventory	288,282	15,642
Unreserved:		
Unreserved - undesignated	<u>2,112,873</u>	<u>656,776</u>
Total Fund Balances	<u>2,401,155</u>	<u>672,418</u>
Total Liabilities and Fund Balances	<u>\$ 3,942,035</u>	<u>\$ 2,498,756</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2007

With Comparative Totals for Year Ended June 30, 2006

	Alaska Community Centers Learning	Boarding Home Program	Building Trades	Caribou Hills Fire
Revenues:				
Local	\$ -	\$ -	\$ -	\$ -
State	-	16,374	-	-
Federal-Direct	-	-	-	-
Federal-Through the State	154,042	-	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>154,042</u>	<u>16,374</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	154,042	-	-	-
School Administration	-	-	-	-
Data Processing Svcs	-	-	-	-
Supporting services - pupil	-	16,374	-	-
Community services	-	-	-	-
Operation of plant	-	-	-	-
Pupil transportation	-	-	-	-
Food services	-	-	-	-
Total Expenditures	<u>154,042</u>	<u>16,374</u>	<u>-</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>\$ 15,642</u>	<u>\$ -</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2007

With Comparative Totals for Year Ended June 30, 2006

	Carl Perkins	Charter Schools-EED	Community Theater	Corporate Grants
Revenues:				
Local	\$ -	\$ -	\$ -	\$ -
State	-	39,530	-	-
Federal-Direct	-	-	-	-
Federal-Through the State	187,143	-	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	41,160	54,316
Other	-	-	-	-
Total Revenues	<u>187,143</u>	<u>39,530</u>	<u>41,160</u>	<u>54,316</u>
Expenditures:				
Current:				
Instruction	187,143	39,530	-	60,159
School Administration	-	-	-	-
Data Processing Svcs	-	-	-	-
Supporting services - pupil	-	-	-	-
Community services	-	-	56,971	-
Operation of plant	-	-	-	-
Pupil transportation	-	-	-	-
Food services	-	-	-	-
Total Expenditures	<u>187,143</u>	<u>39,530</u>	<u>56,971</u>	<u>60,159</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>(15,811)</u>	<u>(5,843)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	15,811	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>15,811</u>	<u>-</u>
Net Changes In Fund Balances	-	-	-	(5,843)
Fund Balances, Beginning of Year	-	-	-	29,926
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,083</u>

Continued

Equipment	Food Service	Gear Up Kenai Peninsula	Governor's Drug Prevention	Legislative Equipment
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	146,707
-	-	-	-	-
-	1,668,560	88,813	39,046	-
-	965,162	-	-	-
-	-	-	-	-
-	-	-	-	-
-	2,633,722	88,813	39,046	146,707
-	-	88,813	39,046	127,247
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
26,293	-	-	-	19,460
-	-	-	-	-
-	2,974,349	-	-	-
26,293	2,974,349	88,813	39,046	146,707
(26,293)	(340,627)	-	-	-
1,000,000	621,539	-	-	-
-	-	-	-	-
1,000,000	621,539	-	-	-
973,707	280,912	-	-	-
26,293	-	-	-	-
<u>\$ 1,000,000</u>	<u>\$ 280,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2007

With Comparative Totals for Year Ended June 30, 2006

	McKinney-Vento Homless	Migrant Education Summer	NSTA/NASA	Principal Coach	Pupil Transportation
Revenues:					
Local	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	237,534	4,542,449
Federal-Direct	-	-	-	-	-
Federal-Through the State	31,238	23,457	-	-	-
Food sales	-	-	-	-	-
Corporate grants and user fees	-	-	7,770	-	-
Other	-	-	-	-	-
Total Revenues	31,238	23,457	7,770	237,534	4,542,449
Expenditures:					
Current:					
Instruction	31,238	23,457	7,770	-	-
School Administration	-	-	-	237,534	-
Data Processing Svcs	-	-	-	-	-
Supporting services - pupil	-	-	-	-	-
Community services	-	-	-	-	-
Operation of plant	-	-	-	-	-
Pupil transportation	-	-	-	-	5,147,858
Food services	-	-	-	-	-
Total Expenditures	31,238	23,457	7,770	237,534	5,147,858
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-	(605,409)
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	1,085,370
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-	1,085,370
Net Changes In Fund Balances	-	-	-	-	479,961
Fund Balances, Beginning of Year	-	-	-	-	600,557
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ 1,080,518

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2007

With Comparative Totals for Year Ended June 30, 2006

	Title VII Indian Education	Upward Bound	Youth First	Youth In Detention
Revenues:				
Local	\$ -	\$ -	\$ -	\$ -
State	-	-	111,678	213,720
Federal - Direct	290,474	-	-	-
Federal - Through the State	-	23,269	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>290,474</u>	<u>23,269</u>	<u>111,678</u>	<u>213,720</u>
Expenditures:				
Current:				
Instruction	290,474	23,269	111,678	213,720
School Administration	-	-	-	-
Data Processing Svcs	-	-	-	-
Supporting services - pupil	-	-	-	-
Community services	-	-	-	-
Operation of plant	-	-	-	-
Pupil transportation	-	-	-	-
Food services	-	-	-	-
Total Expenditures	<u>290,474</u>	<u>23,269</u>	<u>111,678</u>	<u>213,720</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes In Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Concluded

Youth Risk Behavior Survey	Total June 30, 2007	Total June 30, 2006
\$ -	\$ -	\$ 798,918
-	5,604,033	5,243,702
-	290,474	270,719
6,500	4,609,049	5,187,807
-	965,162	989,802
-	103,246	241,800
-	-	-
<u>6,500</u>	<u>11,571,964</u>	<u>12,732,748</u>
6,500	4,087,108	4,828,967
-	237,534	2,787
-	-	6,199
-	16,374	22,072
-	56,971	278,567
-	45,753	201,465
-	5,147,858	4,674,831
-	2,974,349	3,182,705
<u>6,500</u>	<u>12,565,947</u>	<u>13,197,593</u>
-	(993,983)	(464,845)
-	2,722,720	385,948
-	-	-
<u>-</u>	<u>2,722,720</u>	<u>385,948</u>
-	1,728,737	(78,897)
<u>-</u>	<u>672,418</u>	<u>751,315</u>
<u>\$ -</u>	<u>\$ 2,401,155</u>	<u>\$ 672,418</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
ALASKA COMMUNITY LEARNING CENTERS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Prior Year Encumbrancee	\$ -	\$ 33,236	\$ -	\$ -	\$ -
Federal - Through the State	<u>122,703</u>	<u>122,703</u>	<u>154,042</u>	<u>31,339</u>	<u>98,750</u>
Total Revenues	<u>122,703</u>	<u>155,939</u>	<u>154,042</u>	<u>31,339</u>	<u>98,750</u>
Expenditures:					
Certified Salaries	47,837	49,387	49,226	161	41,491
Non-Certified Salaries	21,424	35,723	35,384	339	14,961
Employee Benefits	30,678	39,066	39,623	(557)	21,155
Professional - Technical Service	3,500	5,000	4,963	37	3,918
Staff Travel	5,000	2,500	2,314	186	3,617
Student Travel	3,000	5,200	5,176	24	1,855
Utility Services	-	50	23	27	-
Other Purchased Service	500	540	540	-	-
Supplies and Materials	7,000	12,184	10,570	1,614	7,980
Indirect Costs	4,264	5,419	5,353	66	3,487
Equipment	-	870	870	-	286
Total Expenditures	<u>123,203</u>	<u>155,939</u>	<u>154,042</u>	<u>1,897</u>	<u>98,750</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
 ARCTIC WINTER GAMES
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2007
 With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Other Local Revenue	\$ -	\$ -	\$ -	\$ -	\$ 308,918
Expenditures:					
Certified Salaries	-	-	-	-	2,938
Non-Certified Salaries	-	-	-	-	81,823
Employee Benefits	-	-	-	-	6,695
Staff Travel	-	-	-	-	292
Utility Services	-	-	-	-	28
Other Purchased Service	-	-	-	-	3,638
Supplies and Materials	-	-	-	-	187,361
Other Expenses	-	-	-	-	525
Equipment	-	-	-	-	25,618
Total Expenditures	-	-	-	-	308,918
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
BOARDING HOME PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 10,000	\$ 10,000	\$ 16,374	\$ 6,374	\$ 17,592
Expenditures:					
Student Travel	1,600	1,600	378	1,222	476
Tuition and Stipends	8,400	8,400	15,996	(7,596)	17,116
Total Expenditures	10,000	10,000	16,374	(6,374)	17,592
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 BUILDING TRADES
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2007
 With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 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
 YEAR ENDED JUNE 30, 2007
 With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal - Through the State	\$ 228,445	\$ 238,244	\$ 187,143	\$ (51,101)	\$ 224,804
Expenditures:					
Certified Salaries	89,565	39,293	30,403	8,890	76,779
Non-Certified Salaries	13,139	13,265	16,199	(2,934)	15,625
Employee Benefits	31,924	21,836	13,206	8,630	28,486
Professional - Technical Service	23,381	25,000	8,594	16,406	21,116
Staff Travel	8,295	12,000	13,636	(1,636)	22,786
Student Travel	4,410	6,000	2,074	3,926	3,392
Utility Services	735	1,000	356	644	651
Purchased Services	210	13,500	10,925	2,575	39
Supplies and Materials	14,424	45,003	43,833	1,170	30,339
Indirect Costs	8,066	8,279	6,503	1,776	7,937
Equipment	34,296	53,068	41,414	11,654	17,654
Total Expenditures	228,445	238,244	187,143	51,101	224,804
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 CHARTER SCHOOLS - EED
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2007
 With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ -	\$ 39,530	\$ 39,530	\$ -	\$ 132,940
Federal - Through the State	188,776	-	-	-	213,165
Total Revenues	188,776	39,530	39,530	-	346,105
Expenditures:					
Certified Salaries	-	-	-	-	38,365
Non-Certified Salaries	-	-	19,571	(19,571)	37,041
Employee Benefits	-	-	15,183	(15,183)	30,919
Professional - Technical Service	17,406	-	-	-	20,515
Staff Travel	33,672	-	-	-	34,116
Utility Services	1,000	-	-	-	415
Energy	-	-	504	(504)	4,183
Purchased Services	20,635	-	-	-	16,360
Supplies and Materials	99,398	-	-	-	115,494
Other Expenses	-	38,157	-	38,157	-
Indirect Costs	6,665	1,373	1,374	(1)	12,196
Equipment	10,000	-	2,898	(2,898)	36,501
Total Expenditures	188,776	39,530	39,530	-	346,105
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
COMMUNITY EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
User Fees	\$ -		\$ -	\$ -	\$ 197,606
Other Financing Sources:					
Operating Transfers In	-	-	-	-	39,819
Total Revenues and Other Financing Sources	-	-	-	-	237,425
Expenditures:					
Non-Certified Salaries	-	-	-	-	154,223
Employee Benefits	-	-	-	-	61,719
Professional - Technical Service	-	-	-	-	2,900
Staff Travel	-	-	-	-	-
Student Travel	-	-	-	-	2,250
Utility Services	-	-	-	-	7,659
Purchased Services	-	-	-	-	7,882
Supplies and Materials	-	-	-	-	1,277
Total Expenditures	-	-	-	-	237,910
Excess (Deficiency) of Revenue over Expenditures	\$ -	\$ -	-	\$ -	(485)
Fund Balance, Beginning of Year			-		485
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
COMMUNITY THEATER
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
User Fees	\$ 57,028	\$ 57,028	\$ 41,160	\$ (15,868)	\$ 29,106
Other Financing Sources:					
Operating Transfers In	-	-	15,811	15,811	4,839
Total Revenue and Other Financing Sources	<u>57,028</u>	<u>57,028</u>	<u>56,971</u>	<u>(57)</u>	<u>33,945</u>
Expenditures:					
Non-Certified Salaries	42,400	42,400	42,373	27	26,155
Employee Benefits	12,618	12,618	10,617	2,001	4,566
Professional - Technical Service	-	-	433	(433)	-
Staff Travel	850	850	-	850	513
Utility Services	550	550	1,546	(996)	1,477
Purchased Services	75	75	867	(792)	235
Supplies and Materials	535	535	1,135	(600)	999
Total Expenditures	<u>57,028</u>	<u>57,028</u>	<u>56,971</u>	<u>57</u>	<u>33,945</u>
Excess (Deficiency) of Revenue 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
CORPORATE GRANTS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007

With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Corporate Grants	\$ 56,155	\$ 70,450	\$ 54,316	16,134	45,088
Expenditures:					
Certified Salaries	2,350	2,350	2,025	325	1,500
Non-Certified Salaries	-	-	254	(254)	388
Employee Benefits	650	650	571	79	356
Professional - Technical Service	2,333	3,381	3,381	-	3,314
Staff Travel	23,210	23,210	13,851	9,359	7,413
Student Travel	7,590	12,790	12,917	(127)	1,937
Utility Services	-	-	-	-	30
Purchased Services	254	254	253	1	248
Supplies and Materials	8,178	31,926	22,847	9,079	20,111
Other Expenses	10,000	6,950	1,550	5,400	72
Equipment	1,590	2,590	2,510	80	5,724
Total Expenditures	<u>56,155</u>	<u>84,101</u>	<u>60,159</u>	<u>23,942</u>	<u>41,093</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ (13,651)</u>	<u>(5,843)</u>	<u>\$ 7,808</u>	<u>3,995</u>
Fund Balance, Beginning of Year			<u>29,926</u>		<u>25,931</u>
Fund Balance, End of Year			<u>\$ 24,083</u>		<u>\$ 29,926</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
EQUIPMENT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007			Variance- Positive (Negative)	2006 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Local	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-
Total Revenues					
Other Financing Sources:					
Operating Transfers In	-	-	1,000,000	1,000,000	-
Total Revenues and Other Financing Sources	-	-	1,000,000	1,000,000	-
Expenditures:					
Equipment	-	-	26,293	(26,293)	-
Total Expenditures	-	-	26,293	(26,293)	-
Other Financing Uses:					
Operating transfers out - General Fund	-	-	-	-	-
Total Expenditures and Other Financing Uses	-	-	26,293	(26,293)	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	973,707	\$ 973,707	-
Fund Balance, Beginning of Year			26,293		26,293
Fund Balance, End of Year			\$ 1,000,000		\$ 26,293

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
FOOD SERVICE
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007			Variance- Positive (Negative)	2006 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 1,669,448	\$ 1,669,448	\$ 1,600,478	\$ (68,970)	\$ 1,538,046
Sales	1,215,251	1,215,251	965,162	(250,089)	989,802
Commodities	<u>98,773</u>	<u>98,773</u>	<u>68,082</u>	<u>(30,691)</u>	<u>116,394</u>
Total Revenues	2,983,472	2,983,472	2,633,722	(349,750)	2,644,242
Other Financing Sources:					
Operating Transfers In	<u>184,884</u>	<u>184,884</u>	<u>621,539</u>	<u>436,655</u>	<u>341,290</u>
Total Revenues and Other Financing Sources	<u>3,168,356</u>	<u>3,168,356</u>	<u>3,255,261</u>	<u>86,905</u>	<u>2,985,532</u>
Expenditures:					
Non-Certified Salaries	1,121,539	1,121,539	1,085,888	35,651	1,110,308
Employee Benefits	691,002	691,002	635,584	55,418	595,221
Staff Travel	8,650	6,729	7,042	(313)	6,243
Utility Services	4,750	5,310	4,352	958	3,564
Purchased Services	43,600	49,171	39,620	9,551	40,567
Supplies and Materials	1,255,215	1,235,731	1,109,036	126,695	1,174,278
Other Expenses	1,100	1,830	1,289	541	2,121
Equipment	<u>42,500</u>	<u>57,044</u>	<u>91,538</u>	<u>(34,494)</u>	<u>53,230</u>
Total Expenditures	<u>3,168,356</u>	<u>3,168,356</u>	<u>2,974,349</u>	<u>194,007</u>	<u>2,985,532</u>
Excess (Deficiency) of Revenue over Expenditures	<u>\$ -</u>	<u>\$ -</u>	280,912	<u>\$ 280,912</u>	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			<u>\$ 280,912</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 GEAR UP KENAI PENINSULA
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2007
 With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	124,800	\$ 124,800	\$ 88,813	\$ (35,987)	\$ 113,656
Expenditures:					
Certified Salaries	70,357	70,357	63,945	6,412	74,613
Employee Benefits	26,359	26,359	11,792	14,567	13,490
Professional - Technical Service	2,500	2,500	500	2,000	3,000
Staff Travel	16,500	16,500	6,095	10,405	17,368
Student Travel	2,485	2,485	313	2,172	-
Other Purchased Services	150	150	69	81	-
Supplies and Materials	2,349	2,349	3,013	(664)	1,172
Indirect Costs	4,100	4,100	3,086	1,014	4,013
Total Expenditures	124,800	124,800	88,813	35,987	113,656
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GOVERNOR'S ALTERNATIVE SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ -	\$ -	\$ -	\$ -	\$ 28,748
Expenditures:					
Certified Salaries	-	-	-	-	20,159
Employee Benefits	-	-	-	-	7,474
Supplies and Materials	-	-	-	-	100
Indirect Costs	-	-	-	-	1,015
Total Expenditures	-	-	-	-	28,748
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GOVERNOR'S DRUG PREVENTION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 40,000	\$ 40,000	\$ 39,046	\$ (954)	\$ 55,728
Expenditures:					
Professional - Technical Service	39,216	39,216	38,281	935	41,189
Student Travel	-	-	-	-	2,006
Supplies and Materials	-	-	-	-	9,936
Indirect Costs	784	784	765	19	1,093
Equipment	-	-	-	-	1,504
Total Expenditures	40,000	40,000	39,046	954	55,728
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 LEGISLATIVE EQUIPMENT
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2007
 With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ -	\$ 410,000	\$ 146,707	\$ (263,293)	\$ 460,000
Expenditures:					
Regular Instruction					
Other Purchased Services	-	-	1,181	(1,181)	
Supplies and Materials	-	12,170	43,854	(31,684)	222,535
Equipment	-	397,830	46,910	350,920	84,471
Equipment: Technology	-	-	35,302	(35,302)	42,128
Total Expenditures: Regular Instruction	-	410,000	127,247	282,753	349,134
Expenditures: Operation of Plant					
Utility Services	-	-	-	-	532
Supplies and Materials	-	-	1,567	(1,567)	30,097
Equipment	-	-	17,893	(17,893)	80,237
Total Expenditures: Operation of Plant	-	-	19,460	(19,460)	110,866
Total Expenditures	-	410,000	146,707	263,293	460,000
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MCKINNEY-VENTO HOMELESS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 31,000	\$ 32,000	\$ 31,238	\$ (762)	\$ -
Expenditures:					
Certified Salaries	9,100	3,233	3,233	-	-
Non-Certified Salaries	6,000	5,763	5,022	741	-
Employee Benefits	3,003	3,096	3,076	20	-
Staff Travel	2,800	2,788	2,788	-	-
Student Travel	2,923	6,473	6,624	(151)	-
Purchased Services	-	4,705	4,580	125	-
Supplies and Materials	6,097	4,830	4,830	-	-
Indirect Costs	1,077	1,112	1,085	27	-
Total Expenditures	<u>31,000</u>	<u>32,000</u>	<u>31,238</u>	<u>762</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
MIGRANT EDUCATION - SUMMER
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 24,149	\$ 24,149	\$ 23,457	\$ (692)	\$ 11,487
Expenditures:					
Certified Salaries	-	-	-	-	1,500
Non-Certified Salaries	-	-	-	-	1,053
Employee Benefits	-	-	-	-	418
Professional - Technical Service	9,500	9,500	9,148	352	2,500
Staff Travel	-	-	-	-	2,374
Purchased Services	580	580	268	312	-
Supplies and Materials	7,729	7,729	7,723	6	1,299
Indirect Costs	924	924	899	25	451
Equipment - Technology	5,416	5,416	5,419	(3)	1,892
Total Expenditures	24,149	24,149	23,457	692	11,487
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
NSTA/NASA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Corporate Grants and User Fees	\$ 10,000	\$ 15,000	\$ 7,770	\$ (7,230)	\$ -
Expenditures:					
Supplies and Materials	225	225	215	10	-
Equipment	9,775	14,775	7,555	7,220	-
Total Expenditures	10,000	15,000	7,770	7,230	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 PRINCIPAL COACH
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2007
 With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 217,534	\$ 237,534	\$ 237,534	\$ -	\$ -
Expenditures:					
Non-Certified Salaries	33,900	18,500	39,958	(21,458)	-
Employee Benefits	10,100	10,100	19,916	(9,816)	-
Professional - Technical Service	25,000	50,400	44,543	5,857	-
Staff Travel	74,500	94,000	91,071	2,929	-
Utility Services	20,100	10,600	3,405	7,195	-
Other Purchases Services	3,434	3,434	3,854	(420)	-
Supplies and Materials	22,500	22,500	16,564	5,936	-
Other Expenses	20,000	20,000	10,529	9,471	-
Indirect Costs	-	-	-	-	-
Equipment	8,000	8,000	7,694	306	-
Total Expenditures	217,534	237,534	237,534	-	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
PUPIL TRANSPORTATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenue:					
State	\$ 4,483,804	\$ 4,483,804	\$ 4,542,449	\$ 58,645	\$ 4,592,424
Other	-	473,323	-	(473,323)	-
Total Revenue	<u>4,483,804</u>	<u>4,957,127</u>	<u>4,542,449</u>	<u>(414,678)</u>	<u>4,592,424</u>
Other Financing Sources					
Operating Transfer In	509,058	509,058	1,085,370	576,312	-
Total Revenues and Other Financing Sources	<u>4,992,862</u>	<u>5,466,185</u>	<u>5,627,819</u>	<u>161,634</u>	<u>4,592,424</u>
Expenditures:					
Non-Certified Salaries	89,432	94,992	109,030	(14,038)	94,319
Employee Benefits	46,327	48,826	47,201	1,625	37,813
Professional - Technical Service	-	-	-	-	16,090
Staff Travel	7,200	2,792	2,860	(68)	6,559
Utility Services	1,400	1,146	706	440	975
Purchased Services	4,886,326	4,843,125	4,532,819	310,306	4,504,171
Supplies and Materials	432,400	473,129	453,333	19,796	12,756
Other Expenses	3,100	2,175	1,909	266	1,854
Equipment	-	-	-	-	294
Total Expenditures	<u>5,466,185</u>	<u>5,466,185</u>	<u>5,147,858</u>	<u>318,327</u>	<u>4,674,831</u>
Excess (Deficiency) of Revenue over Expenditures	<u>\$ (473,323)</u>	<u>\$ -</u>	479,961	<u>\$ 479,961</u>	(82,407)
Fund Balance, Beginning of Year			<u>600,557</u>		<u>682,964</u>
Fund Balance, End of Year			<u>\$ 1,080,518</u>		<u>\$ 600,557</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SCHOOL IMPROVEMENT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal - Through the State	\$ 29,189	\$ 29,189	\$ 22,250	\$ (6,939)	\$ 22,904
Expenditures:					
Certified Salaries	5,800	6,862	6,475	387	-
Non-Certified Salaries	6,751	1,400	644	756	-
Employee Benefits	1,024	1,866	1,787	79	-
Professional - Technical Service	2,000	4,994	4,194	800	-
Staff Travel	3,000	1,600	-	1,600	44
Student Travel	-	-	-	-	79
Supplies and Materials	9,588	11,453	8,377	3,076	21,972
Other Expenses	12	-	-	-	-
Indirect Costs	1,014	1,014	773	241	809
Total Expenditures	29,189	29,189	22,250	6,939	22,904
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STAFF DEVELOPMENT MINI-GRANTS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ -	\$ -	\$ 13,986	\$ 13,986	\$ 24,615
Federal-Through the State	<u>21,305</u>	<u>20,585</u>	<u>3,909</u>	<u>(16,676)</u>	<u>-</u>
Total Revenues	<u>21,305</u>	<u>20,585</u>	<u>17,895</u>	<u>(2,690)</u>	<u>24,615</u>
Expenditures:					
Certified Salaries	3,743	3,743	2,300	1,443	1,750
Non-Certified Salaries	-	-	1,039	(1,039)	2,310
Employee Benefits	184	184	254	(70)	311
Staff Travel	<u>17,378</u>	<u>16,658</u>	<u>14,302</u>	<u>2,356</u>	<u>20,244</u>
Total Expenditures	<u>21,305</u>	<u>20,585</u>	<u>17,895</u>	<u>2,690</u>	<u>24,615</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
STATEWIDE ALASKA MENTORSHIP
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 268,156	\$ 282,055	\$ 282,055	\$ -	\$ 262,813
Expenditures:					
Certified Salaries	195,418	198,881	198,881	-	192,970
Employee Benefits	72,126	82,574	82,974	(400)	69,643
Supplies and Materials	612	600	200	400	200
Total Expenditures	<u>268,156</u>	<u>282,055</u>	<u>282,055</u>	<u>-</u>	<u>262,813</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 I-D, AT RISK
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 18,917	\$ 30,849	\$ 30,838	\$ (11)	\$ 10,851
Expenditures:					
Professional-Technical Services	18,260	28,009	27,999	10	10,468
Supplies and Materials	-	1,768	1,767	1	-
Indirect Costs	657	1,072	1,072	-	383
Total Expenditures	18,917	30,849	30,838	11	10,851
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
TITLE I-D, DELINQUENT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 37,173	\$ 66,968	\$ 53,190	\$ (13,778)	\$ 36,035
Expenditures:					
Non Certified Salaries	4,400	4,400	4,224	176	-
Employee Benefits	100	325	323	2	-
Professional-Technical Services	20,000	46,500	37,112	9,388	19,938
Staff Travel	1,000	2,500	-	2,500	-
Purchased Services	300	300	270	30	97
Supplies and Materials	7,581	9,616	8,412	1,204	8,311
Indirect Costs	1,292	2,327	1,849	478	1,272
Equipment	2,500	1,000	1,000	-	6,417
Total Expenditures	<u>37,173</u>	<u>66,968</u>	<u>53,190</u>	<u>13,778</u>	<u>36,035</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-B
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 3,439,557	\$ 2,640,732	\$ 2,276,794	\$ (363,938)	\$ 2,697,273
Expenditures:					
Certified Salaries	658,115	428,211	427,627	584	537,660
Non-Certified Salaries	1,312,521	1,128,237	948,251	179,986	1,119,245
Employee Benefits	1,075,151	949,356	785,964	163,392	857,731
Professional - Technical Service	55,000	-	-	-	420
Staff Travel	76,920	15,000	9,876	5,124	17,348
Student Travel	11,000	-	-	-	-
Purchased Services	6,600	2,300	2,260	40	2,288
Supplies and Materials	66,220	19,865	18,032	1,833	49,792
Indirect Costs	121,183	91,763	79,117	12,646	94,999
Equipment	56,847	6,000	5,667	333	17,790
Total Expenditures	3,439,557	2,640,732	2,276,794	363,938	2,697,273
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
TITLE VII - INDIAN EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Direct	\$ 305,776	\$ 313,182	\$ 290,474	\$ (22,708)	\$ 270,719
Expenditures:					
Certified Salaries	-	54,600	47,008	7,592	22,777
Non-Certified Salaries	182,736	111,600	115,928	(4,328)	139,134
Employee Benefits	95,806	110,500	93,553	16,947	93,882
Professional - Technical Service	-	3,400	3,200	200	-
Staff Travel	2,556	-	-	-	2,143
Student Travel	5,964	-	-	-	331
Utility Services	-	650	894	(244)	367
Purchased Services	4,200	1,826	913	913	331
Supplies and Materials	3,714	1,400	1,529	(129)	2,080
Other Expenses	-	750	387	363	116
Indirect Costs	10,800	10,883	10,094	789	9,558
Equipment	-	17,573	16,968	605	-
Total Expenditures	305,776	313,182	290,474	22,708	270,719
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
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 27,432	\$ 27,432	\$ 23,269	\$ (4,163)	\$ 19,965
Expenditures:					
Certified Salaries	12,200	12,200	11,850	350	9,960
Non-Certified Salaries	-	-	-	-	168
Employee Benefits	3,383	3,383	3,248	135	2,245
Professional-Technical Services	-	-	760	(760)	1,306
Student Travel	2,265	2,265	1,593	672	594
Supplies and Materials	1,464	1,464	188	1,276	322
Other Expenses	8,120	8,120	5,630	2,490	5,370
Total Expenditures	27,432	27,432	23,269	4,163	19,965
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 YOUTH FIRST
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2007
 With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 100,000	\$ 120,000	\$ 111,678	\$ (8,322)	\$ -
Expenditures:					
Certified Salaries	-	13,263	13,262	1	
Employee Benefits	-	3,722	3,039	683	-
Professional - Technical Service	10,461	10,000	10,000	-	-
Staff Travel	-	-	1,090	(1,090)	-
Student Travel	4,735	1,590	-	1,590	-
Other Purchases Services	19,950	19,950	19,247	703	-
Supplies and Materials	43,426	59,379	55,010	4,369	-
Equipment	21,428	12,096	10,030	2,066	-
Total Expenditures	100,000	120,000	111,678	8,322	-
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
YEAR ENDED JUNE 30, 2007
With Comparative Actual Totals for Year Ended June 30, 2006

	2007			Variance- Positive (Negative)	2006 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
State	208,639	\$ 213,720	\$ 213,720	\$ -	\$ 206,573
Expenditures:					
Certified Salaries	82,214	113,486	116,068	(2,582)	120,267
Non-Certified Salaries	21,816	27,575	26,790	785	24,528
Employee Benefits	46,733	57,413	56,504	909	48,490
Professional - Technical Service	21,210	-	-	-	5,795
Travel	5,050	402	401	1	-
Supplies and Materials	12,128	6,120	5,753	367	200
Indirect Costs	7,368	7,426	7,426	-	7,293
Equipment	12,120	1,298	778	520	-
Total Expenditures	208,639	213,720	213,720	-	206,573
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 YOUTH RISK BEHAVIOR SURVEY
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2007
 With Comparative Actual Totals for Year Ended June 30, 2006

	2007				2006 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	6,500	\$ 6,500	\$ 6,500	\$ -	\$ -
Expenditures:					
Supplies and Materials	6,500	6,500	6,500	-	-
Total Expenditures	6,500	6,500	6,500	-	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

FIDUCIARY FUND

Fiduciary Fund – Statement of Changes in Assets and Liabilities

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 FIDUCIARY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Year Ended June 30, 2007

<u>Student Activity</u>	<u>Total June 30, 2006</u>	<u>Revenues</u>	<u>Deductions</u>	<u>Total June 30, 2007</u>
Assets:				
Equity in Central Treasury	\$ 2,015,058	\$ 3,873,317	\$ 3,812,597	\$ 2,075,778
Cash	-	45,783	-	45,783
Total Assets:	<u>\$ 2,015,058</u>	<u>\$ 3,919,100</u>	<u>\$ 3,812,597</u>	<u>\$ 2,121,561</u>
Liabilities:				
Amount Due Student Groups	<u>\$ 2,015,058</u>	<u>\$ 3,919,100</u>	<u>\$ 3,812,597</u>	<u>\$ 2,121,561</u>

CAPITAL ASSETS

Schedule of Changes in General Capital Assets

Schedule of General Capital Assets – By Location

Comparative Schedule of General Capital Assets – By Source

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS
 Year Ended June 30, 2007

	General Capital Assets June 30, 2006	Additions	Deletions	Transfers	General Capital Assets June 30, 2007
Administration	\$ 1,331,336	\$ 537,723	\$ (73,510)	\$ 7,975	\$ 1,803,524
Schools	3,390,152	1,324,597	(149,644)	(7,975)	4,557,130
	<u>\$ 4,721,488</u>	<u>\$ 1,862,320</u>	<u>\$ (223,154)</u>	<u>\$ -</u>	<u>\$ 6,360,654</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 SCHEDULE OF GENERAL CAPITAL ASSETS - BY LOCATION
 June 30, 2007

	Equipment		Equipment
Administration:		Kenai:	
District Office and		Mt. View Elementary	50,501
Warehouse	\$ 1,803,524	Sears Elementary	30,942
Total Administration	1,803,524	Middle School	78,253
		High School	452,960
		Kenai Alternative	86,338
		Total Kenai	698,994
Schools:			
Outside Cities:		Seldovia:	
Aurora Borealis	43,080	Susan B. English	110,710
Chapman Elementary	15,263	Total Seldovia	110,710
Hope	18,930		
Kachemak Selo	7,487	Seward:	
Kalifornsky Beach	56,022	Elementary	39,970
McNeil Canyon	27,587	Middle	29,247
Moose Pass	6,694	High School	460,809
Nanwalek	12,567	Spring Creek	12,876
Nikiski Elementary	6,396	Total Seward	542,902
Nikiski High	515,872		
Nikiski North Star	48,663	Soldotna:	
Nikolaevsk	105,915	Elementary	61,099
Ninilchik	114,370	Redoubt Elementary	121,994
Port Graham	17,878	Middle School	124,585
Skyview High	535,309	High School	529,809
Sterling	29,527	Total Soldotna	837,487
Tebughna	19,000		
Tustumena	24,360		
Voznesenka	21,140		
Total Outside Cities	1,626,060	Total Schools	4,557,130
Homer:		Total General Capital Assets	\$ 6,360,654
Paul Banks Elementary	15,519		
High School	583,781		
Middle School	122,272		
West Homer Elementary	11,918		
Homer Flex	7,487		
Total Homer	740,977		

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

COMPARATIVE SCHEDULE OF CAPITAL ASSETS - BY SOURCE
 June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
General Capital Assets:		
Equipment	<u>\$ 6,360,654</u>	<u>\$ 4,721,488</u>
Investments in General Capital Assets from:		
General Obligation Bonds	\$ 945,536	\$ 972,041
State and Federal Grants	1,357,345	1,473,974
General Fund Revenue	<u>4,057,773</u>	<u>2,275,473</u>
Total Investment in General Capital Assets:	<u>\$ 6,360,654</u>	<u>\$ 4,721,488</u>

SCHEDULES SECTION

SCHEDULES SECTION

Schedule of State Financial Assistance

Schedule of Expenditures of Federal Awards

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2007

<u>State Grantor</u>	<u>Program Number</u>	<u>Amount Expended During the Year Ended June 30, 2007</u>
Department of Education and Early Development:		
Boarding Home	BH 0724001	\$ 16,374
Charter Schools:		
Fireweed Charter	GF	39,530
Foundation *		60,954,835
Pupil Transportation *		4,542,449
Prinipal Coach Contract	571600	237,534
Staff Development Contract	571524	4,891
Statewide Mentorship	571651	282,055
Youth In Detention - Kenai Youth Facility	EY 07.024.01	63,803
Youth In Detention - Spring Creek	EY 07.024.02	<u>149,917</u>
Total Department of Education and Early Development		<u>66,291,388</u>
Department of Commerce, Community and Economic Development:		
Passed through the Kenai Peninsula Borough:		
School District - Equipment and Supplies for District Schools	07-DC-311	48,095
KPB School District - Mini Projects for Youth Education Development	07-DC-313	93,612
KPB School District - Security Cameras for Nikiski High School	07-DC-315	<u>5,000</u>
Total Department of Commerce, Community and Economic Development		<u>146,707</u>
Department of Labor and Workforce Development -		
Youth First Initiative	7-1220	<u>111,678</u>
Total State Financial Assistance		<u>\$ 66,549,773</u>

* State major program

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2007

<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 June 30, 2007</u>
U.S. Department of Education - Direct:			
Gear Up Kenai Peninsula	84.334A	P334A050216	\$ 88,812
Title VII, Indian Education	84.060A	S060A060799	<u>290,474</u>
Total U.S. Department of Education - Direct			<u>379,286</u>
Passed Through Alaska			
Department of Education:			
Alaska Community Centers Learning	84.287C	AC 07.024.01	154,042
Carl Perkins Basic	84.048A	EK 07.024.01	187,143
Governor's Drug Prevention	84.186B	DA 07.024.01	39,046
McKinney - Vento Homeless	84.196	FR 07.024.01	31,237
Migrant Summer	84.011	MS 07.024.01	12,291
Migrant Summer (FY06 Qtr5)	84.011	MS 06.024.01	9,620
Migrant Education Book	84.011	MB 07.024.01	1,546
NCLB - Title I (FY06 Qtr 5)	84.010	IP 06.024.01	124,860
NCLB - Title I	84.010	IP 07.024.01	1,570,297
NCLB - Title I-A Highly Qualified	84.010	IP 07.024.01	4,176
NCLB - Title I-A SES Choice	84.010	IP 07.024.01	93,576
NCLB - Title I-A 10% Professional Development	84.010	IP 07.024.01	120,300
NCLB - Title I-C Migrant	84.011	IP 07.024.01	191,297
NCLB - Title II-A, Training & Recruiting	84.367	IP 07.024.01	598,403
NCLB - Title II-D Enhancing Educ. Thru Tech	84.318	IP 07.024.01	32,827
NCLB - Title III-A English Language Acquisition	84.365	IP 07.024.01	6,376
NCLB - Title IV Drug Free Schools	84.186	IP 07.024.01	94,171
NCLB - Title V-A, Innovative Education	84.298	IP 07.024.01	<u>121,439</u>
			2,957,722
Preschool Disabled	84.173A	SE 07.024.01	65,318
School Improvement	84.010	CA 07.024.01	22,250
Staff Development	84.318	571524	372
	84.369	571524	963
	84.011	571524	4,049
	84.027	571524	4,292
	84.048	571524	1,292
	84.367	571524	<u>2,035</u>
			13,003
Title I-D, Delinquent & At Risk	84.010	CD 07.024.01	30,838
Title I-D, Delinquent (Transitional)	84.013A	CO 07.024.01	43,671
Title I-D, Delinquent (Transitional)	84.013A	CO 07.024.02	9,518
Title VI-B	84.027A	SE 07.024.01	2,211,476
Youth Risk Behavior Survey	93.938	YR 07.024.01	<u>6,500</u>
Total Passed Through Alaska			<u>5,795,221</u>
Department of Education			<u>5,795,221</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2007

<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 June 30, 2007</u>
Passed Through University of AK:			
UAF-Upward Bound - Seward	84.047A	FP 600143	7,239
UAF-Upward Bound - Nikiski	84.047A	FP 600142	11,143
UAF-Upward Bound - Nanwalek	84.047A	FP 600141	<u>4,887</u>
Total Passed Through Univ. of AK			<u>23,269</u>
Total U.S. Department of Education			<u>6,197,776</u>
U.S. Department of Agriculture:			
Passed Through Alaska Department of Education:			
National School Lunch Program	10.555	MA 07.024.01	1,490,506
School Breakfast Program	10.553	MA 07.024.01	109,972
Commodities	10.550		<u>68,082</u>
Total U.S. Department of Agriculture			<u>1,668,560</u>
National Aeronautics and Space Administration:			
Passed Through National Science Teachers Association:			
NASA Explorer School Program	43.001	40813	<u>7,770</u>
Total Expenditures of Federal Awards			<u>\$ 7,874,106</u>

Note 1. Basis of Presentation

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

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.

General Fund Operating Revenues by Source

Tax Revenues by Source

General Fund Total Expenditures by Function

General Fund Operating Expenditures and Other Financing Uses by Program

Assessed Value and Estimated Actual of Taxable Property

Property Tax Rates and Tax Levies, Direct and Overlapping Governments

Principal Property Taxpayers

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

Demographic and Economic Statistics

General Fund Full-Time Equivalent District Employees by Function

Average Per Pupil General Fund Operating Expenditure

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	General Fund Operating Revenues By Source
Table II	Tax Revenues By Source
Table III	General Fund Total Expenditures by Function
Table IV	General Fund Operating Expenditures and Other Financing Uses by Program

Revenue Capacity

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

Table V	Assessed Value and Estimated Actual Value of Taxable Property
Table VI	Property Tax Rates and Tax Levies, Direct and Overlapping Governments
Table VII	Principal Property Taxpayers
Table VIII	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 IX	Legal Debt Margin Information
Table X	Ratio of Net Area Wide General Bonded Debt to Assessed Value and Net Bonded Debt per Capita and Student Capita

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 XI	Demographic and Economic Statistics
Table XII	General Fund Full-Time Equivalent District Employees by Function
Table XIII	Average Per Pupil General Fund Operating Expenditures
Table XIV	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.

TABLE I

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND OPERATING REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year</u>	<u>Local Government Grant</u>	<u>Federal Grants</u>	<u>State Grants</u>	<u>Other Revenue</u>	<u>Total</u>
1997-98	28,084,830	167,021	43,515,941	107,438	71,875,230
1998-99	29,476,785	134,029	43,289,714	80,757	72,981,285
1999-00	29,294,461	136,059	43,385,383	874,576	73,690,479
2000-01	29,628,226	211,710	42,536,731	352,504	72,729,171
2001-02	30,189,118	235,236	43,948,821	2,382,574	76,755,749
2002-03	30,618,860	279,021	43,992,698	1,039,837	75,930,416
2003-04	31,635,539	281,073	42,355,439	379,700	74,651,751
2004-05	33,744,607	212,193	46,467,673	951,400	81,375,873
2005-06	34,973,682	544,168	50,113,534	1,088,740	86,720,124
2006-07	37,941,676	492,697	61,075,422	1,811,268	101,321,063

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Fiscal Year</u>	<u>Total Taxes</u>	<u>General Property Tax</u>	<u>General Sales Tax</u>	<u>Motor Vehicle Tax</u>	<u>In Lieu Tax</u>
1997-98	51,052,118	37,473,330	11,917,497	717,745	943,546
1998-99	50,205,104	35,908,942	12,606,181	736,875	953,106
1999-00	51,348,862	36,621,773	12,814,417	937,344	975,328
2000-01	53,872,674	38,207,989	13,708,974	928,423	1,027,288
2001-02	53,854,005	37,943,100	14,407,262	*	1,503,643
2002-03	44,735,605	40,961,761	14,375,828	*	1,579,494
2003-04	59,206,384	42,493,681	14,910,977	*	1,801,726
2004-05	60,223,062	42,702,040	15,670,832	*	1,850,190
2005-06	62,848,624	44,202,701	16,755,426	*	1,890,497
2006-07	68,486,608	48,235,053	18,321,611	*	1,929,944

This information was obtained from the Kenai Peninsula Borough.

* Due to changes in reporting requirements, Motor Vehicle Taxes are now included in General Property Tax.

TABLE III

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND TOTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	School Operations *	Borough Operations	Total
1997-98	65,145,832	6,197,730	71,343,562
1998-99	66,906,942	6,009,525	72,916,467
1999-00	67,311,423	5,922,125	73,233,548
2000-01	67,253,454	5,903,320	73,156,774
2001-02	70,420,154	6,086,948	76,507,102
2002-03	68,337,352	6,092,718	76,507,102
2003-04	69,738,607	6,515,368	76,253,975
2004-05	71,950,359	7,092,658	79,043,017
2005-06	78,544,941	7,276,981	85,821,922
2006-07	86,237,514	7,553,047	93,790,561

This information was derived from the Kenai Peninsula Borough School District General Fund and from the Kenai Peninsula Borough General, Capital Projects, and Debt Service Funds.

* Uncombined data

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

GENERAL FUND OPERATING EXPENDITURES AND OTHER FINANCING USES BY PROGRAM
 LAST TEN FISCAL YEARS
 (Unaudited)

Fiscal Year	Regular Instruction	Bilingual Instruction	Gifted/Talented Instruction	Alternative Instruction	Vocational Instruction	Special Education Instruction	Special Education Support Svcs-Student	Guidance Services	Health Services
1997-98	32,567,606	380,591	907,599	281,982	1,796,910	7,750,330	1,400,829	1,053,249	910,405
1998-99	32,908,342	489,791	884,464	319,838	1,690,652	6,220,888	2,821,280	1,067,724	952,324
1999-00	32,728,102	464,842	880,215	919,855	1,657,086	6,389,524	2,799,527	1,007,207	978,516
2000-01	31,427,066	460,482	900,958	1,629,742	1,585,191	6,353,689	3,026,170	1,066,422	908,028
2001-02	34,596,404	464,916	880,281	1,570,406	1,523,866	6,430,994	2,973,143	1,102,312	875,429
2002-03	31,929,739	508,088	906,604	1,360,517	1,580,422	6,809,909	2,958,230	1,108,060	926,265
2003-04	30,337,994	557,316	920,160	1,714,505	1,333,939	7,480,489	3,251,051	1,000,884	972,284
2004-05	37,402,666	***	***	***	***	8,129,066	3,082,683	***	***
2005-06	40,582,039	***	***	***	***	8,584,176	3,208,595	***	***
2006-07	45,362,472	***	***	***	***	9,513,798	3,528,292	***	***

Fiscal Year	Support Services - Pupil	Support Services - Instruction	Library Services	Inservice	School Admin.	School Admin. - Support	District Admin.	District Admin. Support Services	Support Services - General
1997-98	***	832,306	1,450,301	25,374	-	***	***	***	8,646,609
1998-99	***	765,720	1,439,951	29,056	-	***	***	***	8,619,261
1999-00	***	706,061	1,314,748	18,544	-	***	***	***	9,029,331
2000-01	***	698,439	1,408,029	22,815	3,269,450	***	***	***	5,763,395
2001-02	***	528,666	1,401,713	17,660	3,306,541	***	***	***	5,897,106
2002-03	***	547,298	1,365,058	18,192	3,420,590	***	***	***	5,750,012
2003-04	***	552,489	1,094,368	10,813	3,635,245	***	***	***	6,256,017
2004-05	1,949,832	1,575,098	***	***	4,085,433	2,895,324	774,266	2,701,133	***
2005-06	2,570,227	1,939,417	***	***	4,447,682	3,186,117	806,948	3,393,748	***
2006-07	2,854,976	2,061,766	***	***	4,712,425	3,415,962	826,561	3,765,948	***

Fiscal Year	Operation & Maintenance of Plant	Pupil Activities	Total Expenditures	Transfers	Total General Fund
1997-98	13,339,471	-	71,918,003	574,441	72,492,444
1998-99	13,334,967	1,386,316	73,237,938	307,364	73,545,302
1999-00	12,919,194	1,420,796	73,527,510	293,962	73,821,472
2000-01	13,226,426	1,410,472	73,397,173	240,399	73,637,572
2001-02	13,548,988	1,388,677	69,734,567	120,727	69,855,294
2002-03	13,601,441	1,450,601	67,564,749	189,044	67,753,793
2003-04	13,853,049	1,083,783	66,826,085	2,199,589	69,025,674
2004-05	15,027,828	1,140,463	78,763,792	279,225	79,043,017
2005-06	15,517,792	1,199,233	85,435,974	385,948	85,821,922
2006-07	16,142,036	1,606,325	93,790,561	2,722,720	96,513,281

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

TABLE V

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			
1997-98	2,530,599	559,137	362,327	94,394	4,743	3,352,926	8.30	97.13%
1998-99	2,652,617	515,033	347,934	116,982	255	3,398,347	8.00	96.67%
1999-00	2,812,154	448,685	257,051	127,824	31,762	3,358,304	8.00	95.46%
2000-01	2,976,229	465,766	279,242	140,756	32,097	3,548,384	7.50	95.35%
2001-02	3,027,956	606,604	285,653	161,085	41,258	3,717,713	7.00	94.83%
2002-03	3,290,671	680,522	290,369	176,523	40,998	4,044,041	6.50	94.90%
2003-04	3,509,442	673,367	276,616	196,210	40,844	4,222,404	6.50	94.68%
2004-05	3,656,476	611,303	253,567	215,076	42,051	4,264,247	6.50	94.31%
2005-06	4,009,648	561,689	285,351	304,702	44,210	4,507,776	6.50	92.82%
2006-07	4,509,146	557,070	230,664	340,356	28,161	4,928,363	6.50	93.04%

This information was obtained from the Kenai Peninsula Borough.

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

TABLE VI

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
PROPERTY TAX RATES AND TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Unaudited)

TAX RATE (MILLS)							
Fiscal Year	Borough	City of Homer	City of Kenai	City of Seldovia	City of Seward	City of Kachemak*	City of Soldotna
1997-98	8.30	5.50	3.50	7.25	3.12	1.00	1.65
1998-99	8.00	5.50	3.50	7.25	3.12	1.00	1.65
1999-00	8.00	5.50	3.50	7.25	3.12	1.00	1.65
2000-01	7.50	5.50	3.50	7.25	3.12	1.00	1.65
2001-02	7.00	5.50	3.50	7.25	3.12	1.00	1.65
2002-03	6.50	5.00	3.50	7.25	3.12	1.00	1.65
2003-04	6.50	5.00	5.00	7.25	3.12	1.00	1.65
2004-05	6.50	4.50	4.50	7.25	3.12	1.00	1.65
2005-06	6.50	4.50	4.50	7.25	3.12	2.00	1.65
2006-07	6.50	4.50	4.50	7.25	3.12	2.00	1.65

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

This information was obtained from the Kenai Peninsula Borough.

* Real Property Tax

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

TABLE VII

PRINCIPAL PROPERTY TAXPAYERS
June 30, 2007
(Unaudited)

Taxpayer	2007			1997		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value
UNOCAL	\$ 199,577,410	1	4.08%	\$ 609,977,176	1	19.59%
Tesoro Alaska Company	179,655,937	2	3.68%	74,310,220	3	2.39%
ConocoPhillips Co.	168,917,252	3	3.46%	89,479,486	2	2.87%
Marathon Oil	116,871,260	4	2.39%	38,074,768	5	-
BP Exploration Alaska, Inc.	72,223,458	5	1.48%	-	-	-
ACS of the Northland, Inc.	62,074,266	6	1.27%	-	-	-
Agrium US, Inc.	49,010,610	7	1.00%	-	-	-
XTO Energy Inc	44,130,000	8	0.90%	-	-	-
Kenai Kachemak Pipeline	41,813,070	9	0.86%	-	-	-
Fred Meyer	19,266,051	10	0.39%	16,398,229	10	0.53%
Totals	<u>\$ 953,539,314</u>		<u>19.51%</u>	<u>\$ 828,239,879</u>		<u>25.37%</u>

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
* 1996-97	-	-	-	-	-	-
* 1997-98	-	-	-	-	-	-
1998-99	26,721,777	26,118,599	97.743%	601,206	26,719,805	99.993%
1999-00	26,792,683	26,212,896	97.836%	576,860	26,789,756	99.989%
2000-01	26,611,167	26,132,333	98.201%	475,365	26,607,698	99.987%
2001-02	26,096,387	25,644,795	98.270%	445,959	26,090,754	99.978%
2002-03	26,370,536	25,879,204	98.137%	483,573	26,362,777	99.971%
2003-04	27,558,497	27,062,845	98.201%	481,867	27,544,712	99.950%
2004-05	27,820,350	27,446,158	98.655%	330,468	27,776,626	99.843%
2005-06	29,357,626	28,978,909	98.710%	334,194	28,978,909	98.710%
2006-07	31,768,274	31,346,983	98.674%	-	31,346,983	98.674%

This information was obtained from the Kenai Peninsula Borough.

* Data not available at this time

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	Assessed Value	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita	Net Bonded Debt Per Student Capita
1997-98	48,098	10,377	3,352,926,000	38,050,000	1.13%	791	3,667
1998-99	48,952	10,182	3,398,347,000	28,375,000	0.83%	580	2,787
1999-00	49,691	9,982	3,358,304,000	19,315,000	0.58%	389	1,935
2000-01	50,005	** 9,947	3,548,384,000	15,889,000	0.45%	317	1,597
2001-02	50,621	** 9,799	3,717,713,000	13,409,000	0.36%	262	1,368
2002-03	51,398	** 9,632	4,044,041,000	17,874,000	0.44%	341	1,856
2003-04	50,980	** 9,562	4,222,404,000	87,009,000	2.06%	1,707	9,099
2004-05	51,765	9,527	4,264,247,000	82,014,000	1.92%	1,584	8,609
2005-06	51,765	9,389	4,507,776,000	79,019,000	1.75%	1,526	8,416
2006-07	51,765	9,368	4,887,427,000	79,069,192	1.62%	1,527	8,440

This information was obtained from the Kenai Peninsula Borough.

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

** Population figures from 2000-01 through 2003-04 have been changed from an average to the population on July 1 of the preceding calendar year.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
YEAR ENDED JUNE 30, 2006
(Unaudited)

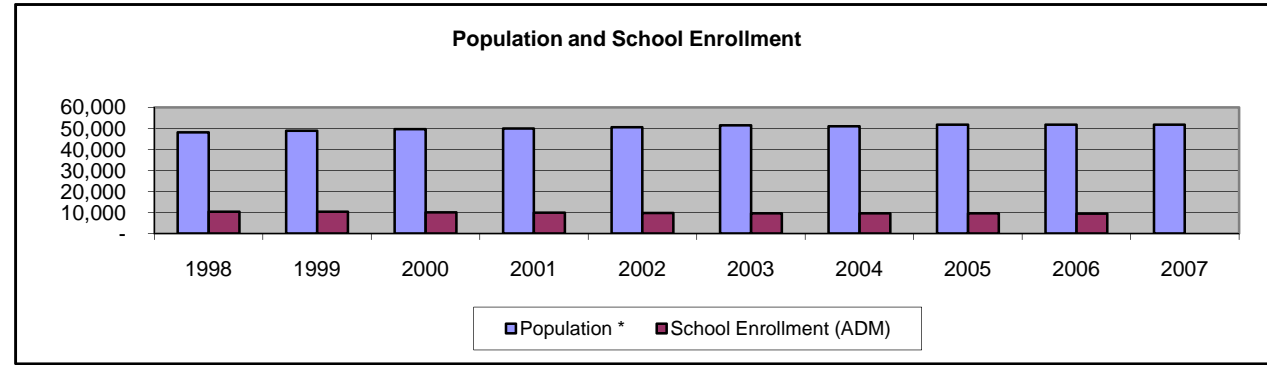
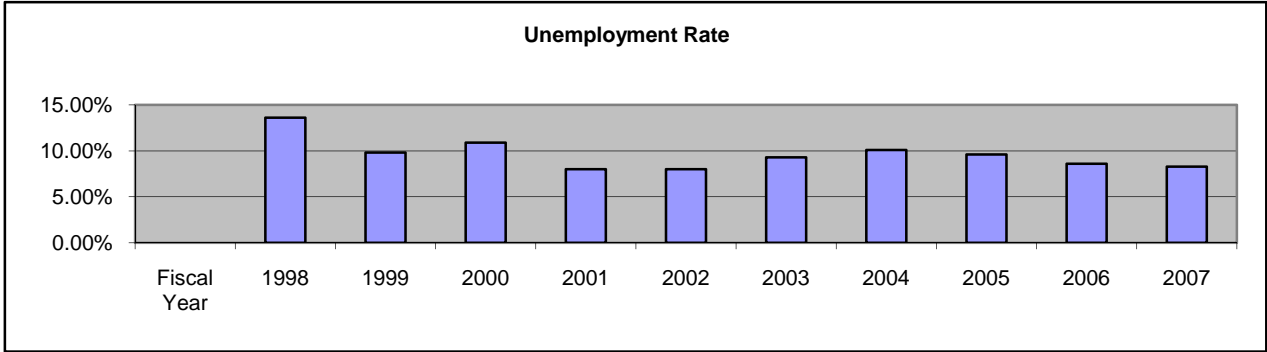
DEMOGRAPHIC DATA

Fiscal Year	Population *	Median Age **	School Enrollment (ADM)	Unemployment rate **
1998	48,098 *	35.1	10,405	13.60%
1999	48,952 *	35.4	10,405	9.80%
2000	49,691 *	36.1	9,982	10.90%
2001	50,005 **	36.3	9,947	8.00%
2002	50,621 **	36.3	9,799	8.00%
2003	51,398 **	36.7	9,632	9.30%
2004	50,980 **	36.7	9,562	10.10%
2005	51,765 **	36.7	9,527	9.60%
2006	51,765 **	36.3	9,389	8.60%
2007	51,765 **	36.3	9,368	8.30%

This information was obtained from the Kenai Peninsula Borough.

* 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 effective retroactive to 2001.



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

Fiscal Year	Regular Instruction	Special Education	Special Education Support Services	Pupil Support	Support Services Instruction	School Administration	School Administration Support	District Administration	District Administration Support Services	Operation and Maintenance of Plant	Student Activities	Total FTE
1997-98	*											
1998-99	*											
1999-00	*											
2000-01	534.67	136.76	45.65	33.47	28.42	35.00	57.69	5.50	29.17	103.04	5.05	1014.42
2001-02	539.90	135.67	44.22	33.87	25.63	35.00	57.19	5.50	30.50	103.10	4.85	1015.43
2002-03	523.43	134.51	47.50	35.24	24.60	35.00	56.69	4.50	32.25	102.73	4.60	1001.05
2003-04	479.91	142.62	42.86	33.57	20.76	35.35	56.25	4.00	32.75	88.75	3.71	940.53
2004-05	467.90	144.54	39.49	29.67	17.20	37.65	51.20	4.50	31.25	85.51	2.87	911.78
2005-06	489.25	145.49	39.61	37.54	27.57	39.14	49.26	4.50	31.25	85.32	3.20	952.13
2006-07	503.38	152.30	39.62	39.49	29.86	37.00	50.31	4.50	31.25	84.07	3.10	974.88

* Data not available at this time

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

Fiscal Year	Total Operating Expenditures	Operating Expenditures Percentage Increase Over Previous Year	Average Daily Membership Grades K-12	Operating Expenditures Per Student Capita	Operating Expenditures Per Student Capita Percentage Increase Over Previous Year
1997-98	71,918,003	(0.03)	10,377	6,931	(0.20)
1998-99	73,237,898	1.80	10,182	7,193	0.40
1999-00	73,527,510	0.40	9,982	7,366	2.40
2000-01	73,397,173	(0.20)	9,947	7,379	0.20
2001-02	76,116,629	0.04	9,799	7,768	0.05
2002-03	74,430,070	(0.02)	9632	7,727	(0.01)
2003-04	76,253,975	0.02	9562	7,975	0.03
2004-05	79,043,017	0.04	9527	8,297	0.04
2005-06	85,821,922	0.09	9389	9,141	0.10
2006-07	94,363,370	0.10	9368	10,073	0.10

TABLE XIV

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**AVERAGE DAILY MEMBERSHIP AS COMPARED TO ASSESSED VALUATION
SHOWING ASSESSED VALUATION SUPPORT PER STUDENT
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Fiscal Year</u>	<u>Average Daily Membership Grades K-12</u>	<u>Percentage Average Daily Membership Increase (Decrease) Over Previous Year</u>	<u>Assessed Valuation</u>	<u>Assessed Valuation Percentage Increase (Decrease) Over Previous Year</u>	<u>Assessed Valuation Support Per Student Capita</u>
1997-98	10,377	0.3	3,347,501,616	4.5	322,589
1998-99	10,182	(1.9)	3,345,565,050	(0.1)	328,576
1999-00	9,982	(1.9)	3,355,946,678	0.3	336,200
2000-01	9,947	(0.4)	3,549,198,919	(5.4)	356,811
2001-02	9,799	(1.5)	3,728,772,943	5.1	380,526
2002-03	9,632	(1.7)	3,957,173,965	6.1	410,836
2003-04	9,562	(0.7)	4,236,549,880	7.1	443,061
2004-05	9,527	(0.4)	4,223,854,000	1.0	443,356
2005-06	9,389	(1.4)	4,507,776,000	1.1	480,112
2006-07	9,368	(0.2)	4,888,049,897	8.0	521,782

DATE OF INCORPORATION ~ January 1, 1964

AUTHORITY OF INCORPORATION ~ State of Alaska Borough Act of 1961

AREA ~ Approximately 25,600 square miles

<u>Type of School</u>	<u>Number of Schools</u>	<u>ADM Enrollment</u>
High Schools	6	2,705
Middle Schools	4	1,180
Elementary Schools	15	3,285
Combined Elem/High School	10	665
Charter Schools	4	564
Alternative Schools	4	188
Correspondence Schools	1	781
Total	<u>44</u>	<u>9,368</u>