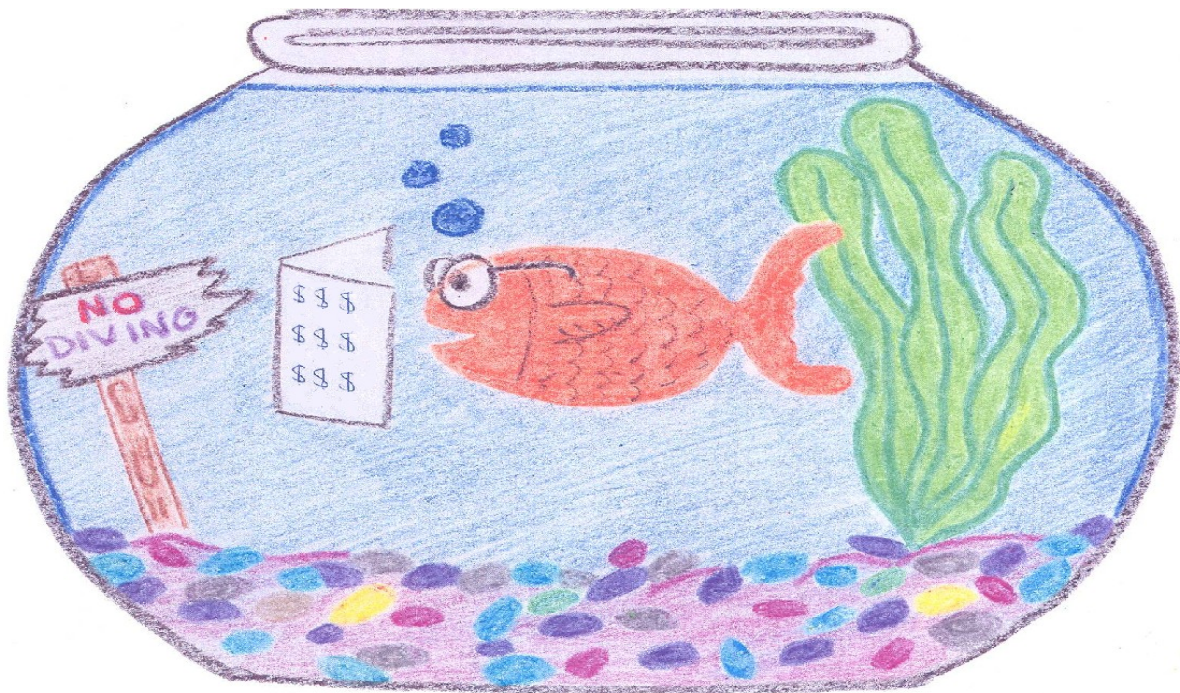


KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Comprehensive Annual Financial Report For the Fiscal Year Ended

June 30, 2008



**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, 2008**

Dr. Donna Peterson, Superintendent of Schools

Prepared by Finance Department

**Melody Douglas, RSBO
Chief Financial Officer**

**Laurie Olson
Chief Accountant**

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Kenai Peninsula Borough School District

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INTRODUCTORY SECTION

INTRODUCTORY SECTION

School District Map

Letter of Transmittal

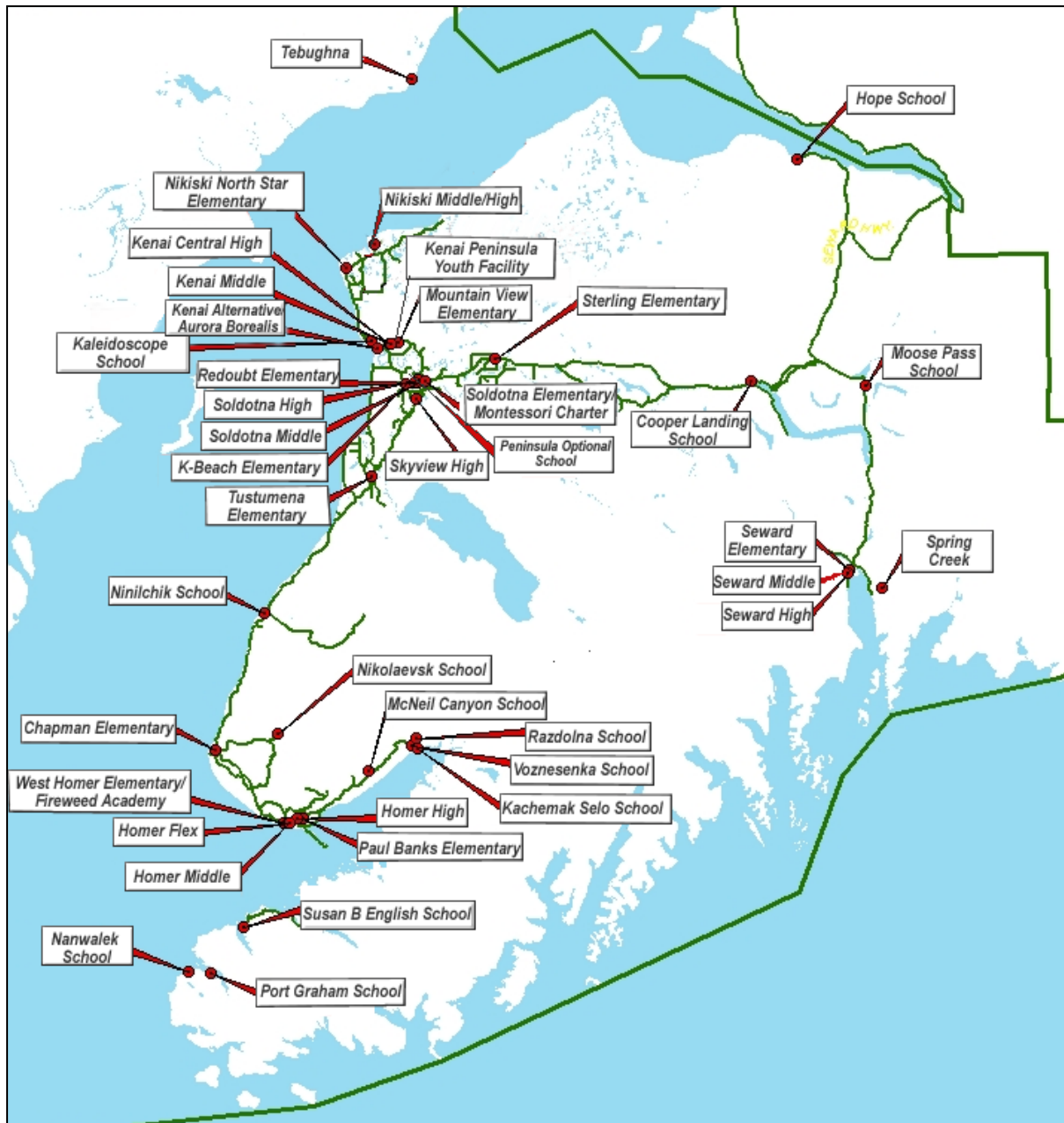
Certificate of Excellence, ASBO

Organizational Chart

Kenai Peninsula Borough School Board and Administration

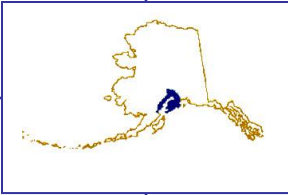
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The Kenai Peninsula Borough School District Map



The Kenai Peninsula Borough School Board governs the Kenai Peninsula Borough School District and is comprised of nine members. The School Board generally meets 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.

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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 3, 2008

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, 2008 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 12, 2008. 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, 2008 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, 2008 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, liability, and fire insurance for school facilities.

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

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 9,250 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.

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

The District made Adequate Yearly Progress (AYP) as a district for the second year in a row; both years it was the largest district in Alaska to receive this designation.

AYP is the accountability function of the federal No Child Left Behind Act that mandates all students must demonstrate competence in language arts and math through written assessments given in grades three through ten. The levels of proficiency students must meet increase over the years, with all students expected to demonstrate 100 percent proficiency by the end of the 2013-14 school year.

AYP is measured at the school level, and at the district level. The majority of District schools made AYP in 2008, even with an increase over the previous year in the proficiency levels students are required to meet.

Overall, 87 percent of the District's students proved proficient or above in language arts, and 79 percent were proficient or above in math. Those scores, along with several other factors, including test participation statistics and graduation rates, qualified the entire District for making AYP.

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 is limited 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 5.5 mills in FY2008. 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 FY2008 sales tax revenue represents 36% of general fund revenues. The oil and gas property is subject to significant fluctuations in value; future years indicate a slow decline. Projections vary widely as to expectations for either growth or further decline in Cook Inlet oil and gas activity. Short-term, the Borough's property tax base will continue to be impacted

The FY08 base student allocation used in the Public School Funding Program was \$5,380 per student. Supplemental funding, outside the funding formula, was awarded by the Alaska State Legislature. The District was able to keep abreast of structured salary and benefit increases, in addition to maintaining pupil/teacher ratios district-wide.

The financial condition of the School District is, and will continue to be, a pressing concern for the future. The State Public School Funding Program sets the amount of general school funding the School District receives from the State and it also sets the limit of the amount to be raised from local sources under an equalization section of the formula. The School District anticipates being at the local effort cap under the formula again next fiscal year for the twentieth 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.

The Alaska Legislature enacted the Joint Legislative Education Funding Task Force recommendations to address the district cost factor and other portions of the education funding formula effective FY09. These recommendations included phasing in recommended district cost factors, structured increases to the special needs enrollment adjustment and the base student allocation portions of the education funding formula.

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. 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.

Cash Management

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

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

Risk Management

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

Pension and Other Post-employment Benefits

The District participates in two defined benefit pension plans. The Alaska Public Employees' Retirement System (PERS) 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.

The Alaska State Legislature approved changing the PERS retirement system from an agent multiple employer plan to a cost-sharing multiple employer plan effective for FY09.

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, 2007.

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

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

Acknowledgments

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

We would also like to acknowledge the student efforts, particularly Olivia Tipikin, a 12th grade Nikolaevsk student in 2007, for designing the cover of this document.

Respectfully submitted,

Dr. Donna Peterson
Superintendent

Melody Douglas, RSBO
Chief Financial Officer

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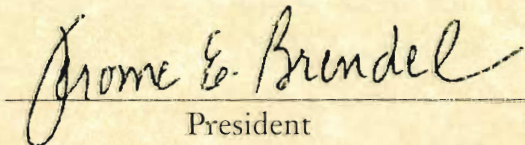
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL



This Certificate of Excellence in Financial Reporting
is presented to
Kenai Peninsula Borough School District



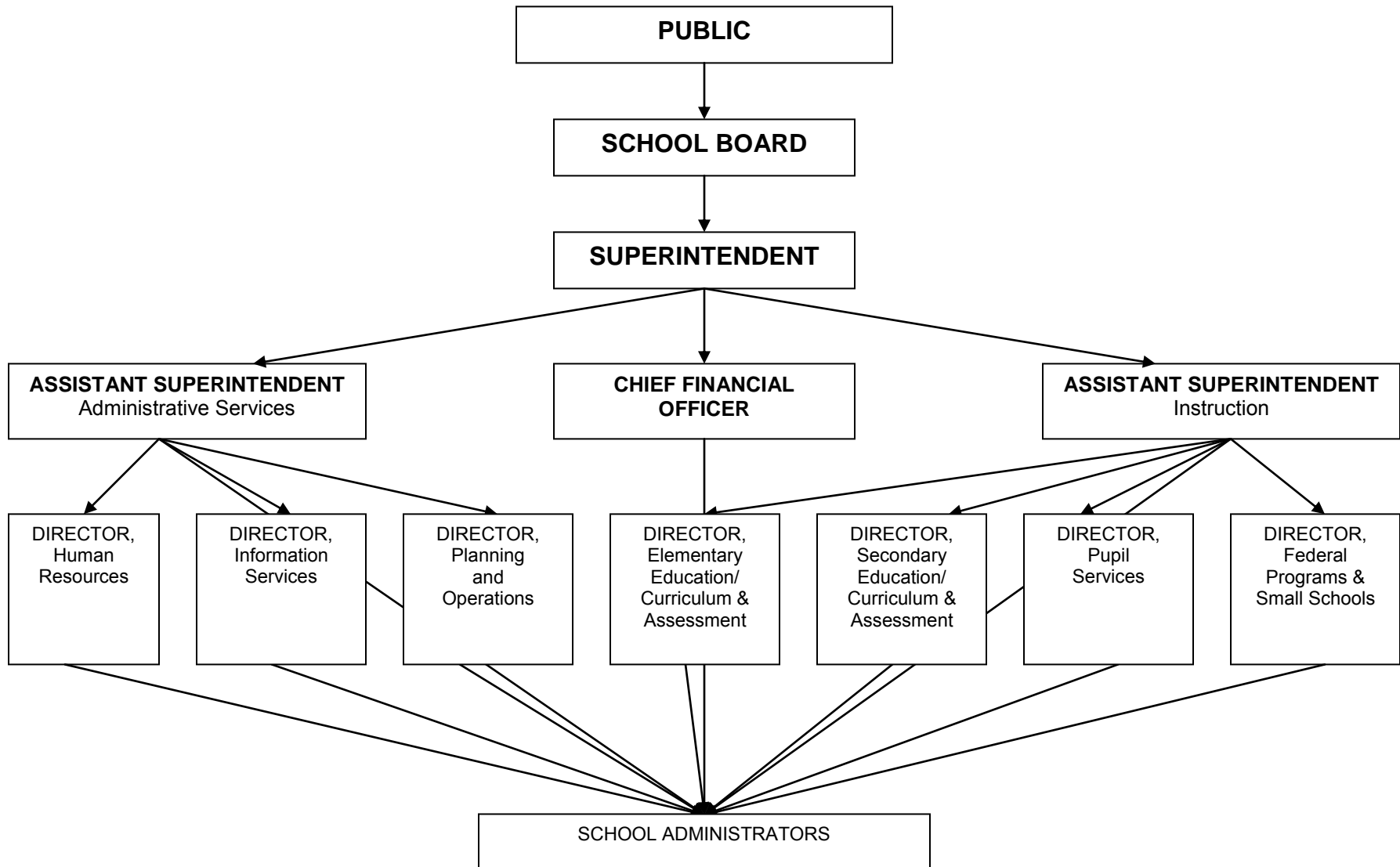
For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2007
upon recommendation of the Association's Panel of Review
which has judged that the Report substantially conforms
to principles and standards of ASBO's Certificate of Excellence Program


President


Executive Director

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
Organizational Chart



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

SCHOOL BOARD

Mrs. Sammy Crawford, President
Ms. Liz Downing, Vice President
Ms. Sunni Hilts, Treasurer
Mr. Marty Anderson, Clerk
Dr. Nels Anderson, Member
Ms. Lynn Hohl, Member
Mr. Bill Hatch, Member
Ms. Debra Mullins, Member
Mrs. Debbie Brown, Member
Miss Brittany Meyer, Student Representative

ADMINISTRATION

Dr. Donna Peterson, Superintendent of Schools
Mr. Dave Jones, Assistant Superintendent of Administrative Services
Mr. Glen Syzmoniak, Assistant Superintendent of Instruction
Mrs. Melody Douglas, Chief Financial Officer

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FINANCIAL SECTION

FINANCIAL SECTION

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

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Independent Auditor's Report

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

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, 2008, 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, 2008, 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 and Equipment Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2008 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 accompanying management's discussion and analysis 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
October 31, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Management's Discussion and Analysis

As management of the Kenai Peninsula Borough School District (District), we offer readers of the Kenai Peninsula Borough School District's financial statements this overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2008. 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 \$22,284,493. Of this amount, \$17,409,087 (unrestricted net assets) may be used to meet the District's ongoing obligations.
- As of June 30, 2008, the District's governmental funds reported combined ending fund balances of \$19,394,111, an increase of \$5,902,463 in comparison to the prior year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$10,335,940. Of this amount, \$2,720,208 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 \$349,422 due to recording the long-term liability for PERS that results from funding PERS at less than the actuarial rate. That increase was significantly less than last year because of the State's payments to PERS and TRS on behalf of the district.

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 31-34 of this report.

Fund financial statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state

and local governments, uses fund accounting to ensure and demonstrate fiscal accountability. All of the funds of the District can be divided into 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 31 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 29 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 35-38 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 40-42.

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 43 of this report.

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

The notes to the financial statements can be found on pages 47-62 of this report.

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

The District was also successfully involved in reviews, audits, and/or examinations by the following entities:

Federal:

Selective Review Information Request for fiscal year 2008 E-Rate requests
E-Rate Compliance Attestation audit on E-Rate funds received in fiscal year 2007
Environmental Protection Agency Audit on Rural Schools

State: Department of Education and Early Development

Facilities Audit
Federal Programs Compliance Audit
IDEA Compliance Monitoring
 Administrative File Review
 Student File Review
Intensive Needs Funding Claims Review

The combining and individual fund statements referred to earlier in connection with nonmajor governmental funds can be found on pages 89-127.

Governmental-wide Financial Analysis

The District's financial position has improved slightly as of June 30, 2008 compared to June 30, 2007, 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. Although enrollment exceeded projections, actual enrollment is still declining. With the increase in educational funding provided by the legislature and the On-Behalf payments to Public Employee Retirement System (PERS) and Teachers Retirement System (TRS) rate, the district will be in a better position to address utility rate increases and other rising 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 \$22,284,493, on June 30, 2008 compared to \$14,006,260 on June 30, 2007.

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Net Assets		
Governmental Activities		
Current and other assets	\$37,245,628	\$27,769,730
Capital assets	<u>2,481,217</u>	<u>2,788,379</u>
Total Assets	<u>39,726,845</u>	<u>30,558,109</u>
Current and other liabilities	9,647,721	9,356,640
Long-term liabilities	<u>7,794,631</u>	<u>7,195,209</u>
Total Liabilities	<u>17,442,352</u>	<u>16,551,849</u>
Net Assets		
Invested in capital assets, net of debt	2,481,217	2,788,379
Restricted	2,394,188	1,641,086
Unrestricted	<u>17,409,088</u>	<u>9,576,795</u>
Total Net Assets	<u>\$22,284,493</u>	<u>\$14,006,260</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, 2008</u>	<u>June 30, 2007</u>
Revenues:		
Program revenues		
Charges for Services	\$1,000,689	\$1,006,322
Operating Grants and Contributions	14,181,235	13,523,365
Capital Grants and Contributions	-	1,420,868
General Revenues		
Public School Funding Program	60,523,098	59,959,314
Retirement: On-Behalf Payments	19,322,147	-
Other State Funding	3,135,060	1,116,108
Borough Appropriation	37,701,117	37,941,676
Earnings on Investments	1,746,569	1,067,126
Other	1,499,474	1,252,533
Total Revenues	<u>139,109,389</u>	<u>117,287,312</u>
Expenses:		
Instruction	63,518,566	52,582,325
Special Education - Instruction	12,695,426	9,735,531
Special Education - Pupil	4,361,409	3,550,817
Support Services - Pupil	3,653,689	2,871,350
Support Services - Instruction	2,433,644	2,194,911
School Administration	6,065,999	4,965,544
School Administration - Support	3,836,494	3,579,108
District Administration	951,922	824,354
District Administration - Support	4,842,365	3,907,855
Operation and Maintenance of Plant	18,031,850	16,470,683
Student Activities	1,953,371	1,282,403
Student Transportation Services	5,455,201	5,209,957
Community Services	56,027	60,417
Student Nutrition Services	2,975,193	3,079,177
Total Expenses	<u>130,831,156</u>	<u>110,314,432</u>
Change in Net Assets	<u>8,278,233</u>	<u>6,972,880</u>
Beginning Net Assets as of July 1	<u>14,006,260</u>	<u>7,033,380</u>
Ending Net Assets as of June 30	<u>\$22,284,493</u>	<u>\$14,006,260</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, 2008, the District's governmental funds reported combined ending fund balances of \$24,827,620, an increase of \$8,934,817 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: \$1,998,510, 2) for inventories: \$1,001,207, 3) for prepaid utilities and workers compensation costs: \$2,800,000 and 4) for expected health care costs and workers compensation insurance costs: \$3,512,925. The fund balance remainder of \$15,514,978 is unreserved, although \$7,615,732 is shown as designated for certain ongoing projects and FY08 operations and maintenance. The remaining undesignated fund balance is comprised of \$5,179,038 for special revenue funds, leaving \$2,720,208 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 \$19,394,111, unreserved fund balance was \$7,615,732, and unreserved undesignated fund balance was \$2,720,208. The general fund balance increased \$5,902,463 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 costs 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:

- The District revises all salary and benefit budgets annually to reflect actual costs; that revision was approved January 14, 2008 and did not increase or decrease the total revenue budget.
- Final OASIS enrollment exceeded the enrollment projection by 82.70 Average Daily Membership (ADM). However, Hope School's enrollment fell below 10 students, which resulted in a loss of separate school status and a corresponding funding loss of \$275,000. The net of the funding increase from the state due to enrollment and loss of Hope's separate school status was a revenue reduction of \$58,705.
- Additional funding from the state, including the on-behalf payment for PERS and TRS and energy assistance provided \$6,688,238 in increased revenue.
- Increased earnings on investments and a decision to forgo use of fund balance completed the revenue budget revision totaling \$5,284,929 that was approved on May 5, 2008.

Capital Assets and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2008 amounts to \$2,481,217 (net of accumulated depreciation) compared to \$2,788,379 as of June 30, 2007. 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 \$8,205,958 compared to \$7,445,209 as of June 30, 2007. 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 FY2009, 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.
- The legislature passed HB 273 in March 2008, enacting several changes to the school funding formula statutes. The changes provide greater stability in financial planning because the increased amounts are spelled out for FY09, FY10 and FY11. Incremental increases will be seen in each of these fiscal years to the base student allocation, intensive needs funding and the district cost factors. There will also be a change to the pupil transportation grants.

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 – Equipment – 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

Student Activity Agency Fund, Statement of Fiduciary Assets and Liabilities

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEMENT OF NET ASSETS
June 30, 2008

ASSETS

Current Assets:	
Cash	\$ 41,925
Equity in Central Treasury	29,875,628
Accounts Receivable	840,666
Due from Other Governments	2,686,202
Prepaid	2,800,000
Inventories	1,001,207
	37,245,628
Total Current Assets	
Capital Assets:	
Furniture and Equipment	6,271,013
Less Accumulated Depreciation	(3,789,796)
	2,481,217
Capital Assets - Net of Accumulated Depreciation	
	39,726,845
Total Assets	

LIABILITIES

Current Liabilities:	
Accounts Payable	584,023
Accrued Liabilities	8,649,066
Unearned Revenue	3,305
Compensated Absences	411,327
	9,647,721
Total Current Liabilities	
Noncurrent Liabilities:	
Noncurrent Portion of Long-Term Obligations:	
Compensated Absences	2,770,287
PERS Liability	5,024,344
	7,794,631
Total Noncurrent Liabilities	
	17,442,352
Total Liabilities	

NET ASSETS

Invested in Capital Assets, net of related debt	2,481,217
Restricted:	
Charter Schools	2,394,188
Unrestricted	17,409,088
	22,284,493
Total Net Assets	
	\$ 22,284,493

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, 2008

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	\$ 63,518,566	\$ -	\$ 7,084,916	\$ (56,433,650)
Special Education - Instruction	12,695,426	-	-	(12,695,426)
Special Education - Pupil	4,361,409	-	181	(4,361,228)
Support Services - Pupil	3,653,689	-	87,778	(3,565,911)
Support Services - Instruction	2,433,644	-	-	(2,433,644)
School Administration	6,065,999	-	415,329	(5,650,670)
School Administration - Support	3,836,494	-	42,547	(3,793,947)
District Administration	951,922	-	-	(951,922)
District Administration - Support	4,842,365	-	270,114	(4,572,251)
Operation & Maintenance of Plant	18,031,850	-	95,858	(17,935,992)
Pupil Activities	1,953,371	-	19,290	(1,934,081)
Community Services	56,027	44,810	-	(11,217)
Pupil Transportation	5,455,201	-	4,445,097	(1,010,104)
Food Service	2,975,193	955,879	1,720,125	(299,189)
Total governmental activities	<u>\$ 130,831,156</u>	<u>\$ 1,000,689</u>	<u>\$ 14,181,235</u>	<u>\$ (115,649,232)</u>

General revenues:

Grants and contributions not restricted to specific programs:

Borough direct appropriation	37,701,117
Public School Funding Program	60,523,098
Retirement: On-behalf Payments	19,322,147
Other State Revenue	3,135,060
Earnings on Investments	1,746,569
E-Rate Program	722,223
Medicaid Reimbursement	549,024
Other	228,227
Total general revenues	<u>123,927,465</u>

Change in net assets	8,278,233
Net assets - beginning	<u>14,006,260</u>
Net assets - ending	<u>\$ 22,284,493</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, 2008

	General	Equipment	Title I	Other Governmental	Total Governmental Funds
<u>ASSETS</u>					
Assets:					
Cash	\$ 41,925	\$ -	\$ -	\$ -	\$ 41,925
Equity in Central Treasury	21,467,988	4,000,000	-	1,226,026	26,694,014
Accounts Receivable	834,214	-	-	6,452	840,666
Prepaid Items	2,800,000	-	-	-	2,800,000
Due from Other Governments	-	-	1,324,570	1,361,632	2,686,202
Due from Special Revenue Funds	2,735,537	-	-	-	2,735,537
Inventories	746,736	-	-	254,471	1,001,207
Total Assets	\$ 28,626,400	\$ 4,000,000	\$ 1,324,570	\$ 2,848,581	\$ 36,799,551
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	\$ 583,223	\$ -	\$ -	\$ 800	\$ 584,023
Accrued Liabilities	8,649,066	-	-	-	8,649,066
Deferred Revenue	-	-	-	3,305	3,305
Due to General Fund	-	-	1,324,570	1,410,967	2,735,537
Total Liabilities	9,232,289	-	1,324,570	1,415,072	11,971,931
Fund Balances:					
Reserved for:					
Encumbrances	1,998,510	-	-	-	1,998,510
Inventories	746,736	-	-	254,471	1,001,207
Prepaid Expenses	2,800,000	-	-	-	2,800,000
Self Insurance - Health Care	3,262,925	-	-	-	3,262,925
Self Insurance - Workers Compensation	250,000	-	-	-	250,000
Unreserved:					
Designated for:					
Charter Schools	2,394,188	-	-	-	2,394,188
Facilities Maintenance	1,181,985	-	-	-	1,181,985
FY09 Operations	1,668,872	-	-	-	1,668,872
Potential Interest Shortfall	400,000	-	-	-	400,000
School Incentive Purchases	883,187	-	-	-	883,187
Technology Plan II	1,087,500	-	-	-	1,087,500
Undesignated:					
General Fund	2,720,208	-	-	-	2,720,208
Special Revenue Fund	-	4,000,000	-	1,179,038	5,179,038
Total Fund Balances	19,394,111	4,000,000	-	1,433,509	24,827,620
Total Liabilities and Fund Balances	\$ 28,626,400	\$ 4,000,000	\$ 1,324,570	\$ 2,848,581	\$ 36,799,551

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, 2008

Fund balances – total governmental funds		\$ 24,827,620
Amounts reported for governmental activities in the statement of net assets are different because:		
<p>Additional PERS liability for FY08 due to paying a rate of 22% of payroll, which is less than the actuarial rate of 36.48% covered payroll</p>		
PERS liability	\$(141,734)	
PERS liability due to other governments	<u>(207,688)</u>	
	(349,422)	
Prior year Cumulative Net Pension Obligation	<u>(4,674,922)</u>	
Total PERS liability		(5,024,344)
<p>The cost of capital assets (furniture and equipment) purchased is reported as an expenditure in governmental funds. The statement of net assets includes those capital assets among the assets of the School District as a whole. The cost of those capital assets is allocated over their useful lives (as depreciation expense) to the various functions reported as governmental activities in the statement of activities.</p>		
Cost of capital assets	6,271,013	
Accumulated depreciation to date	<u>(3,789,796)</u>	
		<u>2,481,217</u>
Net assets		<u>\$22,284,493</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, 2008

	General	Equipment	Title I	Other Governmental	Total Governmental Funds
Revenues:					
Local	\$ 37,701,117	\$ -	\$ -	\$ 95,616	\$ 37,796,733
State	82,980,305	-	-	6,001,393	88,981,698
Federal-Direct	-	-	-	287,390	287,390
Federal-Through the State	549,257	-	3,715,958	4,002,553	8,267,768
Food Sales	-	-	-	955,879	955,879
Corporate Grants and User Fees	-	-	-	123,135	123,135
Earnings on Investments	1,746,569	-	-	-	1,746,569
Other Revenues	950,217	-	-	-	950,217
Total Revenues	123,927,465	-	3,715,958	11,465,966	139,109,389
Expenditures - Current:					
Instruction	56,412,077	-	3,490,465	3,586,400	63,488,942
Special Education - Instruction	12,667,079	-	-	-	12,667,079
Special Education Services - Pupil	4,357,216	-	-	181	4,357,397
Support Services - Pupil	3,561,659	-	87,778	-	3,649,437
Support Services - Instruction	2,391,393	-	-	-	2,391,393
School Administration	5,636,598	-	-	415,329	6,051,927
School Administration - Support	3,771,157	-	-	42,547	3,813,704
District Administration	950,172	-	-	-	950,172
District Administration - Support	4,545,472	-	137,715	132,399	4,815,586
Operations & Maintenance of Plant	17,687,432	-	-	95,858	17,783,290
Pupil Activities	1,751,011	-	-	19,290	1,770,301
Community Services	-	-	-	56,027	56,027
Pupil Transportation	-	-	-	5,405,975	5,405,975
Food Service	-	-	-	2,973,342	2,973,342
Total Expenditures	113,731,266	-	3,715,958	12,727,348	130,174,572
Excess (Deficiency) of Revenues Over Expenditures					
	10,196,199	-	-	(1,261,382)	8,934,817
Other Financing Sources (Uses):					
Transfers In	-	3,000,000	-	4,293,736	4,293,736
Transfers Out	(4,293,736)	-	-	-	(4,293,736)
Total Other Financing Sources (Uses)	(4,293,736)	3,000,000	-	4,293,736	-
Net Change in Fund Balances	5,902,463	3,000,000	-	3,032,354	8,934,817
Fund Balances, Beginning of Year	13,491,648	1,000,000	-	1,401,155	15,892,803
Fund Balances, End of Year	\$ 19,394,111	\$ 4,000,000	\$ -	\$ 4,433,509	\$ 24,827,620

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, 2008

Net change in fund balances – total governmental funds		\$ 8,934,817
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 FY08 was 22%. The actuarial required rate was 36.48%; the 14.48% 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.		(349,422)
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	\$ 128,613	
Current depreciation expense	<u>(408,195)</u>	(279,582)
Loss on retirement of assets		(27,580)
Change in net assets		<u>\$8,278,233</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, 2008

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Local	\$ 37,712,068	\$ 37,701,117	\$ 37,701,117	\$ -
State	75,929,443	82,569,927	82,980,305	410,378
Federal-Through the State	380,000	380,000	549,257	169,257
Earnings on Investments	420,000	1,170,000	1,746,569	576,569
Other Revenues	736,833	736,833	950,217	213,384
Fund Balance Appropriation	2,094,604	-	-	-
Total Revenues	117,272,948	122,557,877	123,927,465	1,369,588
Expenditures:				
Current:				
Instruction	63,047,201	66,091,829	56,412,077	9,679,752
Special Education - Instruction	10,168,107	10,351,589	12,667,079	(2,315,490)
Special Education Services - Pupil	3,430,116	3,654,340	4,357,216	(702,876)
Support Services - Pupil	2,804,886	2,871,436	3,561,659	(690,223)
Support Services - Instruction	2,112,158	2,134,765	2,391,393	(256,628)
School Administration	4,592,808	4,384,825	5,636,598	(1,251,773)
School Administration - Support	3,552,346	3,561,935	3,771,157	(209,222)
District Administration	861,572	902,147	950,172	(48,025)
District Administration - Support	4,293,225	4,661,034	4,545,472	115,562
Operations & Maintenance of Plant	20,268,985	21,547,708	17,687,432	3,860,276
Pupil Activities	1,268,326	1,346,346	1,751,011	(404,665)
Total Expenditures	116,399,730	121,507,954	113,731,266	7,776,688
Other Financing Uses:				
Transfers Out - Special Revenue Fund	873,218	1,049,923	4,293,736	(3,243,813)
Total Expenditures and Other Financing Uses	117,272,948	122,557,877	118,025,002	4,532,875
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	\$ 5,902,463	\$ 5,902,463
Fund Balances, Beginning of Year			13,491,648	
Fund Balances, End of Year			\$ 19,394,111	

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 MAJOR GOVERNMENTAL FUNDS - EQUIPMENT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal-Through the State	\$ -	\$ -	\$ -	\$ -
Other Financing Sources:				
Operating Transfers in	-	-	3,000,000	(3,000,000)
Total Revenue and Other Financing Sources			<u>3,000,000</u>	<u>(3,000,000)</u>
Expenditures:				
Current:				
Equipment	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	\$ 3,000,000	<u>\$ (3,000,000)</u>
Fund Balances, Beginning of Year			<u>1,000,000</u>	
Fund Balances, End of Year			<u>\$ 4,000,000</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal-Through the State	4,650,000	5,028,921	3,715,958	(1,312,963)
Expenditures:				
Current:				
Instruction	4,650,000	4,737,752	3,490,465	1,247,287
Support Services - Instruction	-	102,331	87,778	14,553
District Administration - Support	-	188,838	137,715	51,123
Total Expenditures	4,650,000	5,028,921	3,715,958	1,312,963
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, 2008

	Employee Compensated Leave Fund
ASSETS	
Current assets:	
Equity in central treasury	<u>\$ 3,181,614</u>
Total current assets	<u>3,181,614</u>
Total assets	<u><u>3,181,614</u></u>
LIABILITIES	
Current liabilities:	
Compensated absences payable	<u>3,181,614</u>
Total current liabilities	<u>3,181,614</u>
NET ASSETS	
Unrestricted	<u>-</u>
Total net assets	<u><u>\$ -</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, 2008

	Employee Compensated Leave Fund
Operating Revenues:	
Charges for sales and services	\$ 2,289,062
Total operating revenues	2,289,062
Operating Expenses:	
Administrative service	2,289,062
Total Operating expenses	2,289,062
Operating income (loss)	-
Total net assets-beginning	-
Total net assets-ending	\$ -

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, 2008

	Employee Compensated Leave Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Charges to other funds	\$ 2,289,062
Cash paid to employees	<u>(1,877,735)</u>
Net cash provided by operating activities	<u>411,327</u>
Increase in cash and cash equivalents	411,327
Cash and cash equivalents, beginning of year	<u>2,770,287</u>
Cash and cash equivalents, end of year	<u>\$ 3,181,614</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	<u>411,327</u>
Total adjustments	<u>411,327</u>
Net cash provided by operating activities	<u>\$ 411,327</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 STUDENT ACTIVITY AGENCY FUND
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 For the Year Ended June 30, 2008

	Student Activity Agency Fund
Assets:	
Equity in Central Treasury	\$ 2,256,024
Accounts Receivable	5,085
Cash	10,598
Total Assets	\$ 2,271,707
 Liabilities:	
Amounts Due to Student Groups	2,271,707
Total Liabilities	\$ 2,271,707

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

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NOTES TO THE FINANCIAL STATEMENTS

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

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2008

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

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

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, 2008, the School District recorded in-kind services provided by the Borough for school operations as follows:

Custodial	\$ 103,440
Utilities	56,114
Maintenance	5,545,570
Insurance	2,019,515
Audit	<u>30,500</u>
	<u>\$ 7,755,139</u>

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

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

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

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

Equipment Fund – The Equipment fund was established by the Board of Education to track funds related to equipment purchases in support of the District's technology plan and other large equipment purchases such as replacement of copier fleet, point of sale system for food service, and warehouse delivery vehicles.

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

The FY08 budget was developed based on a forecast of 9,167 students. There were actually 9,165 students enrolled in grades K - 12 at the end of the 20-day count period on October 26, 2007. Local effort was funded to the maximum allowed by law as it has been for many years. In addition to State Foundation funding of \$5,380 base student allocation, the district received a one-year appropriation of 50% of the ISER study's district cost factor adjustment and a one-year School Improvement Grant (SIG).

The expenditure budget was revised at the January 14, 2008 board meeting to reflect the annual salary and benefit adjustment. It also included changes to the Connections budget due to increased enrollment, changes to the anticipated Medicaid payments, addition of two special services bus routes and an increase in the contingency fund to cover unanticipated costs. Since there was no increase or decrease to the total budget at that time, that revision is not listed on the revenue budget schedule of changes below.

Because actual enrollment was so close to the estimate, the local effort was funded "to the cap" and state funding included partial ISER study implementation and the SIG, the district did not need to use \$2,094,604 of fund balance as originally budgeted. The revenue budget was revised on May 5, 2008 to reflect that change.

The budget amendments are detailed as follows:

**Kenai Peninsula Borough School District
FY08 Revenue Budget Change – General Fund**

<u>Revenue Source</u>	6-4-07 KPBSD Original Budget	5-5-08 KPBSD Budget Revision	KPBSD Final Budget
Borough In-Kind	\$ 8,153,940	\$ -	\$ 8,153,940
Borough Appropriation	29,558,128	(10,951)	29,547,177
Earnings on Investments	420,000	750,000	1,170,000
E-Rate	656,833	-	656,833
Miscellaneous	80,000	-	80,000
Allocation of Fund Balance	<u>2,094,604</u>	<u>(2,094,604)</u>	<u>-</u>
Local Revenue	<u>40,963,505</u>	<u>(1,355,555)</u>	<u>39,607,950</u>
Foundation Program + ¼ ISER	57,678,261	(47,613)	57,630,648
¼ ISER	2,892,450	-	2,892,450
PERS/TRS On-Behalf Payment	13,617,860	5,293,909	18,911,769
Quality Schools	223,234	(141)	223,093
Energy Assistance	-	1,394,329	1,394,329
School Improvement Grant	<u>1,517,638</u>	<u>-</u>	<u>1,517,638</u>
State Revenue	<u>75,929,443</u>	<u>6,640,484</u>	<u>82,569,927</u>
Medicaid	380,000	-	380,000
Public Law 874	<u>-</u>	<u>-</u>	<u>-</u>
Federal Revenue	<u>380,000</u>	<u>-</u>	<u>380,000</u>
General Fund Revenue	<u>\$ 117,272,948</u>	<u>\$ 5,284,929</u>	<u>\$ 122,557,877</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, 2008 is as follows:

	General	Special Revenue	Internal Service Fund	Governmental Total	Agency
Carrying value of equity in Central Treasury	\$ 21,467,988	\$ 5,226,026	\$ 3,181,614	\$ 29,875,628	\$ 2,256,024
Due to (from) other funds	<u>(2,735,537)</u>	<u>2,735,537</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reported Equity in Central Treasury	<u>\$ 18,732,451</u>	<u>\$ 7,961,563</u>	<u>\$ 3,181,614</u>	<u>\$ 29,875,628</u>	<u>\$ 2,256,024</u>

NOTE 3 - RECEIVABLES

Receivables at June 30, 2008, consist of the following:

	General	Special Revenue	Total
Accounts	\$ 834,214	\$ 6,452	\$ 840,666
Intergovernmental	<u>-</u>	<u>2,686,202</u>	<u>2,686,202</u>
Total receivables	<u>\$ 834,214</u>	<u>\$ 2,692,654</u>	<u>\$ 3,526,868</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, 2008, were as follows:

	July 1, 2007 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	June 30, 2008 <u>Balance</u>
Governmental activities:				
Furniture and equipment	\$ 6,360,654	\$ 128,613	\$ (218,254)	\$ 6,271,013
Less accumulated depreciation for furniture and equipment	<u>(3,572,275)</u>	<u>(408,195)</u>	<u>190,674</u>	<u>(3,789,796)</u>
Governmental activities capital assets, net	<u>\$ 2,788,379</u>	<u>\$ (279,582)</u>	<u>\$ (27,580)</u>	<u>\$ 2,481,217</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 58,361
Special Education - pupil instruction	1,177
Support services - instruction	22,408
School administration	9,077
School administration - support	5,782
District administration	4,926
District administration - support	27,791
Operation and maintenance of plant	12,626
Pupil activities	214,970
Pupil transportation	49,226
Food services	1,851
Total depreciation expense	<u>\$ 408,195</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, 2008 is comprised of the following:

Long-term contracts payable

The district currently has no long-term contracts payable.

Compensated absences payable

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

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, 2008.

	Total June 30, 2007	Additions	Deletions	Ending Total June 30, 2008	Amount due in one year
Compensated Absences	\$ 2,770,287	\$ 2,289,062	\$ 1,877,735	3,181,614	411,327
Net Pension Obligation/OPEB	<u>4,674,922</u>	<u>349,422</u>	<u>-</u>	<u>5,024,344</u>	<u>-</u>
Total Long -Term Debt	<u>\$ 7,445,209</u>	<u>\$ 2,638,484</u>	<u>\$ 1,877,735</u>	<u>8,205,958</u>	<u>411,327</u>

NOTE 6 – 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.

Defined Benefit Pension Plan

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.

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

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

Funding Policy

For PERS, employees are required to contribute 6.75% of their annual covered salary (1.86% for pension and 4.89% for health care). The employee contribution rate for TRS is 8.65% of covered base salary (3.64% for pension and 5.01% 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.

The District's contribution rates for 2008 are as follows:

	<u>PERS</u> Actuarial Required Rate	<u>TRS</u> Contractually Agreed-upon Rate
Pension	10.03%	5.28%
Post-employment healthcare	<u>26.45%</u>	<u>7.28%</u>
Total contribution rate	<u>36.48%</u>	<u>12.56%</u>

Under both plans, employer contribution rates were actuarially calculated as a fixed percentage of payroll and were determined using the projected unit credit actuarial funding method. Unfunded liabilities and future gains/losses are amortized over a fixed 25 year period as a level percentage of pay based pm a 4.0% payroll growth assumption.

The current year required contributions were determined as part of the June 30, 2005 actuarial valuations. Effective with the June 30, 2006 actuarial valuation (which establishes the 2009 rates), the actuarial funding method has been changed to the Entry Age Actuarial Cost Method.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amount 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 benefit 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.

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

The significant actuarial assumptions used in the most recent 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 ten years (five years for TRS) and 4.0% thereafter;

3. Medical cost inflation of 9.5% for 2006, trending downward 0.5% per year to 5.0% in FY15 and remaining at 5.0% thereafter; and prescription cost inflation of 14% for 2006, trending downward 1.0% per year to 5.0% in FY15 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;
5. Mortality based on 1994 Group Annuity Mortality Basic Table, 1994 Base Year with 85% occupational for Peace Officer/Firefighter and 35% occupational for others;
6. Retirement rate based on 1997-1999 actual experience. Deferred vested members are assumed to retire at their earliest retirement date.
7. 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 and are accounted for on an accrual basis. Valuation assets are constrained to a range of 80% to 120% of market value of assets; and,
8. Valuation of Medical Benefit based on analysis of actual claims paid for July 2001 - June 2005, averaged and annualized and adjusted for other factors plus administrative costs.

Annual Pension and Postemployment Healthcare Cost

Effective July 1, 2007, the State of Alaska administratively adopted contribution rates for each employer at an amount no less than 14.48% and not more than 22% for PERS, and concurrently reduced the contractual pay-in rate to 12.56% for TRS. (Actual employer rate for the District was 22% for PERS).

The Legislature then approved state funding in the form of an on-behalf payment for those amounts between the revised/reduced rate and the actuarially calculated or contractually agreed upon rates for PERS and TRS, respectively. These on-behalf payments were transferred from the Alaska Division of Retirement and Benefits at July 1 and then allocated to individual employers based on actual wages paid with each payroll reporting period. The District has recorded \$1,918,908 and \$17,195,551 in these financial statements as PERS and TRS relief or state grant revenue and related PERS/TRS expenditures/expenses. These amounts have also been included in employer contributions for the purpose of calculating any net pension/OPEB obligation, as noted below.

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

Annual Pension and Postemployment Healthcare Cost - TRS

The District's annual pension and other postemployment benefit (OPEB) costs for the years ending June 30, 2008, 2007, and 2006, respectively, were equal to the contractually agreed upon rate for each year. For each year, the District contributed the contractual amount. As discussed previously, the total contribution includes \$17,195,551 received as an on-behalf payment from the State of Alaska.

Year End June 30,	Annual Pension Cost	Annual OPEB Cost	Total Benefit Cost (TBC)	District Contribution	On-behalf Contribution	Total Contribution	Percentage of TBC Contributed
2006	\$ 6,547,311	\$ 1,657,339	\$8,204,650	\$8,204,650	\$ -	\$8,204,650	100%
2007	7,358,729	1,917,369	9,726,098	9,726,098	-	9,726,098	100%
2008	1,969,125	2,711,468	4,680,593	5,185,031	17,195,551	22,353,582	100%

Annual Pension and Postemployment Healthcare Cost - PERS

For the year ended June 30, 2008, 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	\$1,377,980	\$ 3,635,858	\$ 5,010,838
Interest on net pension obligation	93,653	246,903	340,557
Adjustment to annual required contribution	<u>(73,774)</u>	<u>(194,496)</u>	<u>(268,271)</u>
Annual pension cost	1,397,859	3,685,265	5,083,124
Contributions made	<u>1,358,882</u>	<u>3,582,508</u>	<u>4,941,390</u>
Increase in net pension/OPEB obligation	38,977	102,757	141,734
Net pension/OPEB obligation, beginning of year	<u>2,492,474</u>	<u>1,635,485</u>	<u>4,127,959</u>
Net pension/OPEB obligation, end of year	<u>\$ 2,531,451</u>	<u>\$ 1,738,242</u>	<u>\$ 4,269,693</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	529,337
June 30, 2007	546,963
June 30, 2008	\$ 754,651

Total net pension/OPEB obligation to PERS and Kenai Peninsula Borough is \$5,024,344.

Three-year trend information for PERS follows:

Pension	Fiscal Year Ending June 30,	Annual Pension Cost (APC)	Actual Contributions	Percentage of APC Contributed	Net Pension Obligation
	2006	\$ 2,109,273	\$ 1,243,156	59%	\$ 1,776,404
	2007	2,292,191	1,576,121	68%	2,492,474
	2008	1,397,859	1,358,882	97%	2,531,451

Post- employment healthcare	Fiscal Year Ending June 30,	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Contributed	Net Pension Obligation
	2006	\$ 1,408,308	\$ 830,844	59%	\$ 1,130,426
	2007	1,616,729	1,111,670	69%	1,635,485
	2008	3,685,265	3,582,508	97%	1,738,242

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 Liability	Funded Ratio	Covered Payroll	Unfunded Liability as Percentage of Covered Payroll
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>			
June 30, 2006:						
Pension	47,008,311	55,072,228	8,063,917	85%	15,886,889	51%
Postemployment healthcare	20,120,650	67,377,929	47,257,279	30%	15,886,889	297%
Totals:	<u>\$ 67,128,961</u>	<u>\$ 122,450,157</u>	<u>\$55,321,196</u>			

PERS Conversion to Cost Sharing and Senate Bill 125

In April 2008 the Alaska Legislature passed Senate Bill 125. This legislation formally converts the existing Public Employees Retirement System (PERS) from an agent-multiple employer plan to a cost-sharing plan. Under the cost-sharing arrangement, the State of Alaska Division of Retirement and Benefits will no longer track individual employer assets and liabilities. Rather, all plan costs and past service liabilities will be shared among all participating employers.

The legislation further establishes a uniform PERS employer contribution rate of 22% of active member wages, subject to a wage floor, and it provides for state contributions in the event that the annually calculated and board adopted rate, which includes a provision to pay down the past-service liability, exceeds that 22% limit. Any such additional contributions would be recognized by each employer as an on-behalf payment.

Because of the conversion to a cost sharing plan, the District will not be obligated to pay or to continue amortizing the currently recorded Net Pension/OPEB obligation. Accordingly, these liabilities will be written off and the District will recognize a special item gain on the legislation's effective date, July 1, 2008.

In addition to the PERS conversion to cost-sharing, the legislation also establishes a uniform TRS (already a cost-share plan) employer contribution rate of 12.56% of active member wages, subject to a wage floor. Like with PERS, the legislation provides for state funding if the actuarially calculated rate exceeds the 12.56% limit. Any such state contributions will be recorded as an on-behalf payment.

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	.99	.99
Occupational death and disability benefits	.58	.62
	<u>9.57%</u>	<u>11.61%</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, 2008 were \$201,497 and \$137,090, respectively. The School District and employee contributions to TRS, including the HRA contribution for the year ended June 30, 2008 were \$443,182 and \$299,510, 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 \$74,242 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, 2008 are as follows:

	Receivable	Payable
Major Fund - General Fund	\$ 2,735,537	\$ -
Major Fund - Title I	-	1,324,570
Non-major governmental funds	-	1,410,967
	<u>\$ 2,735,537</u>	<u>\$ 2,735,537</u>

Interfund Transfers

Transfers from the general fund to non-major governmental funds are for operating subsidies.

Transfers between funds for the year ended June 30, 2008 were as follows:

	<u>Transfer In:</u>	
	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Transfer Out: General Fund	\$4,293,736	\$4,293,736

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 officials' 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, with a retention level of \$250,000.

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

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claim Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal Year Liability</u>
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
2007 - 2008	1,042,586	2,316,684	(1,790,927)	1,568,343

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.

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 \$13,051,699 for the year ended June 30, 2008 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 three years ended June 30, 2006, 2007 and 2008 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
2007 - 2008	2,736,046	13,525,653	(13,517,409)	2,744,290

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, 2008.

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, 2008, 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, 2008, will not have a material effect on the financial statements as of and for the year ended June 30, 2008.

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

Schedule of Compliance – AS 14.17.505

Schedule of Compliance – AS 14.17.520

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 – Equipment

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

Balance Sheet – Major Fund – Title I

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

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
BALANCE SHEET
As of June 30, 2008 and 2007

<u>ASSETS</u>	<u>2008</u>	<u>2007</u>
Cash on hand	\$ 41,925	\$ 39,676
Equity in Central Treasury	21,467,988	19,096,846
Accounts receivable	834,214	144,700
Prepaid Items	2,800,000	22,000
Due from Special Revenue Funds	2,735,537	2,467,848
Inventory	<u>746,736</u>	<u>746,137</u>
Total Assets	<u>\$ 28,626,400</u>	<u>\$ 22,517,207</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	<u>\$ 583,223</u>	<u>\$ 657,131</u>
Accrued liabilities:		
Payroll	4,102,158	3,862,414
Retirement	309,858	339,311
Payroll taxes	1,461,118	1,397,726
Payroll deductions	31,642	32,931
Health	<u>2,744,290</u>	<u>2,736,046</u>
Total Accrued Liabilities	<u>8,649,066</u>	<u>8,368,428</u>
Total Liabilities	<u>9,232,289</u>	<u>9,025,559</u>
Fund Balance:		
Reserved for encumbrances	1,998,510	1,081,225
Reserved for inventory	746,736	746,137
Reserved for prepaid expenses	2,800,000	-
Reserved for self insurance - health care	3,262,925	2,256,149
Reserved for self insurance - workers compensation	250,000	225,000
Unreserved:		
Designated for software replacement	-	-
Designated Technology Plan II	1,087,500	870,000
Designated for potential interest shortfall	400,000	400,000
Designated for school/dept incentive purchases	883,187	833,129
Designated for charter schools	2,394,188	1,641,086
Designated for FY08 Operations	1,668,872	2,094,604
Designated for facilities maintenance	1,181,985	655,983
Undesignated	<u>2,720,208</u>	<u>2,688,335</u>
Total Fund Balance	<u>19,394,111</u>	<u>13,491,648</u>
Total Liabilities and Fund Balance	<u>\$ 28,626,400</u>	<u>\$ 22,517,207</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF CHANGES IN FUND BALANCE
YEARS ENDED JUNE 30, 2008 and 2007

	2008	2007
Fund Balance, Beginning of Year	\$ 13,491,648	\$ 8,668,172
Add Revenues and Other Financing Sources	123,927,465	101,336,757
Deduct Expenditures and Other Financing Uses	(118,025,002)	(96,513,281)
Fund Balance, End of Year	\$ 19,394,111	\$ 13,491,648

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance Positive (Negative)	
Revenues:					
Local:					
Operating Fund	\$ 29,558,128	\$ 29,547,177	\$ 29,945,978	\$ 398,801	\$ 30,388,629
Kenai Peninsula Borough - In-Kind	8,153,940	8,153,940	7,755,139	(398,801)	7,553,047
Total Local	<u>37,712,068</u>	<u>37,701,117</u>	<u>37,701,117</u>	<u>-</u>	<u>37,941,676</u>
State:					
Public School Funding	60,570,711	60,523,098	60,523,098	-	59,959,314
Retirement: On-Behalf	13,617,860	18,911,769	19,322,147	410,378	-
LOG/Quality Schools	1,740,872	1,740,731	1,740,731	-	995,531
Other	-	1,394,329	1,394,329	-	120,577
Total State	<u>75,929,443</u>	<u>82,569,927</u>	<u>82,980,305</u>	<u>410,378</u>	<u>61,075,422</u>
Federal - Through the State:					
Medicaid	380,000	380,000	323,107	(56,893)	312,145
Medicaid - Direct Reimbursement	-	-	308,722	308,722	308,574
Medicaid - Allowance: State of Alaska	-	-	(82,805)	(82,805)	(128,022)
Miscellaneous	-	-	233	233	-
Total Federal - Through the State	<u>380,000</u>	<u>380,000</u>	<u>549,257</u>	<u>169,257</u>	<u>492,697</u>
Other Revenues:					
Earnings on Investments	420,000	1,170,000	1,746,569	576,569	1,067,126
Facilities Rental	30,000	30,000	25,100	(4,900)	16,600
Miscellaneous	50,000	50,000	202,894	152,894	85,620
E-Rate	656,833	656,833	722,223	65,390	657,616
Fund Balance Appropriation	2,094,604	-	-	-	-
Total Other Revenues	<u>3,251,437</u>	<u>1,906,833</u>	<u>2,696,786</u>	<u>789,953</u>	<u>1,826,962</u>
Total Revenues	<u>117,272,948</u>	<u>122,557,877</u>	<u>123,927,465</u>	<u>1,369,588</u>	<u>101,336,757</u>
Other Financing Sources:					
Operating Transfers In	-	-	-	-	-
Total Revenues and Other Financing Sources	<u>\$ 117,272,948</u>	<u>\$ 122,557,877</u>	<u>\$ 123,927,465</u>	<u>\$ 1,369,588</u>	<u>\$ 101,336,757</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Regular Instruction:					
Certified Salaries	\$ 28,229,060	\$ 27,561,665	\$ 26,979,751	\$ 581,914	\$ 25,770,204
Non-Certified Salaries	1,816,375	2,038,240	1,981,433	56,807	1,791,226
Employee Benefits	24,624,451	28,468,156	22,192,141	6,276,015	12,851,034
Professional-Technical Services	118,444	112,721	62,457	50,264	96,613
Travel	92,705	103,765	108,311	(4,546)	117,737
Student Travel	12,000	11,730	2,237	9,493	18,495
Utility Services	105,957	95,847	32,054	63,793	31,982
Purchased Services	815,141	1,143,309	1,027,623	115,686	817,116
Supplies and Materials	3,317,509	3,661,427	3,226,558	434,869	2,850,429
Other Expenses	3,084,855	2,056,568	78,777	1,977,791	97,474
Equipment	830,704	838,401	720,735	117,666	920,162
	<u>63,047,201</u>	<u>66,091,829</u>	<u>56,412,077</u>	<u>9,679,752</u>	<u>45,362,472</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Special Education Instruction:					
Certified Salaries	\$ 5,226,432	\$ 5,003,296	\$ 4,889,358	\$ 113,938	\$ 4,598,467
Non-Certified Salaries	1,800,785	2,074,464	2,056,711	17,753	1,709,153
Employee Benefits	2,756,786	2,923,003	5,454,018	(2,531,015)	3,081,139
Professional-Technical Services	134,843	15,343	29,702	(14,359)	20,807
Travel	97,518	62,771	43,830	18,941	19,707
Student Travel	8,000	11,712	890	10,822	316
Utility Services	-	1,796	1,795	1	-
Purchased Services	2,833	4,662	1,654	3,008	494
Supplies and Materials	124,910	105,452	89,253	16,199	65,310
Other Expenses	16,000	142,837	95,138	47,699	15,951
Equipment	-	6,253	4,730	1,523	2,454
	<u>10,168,107</u>	<u>10,351,589</u>	<u>12,667,079</u>	<u>(2,315,490)</u>	<u>9,513,798</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Special Education Services - Student:					
Certified Salaries	\$ 2,312,520	\$ 2,133,356	\$ 2,087,852	\$ 45,504	\$ 2,012,015
Non-Certified Salaries	192,757	254,493	257,341	(2,848)	241,211
Employee Benefits	810,492	788,718	1,681,868	(893,150)	985,661
Professional-Technical Services	7,786	346,554	218,154	128,400	195,890
Travel	57,135	75,641	70,049	5,592	58,428
Utility Services	4,975	5,975	6,463	(488)	5,677
Purchased Services	10,367	11,364	5,659	5,705	1,646
Supplies and Materials	31,944	31,229	24,469	6,760	19,378
Other Expenses	2,140	3,751	2,106	1,645	1,143
Equipment	-	3,259	3,255	4	7,243
	<u>3,430,116</u>	<u>3,654,340</u>	<u>4,357,216</u>	<u>(702,876)</u>	<u>3,528,292</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Support Services - Pupil:					
Certified Salaries	\$ 825,254	\$ 887,867	\$ 887,673	\$ 194	\$ 830,267
Non-Certified Salaries	1,094,082	1,077,807	1,045,356	32,451	1,024,770
Employee Benefits	795,061	808,968	1,551,650	(742,682)	922,098
Professional-Technical Services	3,920	220	100	120	80
Travel	33,462	38,133	31,070	7,063	26,510
Student Travel	-	-	-	-	142
Utility Services	2,545	2,810	921	1,889	1,934
Purchased Services	15,575	11,777	2,682	9,095	3,322
Supplies and Materials	29,209	40,488	37,356	3,132	37,631
Other Expenses	5,778	2,011	748	1,263	5,346
Equipment	-	1,355	4,103	(2,748)	2,876
	<u>2,804,886</u>	<u>2,871,436</u>	<u>3,561,659</u>	<u>(690,223)</u>	<u>2,854,976</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Support Services - Instruction:					
Certified Salaries	\$ 846,693	\$ 807,254	\$ 787,254	\$ 20,000	\$ 815,049
Non-Certified Salaries	455,743	488,659	466,824	21,835	475,613
Employee Benefits	492,804	518,851	841,342	(322,491)	550,777
Professional-Technical Services	2,300	2,300	3,476	(1,176)	2,017
Travel	31,669	39,678	38,394	1,284	30,339
Student Travel	6,000	500	-	500	5,614
Utility Services	9,140	13,119	9,758	3,361	8,462
Purchased Services	100,201	109,757	94,046	15,711	42,778
Supplies and Materials	164,155	145,253	141,398	3,855	116,381
Other Expenses	3,453	4,670	3,003	1,667	1,403
Equipment	-	4,724	5,898	(1,174)	13,333
	<u>2,112,158</u>	<u>2,134,765</u>	<u>2,391,393</u>	<u>(256,628)</u>	<u>2,061,766</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
School Administration:					
Certified Salaries	\$ 3,628,074	\$ 3,440,445	\$ 3,424,142	\$ 16,303	\$ 3,393,437
Non-Certified Salaries	11,220	13,020	9,908	3,112	36,328
Employee Benefits	874,598	841,630	2,116,874	(1,275,244)	1,199,755
Professional - Technical Services	650	100	300	(200)	610
Travel	39,635	51,437	49,058	2,379	45,972
Utility Services	500	500	-	500	-
Purchased Services	-	-	-	-	-
Supplies and Materials	9,031	8,310	6,551	1,759	6,605
Other Expenses	29,100	29,383	29,765	(382)	27,649
Equipment	-	-	-	-	2,069
	<u>4,592,808</u>	<u>4,384,825</u>	<u>5,636,598</u>	<u>(1,251,773)</u>	<u>4,712,425</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
School Administration - Support:					
Non-Certified Salaries	\$ 1,665,327	\$ 1,670,894	\$ 1,689,190	\$ (18,296)	\$ 1,639,501
Employee Benefits	1,017,188	1,037,555	1,367,966	(330,411)	1,058,480
Professional - Technical Services	-	-	238	(238)	1,720
Travel	1,900	1,891	3,719	(1,828)	3,287
Utility Services	514,817	521,738	438,608	83,130	473,938
Purchased Services	23,007	14,049	3,357	10,692	6,964
Supplies And Materials	68,136	65,834	66,095	(261)	51,747
Other Expenses	22,838	13,454	3,253	10,201	86,937
Equipment	239,133	236,520	198,731	37,789	93,388
	<u>3,552,346</u>	<u>3,561,935</u>	<u>3,771,157</u>	<u>(209,222)</u>	<u>3,415,962</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
District Administration:					
Certified Salaries	\$ 236,601	\$ 235,828	\$ 243,695	\$ (7,867)	\$ 236,851
Non-Certified Salaries	146,063	152,662	146,783	5,879	140,531
Employee Benefits	172,345	183,745	307,893	(124,148)	185,771
Professional-Technical Services	128,354	123,504	75,065	48,439	90,781
Travel	65,362	76,374	75,955	419	58,110
Utility Services	19,650	21,499	19,833	1,666	20,458
Purchased Services	27,240	14,783	5,885	8,898	6,964
Supplies and Materials	17,482	30,416	27,755	2,661	17,240
Tuition and Stipends	17,100	20,520	20,520	-	19,980
Other Expenses	31,375	31,349	29,205	2,144	24,104
Equipment	-	11,467	(2,417)	13,884	25,771
	<u>861,572</u>	<u>902,147</u>	<u>950,172</u>	<u>(48,025)</u>	<u>826,561</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
District Administrative Support Services:					
Certified Salaries	\$ 322,205	\$ 222,334	\$ 214,793	\$ 7,541	\$ 326,658
Non-Certified Salaries	1,641,606	1,922,475	1,970,562	(48,087)	1,690,726
Employee Benefits	834,275	941,503	1,414,615	(473,112)	853,643
Professional-Technical Services	46,750	200,850	104,794	96,056	42,161
Travel	78,574	107,703	92,573	15,130	76,712
Utility Services	45,047	34,140	34,015	125	36,108
Purchased Services	537,112	394,736	418,073	(23,337)	312,985
Insurance Premiums	388,913	388,913	388,913	-	444,828
Supplies and Materials	66,320	117,269	146,522	(29,253)	42,632
Other Expenses	81,590	76,895	28,870	48,025	21,842
Indirect Costs	204,633	204,633	(283,775)	488,408	(220,351)
Equipment	46,200	49,583	15,517	34,066	138,004
	<u>4,293,225</u>	<u>4,661,034</u>	<u>4,545,472</u>	<u>115,562</u>	<u>3,765,948</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Operation of Plant:					
Certified Salaries	\$ -	\$ -	\$ 180	\$ (180)	\$ 50
Non-Certified Salaries	2,969,598	3,075,934	2,805,639	270,295	2,748,372
Employee Benefits	3,664,843	4,807,744	2,411,608	2,396,136	1,645,712
Professional-Technical Services	-	-	-	-	998
Travel	3,115	5,410	3,806	1,604	1,694
Utility Services	410,146	410,146	300,520	109,626	302,370
Energy	5,741,861	5,741,861	4,902,341	839,520	4,461,621
Purchased Services	6,462,842	6,460,974	6,211,083	249,891	5,858,989
Insurance Premiums	741,439	741,439	741,439	-	848,103
Supplies and Materials	259,141	271,234	280,733	(9,499)	240,741
Other Expenses	1,000	1,000	240	760	790
Equipment	15,000	31,966	29,843	2,123	32,596
	<u>20,268,985</u>	<u>21,547,708</u>	<u>17,687,432</u>	<u>3,860,276</u>	<u>16,142,036</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2008
 With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Pupil Activity:					
Certified Salaries	\$ 859,704	\$ 891,690	\$ 655,284	\$ 236,406	\$ 627,736
Non-Certified Salaries	188,351	196,917	339,838	(142,921)	331,347
Employee Benefits	161,573	171,219	425,535	(254,316)	219,438
Professional - Technical Services	750	750	-	750	-
Travel	4,096	6,865	5,910	955	2,614
Student Travel	16,000	16,000	24,221	(8,221)	13,929
Utility Services	83	83	22	61	-
Purchased Services	20,744	20,744	16,384	4,360	20,642
Supplies and Materials	6,260	7,813	11,778	(3,965)	21,487
Other Expenses	10,765	34,099	25,801	8,298	24,525
Equipment	-	166	246,238	(246,072)	344,607
	<u>1,268,326</u>	<u>1,346,346</u>	<u>1,751,011</u>	<u>(404,665)</u>	<u>1,606,325</u>
 Total Expenditures	 <u>116,399,730</u>	 <u>121,507,954</u>	 <u>113,731,266</u>	 <u>7,776,688</u>	 <u>93,790,561</u>
 Other Financing Uses:					
Transfer To Community Theater Fund	-	-	11,217	(11,217)	15,811
Transfer To Food Service Fund	280,912	280,912	810,606	(529,694)	621,539
Transfer To Pupil Transportation Fund	479,961	656,666	471,913	184,753	1,085,370
Transfer To Equipment Fund	-	-	3,000,000	(3,000,000)	1,000,000
Transfer To TRS Fund	112,345	112,345	-	112,345	-
Total Other Financing Uses	<u>873,218</u>	<u>1,049,923</u>	<u>4,293,736</u>	<u>(3,243,813)</u>	<u>2,722,720</u>
 Total Expenditures and Other Financing Uses	 <u>\$ 117,272,948</u>	 <u>\$ 122,557,877</u>	 <u>\$ 118,025,002</u>	 <u>\$ 4,532,875</u>	 <u>\$ 96,513,281</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 SCHEDULE OF COMPLIANCE - AS 14.17.505
 Year Ended June 30, 2008

	School Operating Fund		
	Reserved Fund Balance	Unreserved Fund Balance	Total
Reserved:			
Encumbrances	\$ 1,998,510	\$ -	\$ 1,998,510
Prepaid Expenses	\$ 2,800,000	\$ -	\$ 2,800,000
Self Insurance Workers Compensation	250,000	-	250,000
Self Insurance Health Care	3,262,925	-	3,262,925
Inventories	746,736	-	746,736
Unreserved:			
Designated			
Charter Schools	-	2,394,188	2,394,188
Facilities Maintenance	-	1,181,985	1,181,985
FY09 Operations	-	1,668,872	1,668,872
Potential Interest Shortfall	-	400,000	400,000
School Incentive Purchases	-	883,187	883,187
Technology Plan	-	1,087,500	1,087,500
Undesignated	-	2,720,208	2,720,208
	\$ 9,058,171	\$ 10,335,940	\$ 19,394,111

Unreserved fund balance as a percentage of current year expenditures:

$$\frac{\text{Unreserved fund balance}}{\text{Current year expenditures}} = \frac{10,335,940}{113,731,265} = \underline{9.09\%}$$

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 SCHEDULE OF COMPLIANCE - AS 14.17.520
 Year Ended June 30, 2008

Instruction:

Regular Instruction	\$ 56,412,077	
Special Education Instruction	12,667,079	
Special Education Services - Student	4,357,216	
Support Services - Pupil	3,561,659	
Support Services - Instruction	2,391,393	
School Administration	<u>5,636,598</u>	
Total Instruction	<u>85,026,022</u>	74.76%

Non-Instruction:

School Administration - Support	3,771,157	
District Administration	950,172	
District Administration - Support Services	4,545,472	
Operation of Plant	17,687,432	
Pupil Activities	<u>1,751,010</u>	
Total Non- Instruction	<u>28,705,243</u>	25.24%
Total Expenditures	<u>113,731,265</u>	

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 BALANCE SHEET - MAJOR FUND - EQUIPMENT
 June 30, 2008

With Comparative Totals as of June 30, 2007

	2008	2007
ASSETS		
Equity in Central Treasury	\$ 4,000,000	\$ 1,000,000
Total Assets	\$ 4,000,000	\$ 1,000,000
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ -	\$ -
Due to General Fund	-	-
Total Liabilities	-	-
Fund Balance:	4,000,000	1,000,000
Total Liabilities and Fund Balances	\$ 4,000,000	\$ 1,000,000

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MAJOR FUND - EQUIPMENT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Local	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-
Total Revenues					
Other Financing Sources:					
Operating Transfers In	-	-	3,000,000	3,000,000	1,000,000
Total Revenues and Other Financing Sources	-	-	3,000,000	3,000,000	1,000,000
Expenditures:					
Equipment	-	-	-	-	26,293
Total Expenditures	-	-	-	-	26,293
Other Financing Uses:					
Operating transfers out - General Fund	-	-	-	-	-
Total Expenditures and Other Financing Uses	-	-	-	-	26,293
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	3,000,000	<u>\$ 3,000,000</u>	973,707
Fund Balance, Beginning of Year			1,000,000		26,293
Fund Balance, End of Year			<u>\$ 4,000,000</u>		<u>\$ 1,000,000</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 BALANCE SHEET - MAJOR FUND - TITLE I
 June 30, 2008

With Comparative Totals as of June 30, 2007

	2008	2007
ASSETS		
Due from other Governments	\$ 1,324,570	\$ 1,008,049
Total Assets	\$ 1,324,570	\$ 1,008,049
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ -	\$ 24,736
Due to General Fund	1,324,570	983,313
Total Liabilities	1,324,570	1,008,049
Fund Balance:	-	-
Total Liabilities and Fund Balances	\$ 1,324,570	\$ 1,008,049

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, 2008
 With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 4,650,000	\$ 5,028,921	\$ 3,715,958	\$ (1,312,963)	\$ 2,957,723
Expenditures:					
Regular Instruction					
Certified Salaries	1,582,000	1,758,157	1,401,393	356,764	1,258,924
Non-Certified Salaries	244,000	296,943	226,642	70,301	158,998
Employee Benefits	763,000	639,402	531,725	107,677	614,366
Professional - Technical Service	780,000	699,004	416,262	282,742	341,697
Staff Travel	305,000	241,646	191,976	49,670	121,198
Student Travel	25,000	-	-	-	6,951
Utility Services	9,000	9,300	6,566	2,734	7,501
Purchased Services	197,000	229,159	213,175	15,984	105,164
Supplies and Materials	384,000	389,345	274,054	115,291	166,344
Tuition and Stipends	-	650	-	650	-
Other Expenses	114,000	260,658	21,764	238,894	8,361
Equipment	91,000	213,488	206,908	6,580	67,261
Total Regular Instruction	4,494,000	4,737,752	3,490,465	1,247,287	2,856,765
Support Services - Pupils					
Certified Salaries	-	67,700	60,877	6,823	-
Non-Certified Salaries	-	2,000	862	1,138	-
Employee Benefits	-	18,731	18,578	153	-
Staff Travel	-	4,000	3,505	495	-
Utility Services	-	1,200	365	835	-
Supplies and Materials	-	8,700	3,591	5,109	-
Total School Administration - Support	-	102,331	87,778	14,553	-
District Administration Support Services					
Indirect Costs	156,000	188,838	137,715	51,123	100,958
Total Expenditures	4,650,000	5,028,921	3,715,958	1,312,963	2,957,723
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:

Associated General Contractors- AK Works	Principal Coach
Building Trades	Pupil Transportation
Caribou Hills Fire	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
Food Service	Title VI-B
Gear Up Kenai Peninsula	Title VII, Indian Education
Legislative Equipment Fund	Upward Bound
McKinney-Vento Homeless	Youth First
Migrant Education Book	Youth in Detention
NTSA/NASA	

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SPECIAL REVENUE FUNDS

Associated General Contractors – AK Works grant is an Alaska Department of Labor funded project that supports our District's after school construction academies.

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

Caribou Hills Fire grant was established through the Department of Forestry for the use of school facilities during the Caribou Hills Fire.

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.

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.

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-Book grant provides reading materials to migrant eligible students.

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

Title VI-B grant provides funds for the overall improvement of service for students receiving Special Education.

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

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

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

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

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

June 30, 2008

With Comparative Totals as of June 30, 2007

	AGC Alaska Works	Building Trades	Caribou Hills Fire	Carl Perkins Basic
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other Governments	49,893	-	-	46,189
Inventory	-	60,618	-	-
Total Assets	\$ 49,893	\$ 60,618	\$ -	\$ 46,189
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-
Due to General Fund	49,893	44,976	-	46,189
Total Liabilities	49,893	44,976	-	46,189
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	\$ 49,893	\$ 60,618	\$ -	\$ 46,189

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2008

With Comparative Totals as of June 30, 2007

	Charter Schools-EED	Community Theater	Corporate Grants	Food Service
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ 32,134	\$ 598,990
Accounts receivable	-	4,655	-	1,337
Due from other Governments	-	-	-	-
Inventory	-	-	-	193,853
Total Assets	\$ -	\$ 4,655	\$ 32,134	\$ 794,180
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-
Due to General Fund	-	4,655	-	-
Total Liabilities	-	4,655	-	-
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for equipment	-	-	-	-
Reserved for inventory	-	-	-	193,853
Unreserved:				
Unreserved - undesignated	-	-	32,134	600,327
Total Fund Balances	-	-	32,134	794,180
Total Liabilities and Fund Balances	\$ -	\$ 4,655	\$ 32,134	\$ 794,180

Continued

<u>Gear Up Kenai Peninsula</u>	<u>Legislative Equipment</u>	<u>McKinney-Vento Homeless</u>	<u>Migrant Education - Book</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
68,292	703	13,844	224
-	-	-	-
<u>\$ 68,292</u>	<u>\$ 703</u>	<u>\$ 13,844</u>	<u>\$ 224</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
68,292	703	13,844	224
<u>68,292</u>	<u>703</u>	<u>13,844</u>	<u>224</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 68,292</u>	<u>\$ 703</u>	<u>\$ 13,844</u>	<u>\$ 224</u>

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

June 30, 2008

With Comparative Totals as of June 30, 2007

	NSTA/NASA	Principal Coach	Pupil Transportation	School Improvement
ASSETS				
Equity in Central Treasury	\$ 3,305	\$ -	\$ 591,597	\$ -
Accounts Receivable	-	-	460	-
Due from other Governments	-	162,935	-	4,808
Inventory	-	-	-	-
	<u>3,305</u>	<u>162,935</u>	<u>592,057</u>	<u>4,808</u>
Total Assets	\$ 3,305	\$ 162,935	\$ 592,057	\$ 4,808
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ 504	\$ -
Deferred Revenue	3,305	-	-	-
Due to General Fund	-	162,935	-	4,808
	<u>3,305</u>	<u>162,935</u>	<u>504</u>	<u>4,808</u>
Total Liabilities	3,305	162,935	504	4,808
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for equipment	-	-	-	-
Reserved for inventory	-	-	-	-
Unreserved:				
Unreserved - undesignated	-	-	591,553	-
	<u>-</u>	<u>-</u>	<u>591,553</u>	<u>-</u>
Total Fund Balances	-	-	591,553	-
Total Liabilities and Fund Balances	\$ 3,305	\$ 162,935	\$ 592,057	\$ 4,808

Continued

Continued

<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>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
2,955	130,289	5,237	33,769	608,151
-	-	-	-	-
<u>\$ 2,955</u>	<u>\$ 130,289</u>	<u>\$ 5,237</u>	<u>\$ 33,769</u>	<u>\$ 608,151</u>
\$ -	\$ 296	\$ -	\$ -	\$ -
-	-	-	-	-
2,955	129,993	5,237	33,769	608,151
-	-	-	-	-
<u>2,955</u>	<u>130,289</u>	<u>5,237</u>	<u>33,769</u>	<u>608,151</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 2,955</u>	<u>\$ 130,289</u>	<u>\$ 5,237</u>	<u>\$ 33,769</u>	<u>\$ 608,151</u>

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

June 30, 2008

With Comparative Totals as of June 30, 2007

	Title VII Indian Education	Upward Bound	Youth First	Youth in Detention
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-
Due from Other Governments	189,234	-	45,107	-
Inventory	-	-	-	-
Total Assets	\$ 189,234	\$ -	\$ 45,107	\$ -
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-
Due to General Fund	189,234	-	45,107	-
Total Liabilities	189,234	-	45,107	-
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for equipment	-	-	-	-
Reserved for inventory	-	-	-	-
Unreserved:				
Unreserved - undesignated	-	-	-	-
Total Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	\$ 189,234	\$ -	\$ 45,107	\$ -

Concluded

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

June 30, 2008

With Comparative Totals as of June 30, 2007

	Total June 30, 2008	Total June 30, 2007
ASSETS		
Equity in Central Treasury	\$ 5,226,026	\$ 2,213,005
Accounts Receivable	6,452	3,972
Due from Other Governments	1,361,632	1,436,776
Inventory	<u>254,471</u>	<u>288,282</u>
Total Assets	<u>\$ 6,848,581</u>	<u>\$ 3,942,035</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 800	\$ 49,115
Deferred Revenue	3,305	7,230
Due to General Fund	<u>1,410,967</u>	<u>1,484,535</u>
Total Liabilities	<u>1,415,072</u>	<u>1,540,880</u>
Fund Balances:		
Reserved for encumbrances	-	-
Reserved for equipment	-	-
Reserved for inventory	254,471	288,282
Unreserved:		
Unreserved - undesignated	<u>1,179,038</u>	<u>2,112,873</u>
Total Fund Balances	<u>1,433,509</u>	<u>2,401,155</u>
Total Liabilities and Fund Balances	<u>\$ 6,848,581</u>	<u>\$ 3,942,035</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, 2008
 With Comparative Totals for Year Ended June 30, 2007

	ACG Alaska Works	Building Trades	Caribou Hills Fire	Carl Perkins - Basic
Revenues:				
Local	\$ 95,616	\$ -	\$ -	\$ -
State	-	-	6,500	-
Federal-Direct	-	-	-	-
Federal-Through the State	-	-	-	140,144
Federal-Through other Intermediate Agencies	-	-	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other	-	-	-	-
Total Revenues	95,616	-	6,500	140,144
Expenditures:				
Current:				
Regular Instruction	91,376	-	-	133,930
Health Services	-	-	-	-
School Administration	-	-	-	-
School Administration - Support	-	-	-	-
Data Processing Svcs	-	-	-	-
Supporting services - pupil	-	-	-	-
Operation of plant	-	-	6,500	-
Pupil Activity	-	-	-	-
Community services	-	-	-	-
District Administration Support Services	4,240	-	-	6,214
Pupil transportation	-	-	-	-
Food services	-	-	-	-
Total Expenditures	95,616	-	6,500	140,144
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes In Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	15,642	-	-
Fund Balances, End of Year	\$ -	\$ 15,642	\$ -	\$ -

Continued

Charter Schools-EED	Community Theater	Corporate Grants	Food Service
\$ -	\$ -	\$ -	\$ -
40,921	-	-	-
-	-	-	-
-	-	-	1,720,125
-	-	-	-
-	-	-	955,879
-	44,810	71,900	-
-	-	-	-
40,921	44,810	71,900	2,676,004
36,455	-	40,382	-
-	-	-	-
-	-	500	-
-	-	-	-
-	-	-	-
2,651	-	2,700	-
-	-	20,267	-
-	56,027	-	-
1,815	-	-	-
-	-	-	-
-	-	-	2,973,342
40,921	56,027	63,849	2,973,342
-	(11,217)	8,051	(297,338)
-	11,217	-	810,606
-	-	-	-
-	11,217	-	810,606
-	-	8,051	513,268
-	-	24,083	280,912
\$ -	\$ -	\$ 32,134	\$ 794,180

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, 2008
 With Comparative Totals for Year Ended June 30, 2007

	Gear Up Kenai Peninsula	Legislative Equipment	McKinney-Vento Homeless	Migrant Education Book
Revenues:				
Local	\$ -	\$ -	\$ -	\$ -
State	-	367,243	-	-
Federal-Direct	-	-	-	-
Federal-Through the State	145,123	-	32,762	1,890
Federal-Through other Intermediate Agencies	-	-	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other	-	-	-	-
Total Revenues	145,123	367,243	32,762	1,890
Expenditures:				
Current:				
Regular Instruction	138,688	280,137	31,309	1,890
Health Services	-	181	-	-
School Administration	-	-	-	-
School Administration - Support	-	1,895	-	-
Data Processing Svcs	-	-	-	-
Supporting services - pupil	-	-	-	-
Operation of plant	-	84,007	-	-
Pupil Activity	-	1,023	-	-
Community services	-	-	-	-
District Administration Support Services	6,435	-	1,453	-
Pupil transportation	-	-	-	-
Food services	-	-	-	-
Total Expenditures	145,123	367,243	32,762	1,890
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes In Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -

Continued

<u>NSTA/NASA</u>	<u>Principal Coach</u>	<u>Pupil Transportation</u>	<u>School Improvement</u>	<u>Staff Development Mini-Grants</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	455,481	4,445,097	-	12,202
-	-	-	-	-
-	-	-	17,113	1,608
6,425	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>6,425</u>	<u>455,481</u>	<u>4,445,097</u>	<u>17,113</u>	<u>13,810</u>
6,425	-	-	16,354	13,810
-	-	-	-	-
-	415,329	-	-	-
-	40,152	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	12,136	-	-
-	-	-	-	-
-	-	-	759	-
-	-	5,393,839	-	-
-	-	-	-	-
<u>6,425</u>	<u>455,481</u>	<u>5,405,975</u>	<u>17,113</u>	<u>13,810</u>
-	-	(960,878)	-	-
-	-	471,913	-	-
-	-	-	-	-
-	-	471,913	-	-
-	-	(488,965)	-	-
-	-	1,080,518	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 591,553</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, 2008
 With Comparative Totals for Year Ended June 30, 2007

	Statewide Alaska Mentorship	Title I-D At Risk	Title I-D Delinquent	Title VI-B
Revenues:				
Local	\$ -	\$ -	\$ -	\$ -
State	365,526	-	-	-
Federal - Direct	-	-	-	-
Federal - Through the State	-	22,862	38,829	1,856,626
Federal-Through other Intermediate Agencies	-	-	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other	-	-	-	-
Total Revenues	365,526	22,862	38,829	1,856,626
Expenditures:				
Current:				
Regular Instruction	365,526	21,848	37,107	1,774,299
Health Services	-	-	-	-
School Administration	-	-	-	-
School Administration - Support	-	-	-	-
Data Processing Svcs	-	-	-	-
Supporting services - pupil	-	-	-	-
Operation of plant	-	-	-	-
Pupil Activity	-	-	-	-
Community services	-	-	-	-
District Administration Support Services	-	1,014	1,722	82,327
Pupil transportation	-	-	-	-
Food services	-	-	-	-
Total Expenditures	365,526	22,862	38,829	1,856,626
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes In Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -

Continued

Title VII Indian Education	Upward Bound	Youth First	Youth In Detention
\$ -	\$ -	\$ -	\$ -
287,390	-	99,638	208,785
-	25,471	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
287,390	25,471	99,638	208,785
274,646	25,471	95,220	199,527
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
12,744	-	4,418	9,258
-	-	-	-
-	-	-	-
287,390	25,471	99,638	208,785
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Concluded

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008
 With Comparative Totals for Year Ended June 30, 2007

	Total June 30, 2008	Total June 30, 2007
Revenues:		
Local	\$ 95,616	\$ -
State	6,001,393	5,604,033
Federal - Direct	287,390	290,474
Federal - Through the State	4,002,553	4,609,049
Federal-Through other Intermediate Agencies	6,425	-
Food sales	955,879	965,162
Corporate grants and user fees	116,710	103,246
Other	-	-
	<hr/>	<hr/>
Total Revenues	11,465,966	11,571,964
	<hr/>	<hr/>
Expenditures:		
Current:		
Regular Instruction	3,584,400	4,087,108
Health Services	181	-
School Administration	415,329	237,534
School Administration - Support	42,547	-
Data Processing Svcs	-	-
Supporting services - pupil	-	16,374
Operation of plant	95,858	45,753
Pupil Activity	33,426	-
Community services	56,027	56,971
District Administration Support Services	132,399	-
Pupil transportation	5,393,839	5,147,858
Food services	2,973,342	2,974,349
	<hr/>	<hr/>
Total Expenditures	12,727,348	12,565,947
	<hr/>	<hr/>
Excess (Deficiency) of Revenues over Expenditures	(1,261,382)	(993,983)
	<hr/>	<hr/>
Other Financing Sources (Uses):		
Transfers in	1,293,736	2,722,720
Transfers Out	-	-
	<hr/>	<hr/>
Total Other Financing Sources (Uses):	1,293,736	2,722,720
	<hr/>	<hr/>
Net Changes In Fund Balances	32,354	1,728,737
	<hr/>	<hr/>
Fund Balances, Beginning of Year	2,401,155	672,418
	<hr/>	<hr/>
Fund Balances, End of Year	<u>\$ 2,433,509</u>	<u>\$ 2,401,155</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
ASSOCIATED GENERAL CONTRACTORS - ALASKA WORKS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008			Variance- Positive (Negative)	2007 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Local	\$ -	\$ 245,607	\$ 95,616	\$ (149,991)	\$ -
Total Revenues	-	245,607	95,616	(149,991)	-
Expenditures:					
Regular Instruction					
Certified Salaries	-	36,000	15,000	21,000	-
Non-Certified Salaries	-	36,994	13,927	23,067	-
Employee Benefits	-	41,115	13,644	27,471	-
Staff Travel	-	3,000	1,040	1,960	-
Student Travel	-	1,500	-	1,500	-
Supplies and Materials	-	50,000	44,092	5,908	-
Other Expenses	-	16,107	-	16,107	-
Equipment	-	50,000	3,673	46,327	-
Total Regular Instruction	-	234,716	91,376	143,340	-
District Administration Support Services					
Indirect Costs	-	10,891	4,240	6,651	-
Total Expenditures	-	245,607	95,616	149,991	-
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, 2008
 With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 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
 CARIBOU HILLS FIRE
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2008
 With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ -	\$ 6,500	\$ 6,500	\$ -	\$ -
Expenditures:					
Operation of Plant					
Support Salaries	-	2,411	2,411	-	-
Employee Benefits	-	184	184	-	-
Utility Services	-	372	-	372	-
Supplies and Materials	-	3,533	-	3,533	-
Other	-	-	3,905	(3,905)	-
Total Expenditures	-	6,500	6,500	-	-
Other Financing Uses:					
Operating transfers out	-	-	-	-	-
Total Expenditures and Other Financing Uses	-	6,500	6,500	-	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 CARL PERKINS - BASIC
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2008
 With Comparative Actual Totals for Year Ended June 30, 2007

	2008			Variance- Positive (Negative)	2007 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal - Through the State	\$ 235,000	\$ 219,912	\$ 140,144	\$ (79,768)	\$ 187,143
Expenditures:					
Regular Instruction					
Certified Salaries	38,293	50,878	53,655	(2,777)	30,403
Non-Certified Salaries	12,265	13,766	15,532	(1,766)	16,199
Employee Benefits	20,836	14,184	16,391	(2,207)	13,206
Professional - Technical Service	25,000	18,000	-	18,000	8,594
Staff Travel	12,000	18,350	14,999	3,351	13,636
Student Travel	6,000	6,500	3,173	3,327	2,074
Utility Services	1,000	625	311	314	356
Purchased Services	13,500	10,000	1,194	8,806	10,925
Supplies and Materials	44,759	40,358	19,657	20,701	43,833
Other	-	-	314	(314)	-
Equipment	53,068	37,500	8,704	28,796	41,414
Total Regular Instruction	226,721	210,161	133,930	76,231	180,640
District Administration Support Services					
Indirect Costs	8,279	9,751	6,214	3,537	6,503
Total Expenditures	235,000	219,912	140,144	79,768	187,143
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, 2008
 With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2007 Actual
Revenues:					
State	\$ -	\$ 40,921	\$ 40,921	\$ -	\$ 39,530
Federal - Through the State	-	-	-	-	-
Total Revenues	-	40,921	40,921	-	39,530
Expenditures:					
Regular Instruction					
Non-Certified Salaries	-	-	20,480	(20,480)	19,571
Employee Benefits	-	-	15,975	(15,975)	15,183
Other Expenses	-	39,106	-	39,106	-
Equipment	-	-	-	-	2,898
Total Regular Instruction	-	39,106	36,455	2,651	37,652
District Administration Support Services					
Indirect Costs	-	1,815	1,815	-	1,374
Operation and Maintenance of Plant					
Utility Services	-	-	2,651	(2,651)	504
Total Expenditures	-	40,921	40,921	-	39,530
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
COMMUNITY THEATER
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
User Fees	\$ 60,000	\$ 60,000	\$ 44,810	\$ (15,190)	\$ 41,160
Other Financing Sources:					
Operating Transfers In	-	-	11,217	11,217	15,811
Total Revenue and Other Financing Sources	<u>60,000</u>	<u>60,000</u>	<u>56,027</u>	<u>(3,973)</u>	<u>56,971</u>
Expenditures:					
Community Services					
Non-Certified Salaries	43,750	43,750	42,170	1,580	42,373
Employee Benefits	13,558	13,558	10,301	3,257	10,617
Professional - Technical Service	-	-	827	(827)	433
Staff Travel	900	900	349	551	-
Utility Services	575	575	985	(410)	1,546
Purchased Services	100	100	214	(114)	867
Supplies and Materials	1,117	1,117	1,181	(64)	1,135
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>56,027</u>	<u>3,973</u>	<u>56,971</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, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Corporate Grants	\$ -	\$ 96,846	\$ 71,900	24,946	54,316
Expenditures:					
Regular Instruction					
Certified Salaries	-	5,775	2,400	3,375	2,025
Non-Certified Salaries	-	-	-	-	254
Employee Benefits	-	904	332	572	571
Professional - Technical Service	-	5,595	5,295	300	3,381
Staff Travel	-	13,218	7,963	5,255	13,851
Student Travel	-	2,127	1,986	141	12,917
Utility Services	-	-	-	-	-
Purchased Services	-	1,960	1,960	-	253
Supplies and Materials	-	24,567	16,918	7,649	22,847
Other Expenses	-	-	-	-	1,550
Equipment	-	5,000	3,528	1,472	2,510
Total Regular Instruction	-	59,146	40,382	18,764	60,159
School Administration - Support					
Staff Travel	-	500	500	-	-
Operation of Plant					
Supplies and Materials	-	2,700	2,700	-	-
Pupil Activity					
Student Travel	-	7,815	6,215	1,600	-
Purchased Services	-	1,890	2,640	(750)	-
Supplies and Material	-	19,260	10,732	8,528	-
Other Expenses	-	5,535	-	5,535	-
Equipment	-	-	680	(680)	-
Total Pupil Activity	-	34,500	20,267	14,233	-
Total Expenditures	-	96,846	63,849	32,997	60,159
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	8,051	\$ 8,051	(5,843)
Fund Balance, Beginning of Year			24,083		29,926
Fund Balance, End of Year			\$ 32,134		\$ 24,083

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, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2007 Actual
Revenues:					
Federal-Through the State	\$ 1,669,640	\$ 1,669,640	\$ 1,645,883	\$ (23,757)	\$ 1,600,478
State - PERS/TRS	258,251	258,251	-	(258,251)	-
Sales	1,190,460	1,190,460	955,879	(234,581)	965,162
Commodities	95,000	95,000	74,242	(20,758)	68,082
Total Revenues	3,213,351	3,213,351	2,676,004	(537,347)	2,633,722
Other Financing Sources:					
Operating Transfers In	280,912	280,912	810,606	529,694	621,539
Total Revenues and Other Financing Sources	3,494,263	3,494,263	3,486,610	(7,653)	3,255,261
Expenditures:					
Food Services					
Non-Certified Salaries	1,117,258	1,117,258	1,085,630	31,628	1,085,888
Employee Benefits	963,344	963,344	623,094	340,250	635,584
Staff Travel	9,350	17,473	16,132	1,341	7,042
Utility Services	4,650	4,650	3,400	1,250	4,352
Purchased Services	46,400	50,655	37,513	13,142	39,620
Supplies and Materials	1,306,761	1,295,956	1,167,616	128,340	1,109,036
Other Expenses	1,500	2,232	1,728	504	1,289
Equipment	45,000	42,695	38,229	4,466	91,538
Total Expenditures	3,494,263	3,494,263	2,973,342	520,921	2,974,349
Excess (Deficiency) of Revenue over Expenditures	\$ -	\$ -	513,268	\$ 513,268	280,912
Fund Balance, Beginning of Year			280,912		-
Fund Balance, End of Year			\$ 794,180		\$ 280,912

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, 2008
 With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 160,050	\$ 160,050	\$ 145,123	\$ (14,927)	\$ 88,813
Expenditures:					
Regular Instruction					
Certified Salaries	-	-	-	-	63,945
Employee Benefits	-	-	-	-	11,792
Professional - Technical Service	149,130	149,130	133,313	15,817	500
Staff Travel	-	-	1,375	(1,375)	6,095
Student Travel	-	-	-	-	313
Other Purchased Services	-	-	-	-	69
Supplies and Materials	-	-	-	-	3,013
Other Expenses	4,000	4,000	4,000	-	-
Total Regular Instruction	153,130	153,130	138,688	14,442	85,727
District Administration Support Services					
Indirect Costs	6,920	6,920	6,435	485	3,086
Total Expenditures	160,050	160,050	145,123	14,927	88,813
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, 2008

With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 263,295	\$ 708,295	\$ 367,243	\$ (341,052)	\$ 146,707
Expenditures:					
Regular Instruction					
Other Purchased Services	-	4,067	1,329	2,738	1,181
Supplies and Materials	263,295	473,452	155,201	318,251	43,854
Equipment	-	134,270	123,607	10,663	82,212
Total Regular Instruction	263,295	611,789	280,137	331,652	127,247
Health Services					
Supplies and Materials	-	250	181	69	-
School Administration - Support					
Supplies and Materials	-	800	800	-	-
Equipment	-	1,095	1,095	-	-
Total School Administration - Support	-	1,895	1,895	-	-
Operation of Plant					
Supplies and Materials	-	44,560	42,143	2,417	1,567
Equipment	-	48,776	41,864	6,912	17,893
Total Operation of Plant	-	93,336	84,007	9,329	19,460
Pupil Activity					
Equipment	-	1,025	1,023	2	-
Total Expenditures	263,295	708,295	367,243	341,052	146,707
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, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 32,762	\$ 32,762	\$ 32,762	\$ -	\$ 31,238
Expenditures:					
Regular Instruction					
Certified Salaries	-	-	-	-	3,233
Non-Certified Salaries	2,791	2,791	2,831	(40)	5,022
Employee Benefits	417	417	410	7	3,076
Staff Travel	3,114	3,114	3,114	-	2,788
Student Travel	6,910	6,910	6,628	282	6,624
Purchased Services	13,911	13,911	13,781	130	4,580
Supplies and Materials	4,140	4,140	4,521	(381)	4,830
Other Expenses	26	26	24	2	-
Total Regular Instruction	31,309	31,309	31,309	-	30,153
District Administration Support Services					
Indirect Costs	1,453	1,453	1,453	-	1,085
Total Expenditures	32,762	32,762	32,762	-	31,238
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MIGRANT EDUCATION - BOOK
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ -	\$ 1,890	\$ 1,890	\$ -	\$ -
Expenditures:					
Regular Instruction	-	-	-	-	-
Supplies and Materials	-	1,890	1,890	-	-
Total Expenditures	-	1,890	1,890	-	-
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
NSTA/NASA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal - Through other Intermediate Agencies	\$ 7,230	\$ 9,730	\$ 6,425	\$ (3,305)	\$ 7,770
Expenditures:					
Regular Instruction					
Supplies and Materials	-	-	370	(370)	215
Equipment	7,230	9,730	6,055	3,675	7,555
Total Expenditures	7,230	9,730	6,425	3,305	7,770
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, 2008
 With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 455,500	\$ 455,500	\$ 455,481	\$ (19)	\$ 237,534
Expenditures:					
School Administration					
Professional - Technical Service	60,000	83,500	84,837	(1,337)	44,543
Staff Travel	314,500	291,427	294,191	(2,764)	91,071
Utility Services	3,750	4,750	3,045	1,705	3,405
Other Purchases Services	3,934	4,984	4,524	460	3,854
Supplies and Materials	25,000	20,550	19,849	701	16,564
Other Expenses	26,271	1,271	840	431	10,529
Equipment	10,000	8,050	8,043	7	7,694
Total School Administration	<u>443,455</u>	<u>414,532</u>	<u>415,329</u>	<u>(797)</u>	<u>177,660</u>
School Administration - Support					
Non-Certified Salaries	7,692	22,893	23,326	(433)	7,958
Employee Benefits	4,353	18,075	16,826	1,249	4,403
Total School Administration - Support	<u>12,045</u>	<u>40,968</u>	<u>40,152</u>	<u>816</u>	<u>12,361</u>
District Admin Support Services					
Non-Certified Salaries	-	-	-	-	32,000
Employee Benefits	-	-	-	-	15,513
Total District Admin Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,513</u>
Total Expenditures	<u>455,500</u>	<u>455,500</u>	<u>455,481</u>	<u>19</u>	<u>237,534</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
PUPIL TRANSPORTATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenue:					
State	\$ 4,395,990	\$ 4,395,990	\$ 4,445,097	\$ 49,107	\$ 4,542,449
State - PERS/TRS	22,988	22,988	-	(22,988)	-
Total Revenue	<u>4,418,978</u>	<u>4,418,978</u>	<u>4,445,097</u>	<u>26,119</u>	<u>4,542,449</u>
Other Financing Sources					
Operating Transfer In	479,961	656,666	471,913	(184,753)	1,085,370
Total Revenues and Other Financing Sources	<u>4,898,939</u>	<u>5,075,644</u>	<u>4,917,010</u>	<u>(158,634)</u>	<u>5,627,819</u>
Expenditures:					
Pupil Activity					
Non-Certified Salaries	-	2,000	2,004	(4)	2,861
Employee Benefits	-	50	153	(103)	219
Staff Travel	500	900	569	331	(87)
Purchased Services	4,000	2,935	1,867	1,068	3,345
Supplies and Materials	2,300	7,905	6,955	950	5,032
Other Expenses	300	1,605	588	1,017	1,759
Total Pupil Activity	<u>7,100</u>	<u>15,395</u>	<u>12,136</u>	<u>3,259</u>	<u>13,129</u>
Pupil Transportation					
Non-Certified Salaries	99,856	99,856	106,542	(6,686)	106,169
Employee Benefits	71,024	71,023	47,759	23,264	46,982
Staff Travel	3,200	5,590	3,563	2,027	2,947
Utility Services	1,200	1,200	834	366	706
Purchased Services	4,699,086	4,669,466	4,651,715	17,751	4,529,474
Supplies and Materials	426,200	622,640	583,426	39,214	448,301
Other Expenses	800	-	-	-	150
Total Pupil Transportation	<u>5,301,366</u>	<u>5,469,775</u>	<u>5,393,839</u>	<u>75,936</u>	<u>5,134,729</u>
Total Expenditures	<u>5,308,466</u>	<u>5,485,170</u>	<u>5,405,975</u>	<u>79,195</u>	<u>5,147,858</u>
Excess (Deficiency) of Revenue over Expenditures	<u>\$ (409,527)</u>	<u>\$ (409,526)</u>	(488,965)	<u>\$ (79,439)</u>	479,961
Fund Balance, Beginning of Year			<u>1,080,518</u>		<u>600,557</u>
Fund Balance, End of Year			<u>\$ 591,553</u>		<u>\$ 1,080,518</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, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal - Through the State	\$ 25,343	\$ 25,343	\$ 17,113	\$ (8,230)	\$ 22,250
Expenditures:					
Regular Instruction					
Certified Salaries	3,466	3,466	2,602	864	6,475
Non-Certified Salaries	1,520	1,520	650	870	644
Employee Benefits	583	583	369	214	1,787
Professional - Technical Service	5,715	5,715	1,215	4,500	4,194
Staff Travel	1,449	1,449	960	489	-
Student Travel	2,500	2,500	2,088	412	-
Supplies and Materials	8,985	8,985	8,470	515	8,377
Total Regular Instruction	<u>24,218</u>	<u>24,218</u>	<u>16,354</u>	<u>7,864</u>	<u>21,477</u>
District Administration Support Services					
Indirect Costs	<u>1,125</u>	<u>1,125</u>	<u>759</u>	<u>366</u>	<u>773</u>
Total Expenditures	<u>25,343</u>	<u>25,343</u>	<u>17,113</u>	<u>8,230</u>	<u>22,250</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
 STAFF DEVELOPMENT MINI-GRANTS
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2008
 With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 18,435	\$ 18,435	\$ 12,202	\$ (6,233)	\$ 13,986
Federal-Through the State	-	-	1,608	1,608	3,909
Total Revenues	18,435	18,435	13,810	(4,625)	17,895
Expenditures:					
Regular Instruction					
Certified Salaries	2,405	2,405	880	1,525	2,300
Non-Certified Salaries	315	315	537	(222)	1,039
Employee Benefits	115	115	108	7	254
Staff Travel	15,600	15,600	12,285	3,315	14,302
Total Expenditures	18,435	18,435	13,810	4,625	17,895
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEWIDE ALASKA MENTORSHIP
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 370,145	\$ 370,145	\$ 365,526	\$ (4,619)	\$ 282,055
Expenditures:					
Regular Instruction					
Certified Salaries	283,173	283,173	284,640	(1,467)	198,881
Employee Benefits	86,172	86,172	80,086	6,086	82,574
Supplies and Materials	800	800	800	-	600
Total Expenditures	<u>370,145</u>	<u>370,145</u>	<u>365,526</u>	<u>4,619</u>	<u>282,055</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, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 23,261	\$ 23,261	\$ 22,862	\$ (399)	\$ 30,838
Expenditures:					
Regular Intruction					
Professional-Technical Services	20,997	20,997	20,550	447	27,999
Supplies and Materials	723	723	788	(65)	1,767
Equipment	510	510	510	-	-
Total Regular Instruction	22,230	22,230	21,848	382	29,766
District Administration Support Services					
Indirect Costs	1,031	1,031	1,014	17	1,072
Total Expenditures	23,261	23,261	22,862	399	30,838
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, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
Federal-Through the State	\$ 51,628	\$ 51,628	\$ 38,829	\$ (12,799)	\$ 53,190
Expenditures:					
Regular Instruction					
Certified Salaries	4,224	4,224	4,224	-	-
Non Certified Salaries	3,962	3,962	2,361	1,601	4,224
Employee Benefits	2,635	2,635	2,101	534	323
Professional-Technical Services	35,103	35,103	27,634	7,469	37,112
Staff Travel	1,000	1,000	-	1,000	-
Purchased Services	-	-	-	-	270
Supplies and Materials	2,414	2,414	787	1,627	8,412
Equipment	-	-	-	-	1,000
Total Regular Instruction	<u>49,338</u>	<u>49,338</u>	<u>37,107</u>	<u>12,231</u>	<u>51,341</u>
District Administration Support Services					
Indirect Costs	<u>2,290</u>	<u>2,290</u>	<u>1,722</u>	<u>568</u>	<u>1,849</u>
Total Expenditures	<u>51,628</u>	<u>51,628</u>	<u>38,829</u>	<u>12,799</u>	<u>53,190</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance, Beginning of Year			<u>-</u>		<u>-</u>
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
TITLE VI-B
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008			Variance- Positive (Negative)	2007 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 2,284,292	\$ 2,642,608	\$ 1,856,626	\$ (785,982)	\$ 2,276,794
Expenditures:					
Special Education - Instruction					
Certified Salaries	500,000	541,902	349,187	192,715	427,627
Non-Certified Salaries	875,000	983,113	756,092	227,021	948,251
Employee Benefits	775,000	730,637	598,522	132,115	785,964
Professional - Technical Service	-	90,000	8,450	81,550	-
Staff Travel	15,000	75,000	7,158	67,842	9,876
Student Travel	-	12,000	-	12,000	-
Purchased Services	2,000	5,000	4,475	525	2,260
Supplies and Materials	5,136	77,276	44,633	32,643	18,032
Other Expenses	10,865	-	-	-	-
Equipment	-	10,500	5,782	4,718	5,667
Total Special Education - Instruction	<u>2,183,001</u>	<u>2,525,428</u>	<u>1,774,299</u>	<u>751,129</u>	<u>2,197,677</u>
District Administration Support Services					
Indirect Costs	<u>101,291</u>	<u>117,180</u>	<u>82,327</u>	<u>34,853</u>	<u>79,117</u>
Total Expenditures	<u>2,284,292</u>	<u>2,642,608</u>	<u>1,856,626</u>	<u>785,982</u>	<u>2,276,794</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance, Beginning of Year			<u>-</u>		<u>-</u>
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
TITLE VII - INDIAN EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008			Variance- Positive (Negative)	2007 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Direct	\$ 310,000	\$ 307,195	\$ 287,390	\$ (19,805)	\$ 290,474
Expenditures:					
Regular Instruction					
Certified Salaries	57,500	8,906	2,660	6,246	47,008
Non-Certified Salaries	115,000	900	(1,976)	2,876	115,928
Employee Benefits	115,000	7,073	380	6,693	93,553
Professional - Technical Service	3,400	264,724	264,724	-	3,200
Staff Travel	-	2,500	382	2,118	-
Student Travel	-	7,500	6,541	959	-
Utility Services	-	1,480	1,130	350	894
Purchased Services	650	-	-	-	913
Supplies and Materials	1,826	140	55	85	1,529
Other Expenses	1,400	350	750	(400)	387
Equipment	1,478	-	-	-	16,968
Total Regular Instruction	<u>296,254</u>	<u>293,573</u>	<u>274,646</u>	<u>18,927</u>	<u>280,380</u>
District Administration Support Services					
Indirect Costs	<u>13,746</u>	<u>13,622</u>	<u>12,744</u>	<u>878</u>	<u>10,094</u>
Total Expenditures	<u>310,000</u>	<u>307,195</u>	<u>287,390</u>	<u>19,805</u>	<u>290,474</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance, Beginning of Year			<u>-</u>		<u>-</u>
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
UPWARD BOUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2008
With Comparative Actual Totals for Year Ended June 30, 2007

	2008			Variance- Positive (Negative)	2007 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Federal-Through the State	\$ 33,280	\$ 33,280	\$ 25,471	\$ (7,809)	\$ 23,269
Expenditures:					
Regular Instruction					
Certified Salaries	13,500	13,500	13,980	(480)	11,850
Non-Certified Salaries	-	-	-	-	-
Employee Benefits	1,929	1,929	1,921	8	3,248
Professional-Technical Services	196	196	196	-	760
Student Travel	6,580	6,580	4,000	2,580	1,593
Supplies and Materials	2,375	2,375	300	2,075	188
Other Expenses	8,700	8,700	5,074	3,626	5,630
Total Expenditures	33,280	33,280	25,471	7,809	23,269
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, 2008
 With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 100,000	\$ 100,000	\$ 99,638	\$ (362)	\$ 111,678
Expenditures:					
Regular Instruction					
Certified Salaries	22,957	22,957	20,273	2,684	13,262
Employee Benefits	5,956	5,956	8,675	(2,719)	3,039
Professional - Technical Service	3,614	3,614	3,381	233	10,000
Staff Travel	3,300	3,300	1,637	1,663	1,090
Student Travel	1,161	1,161	2,030	(869)	-
Other Purchases Services	8,500	8,500	10,886	(2,386)	19,247
Supplies and Materials	35,700	35,700	34,742	958	55,010
Equipment	15,083	15,083	13,596	1,487	10,030
Total Regular Instruction	96,271	96,271	95,220	1,051	111,678
District Administration Support Services					
Indirect Costs	3,729	3,729	4,418	(689)	-
Total Expenditures	100,000	100,000	99,638	362	111,678
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, 2008
 With Comparative Actual Totals for Year Ended June 30, 2007

	2008				2007 Actual
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	
Revenues:					
State	\$ 210,000	\$ 208,785	\$ 208,785	\$ -	\$ 213,720
Expenditures:					
Regular Instruction					
Certified Salaries	114,000	108,194	111,508	(3,314)	116,068
Non-Certified Salaries	27,000	33,397	30,935	2,462	26,790
Employee Benefits	56,000	43,960	44,630	(670)	56,504
Travel	-	-	-	-	401
Purchased Services	-	650	-	650	-
Supplies and Materials	5,500	925	200	725	5,753
Other Expenses	-	147	-	147	5,209
Equipment	-	12,254	12,254	-	778
Total Regular Instruction	<u>202,500</u>	<u>199,527</u>	<u>199,527</u>	<u>-</u>	<u>211,503</u>
District Administration Support Services					
Indirect Costs	<u>7,500</u>	<u>9,258</u>	<u>9,258</u>	<u>-</u>	<u>2,217</u>
Total Expenditures	<u>210,000</u>	<u>208,785</u>	<u>208,785</u>	<u>-</u>	<u>213,720</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance, Beginning of Year			<u>-</u>		<u>-</u>
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

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FIDUCIARY FUND

Fiduciary Fund – Statement of Changes in Assets and Liabilities

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 FIDUCIARY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Year Ended June 30, 2008

<u>Student Activity</u>	<u>Total June 30, 2007</u>	<u>Revenues</u>	<u>Deductions</u>	<u>Total June 30, 2008</u>
Assets:				
Equity in Central Treasury	\$ 2,075,778	\$ 3,623,558	\$ 3,443,312	\$ 2,256,024
Accounts Receivable	-	5,085	-	5,085
Cash	45,783	392,259	\$ 427,444	10,598
Total Assets:	<u>\$ 2,121,561</u>	<u>\$ 4,020,902</u>	<u>\$ 3,870,756</u>	<u>\$ 2,271,707</u>
Liabilities:				
Amount Due Student Groups	<u>\$ 2,121,561</u>	<u>\$ 6,836,342</u>	<u>\$ 6,686,196</u>	<u>\$ 2,271,707</u>

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CAPITAL ASSETS

Schedule of Changes in General Capital Assets

Schedule of General Capital Assets – By Location

Comparative Schedule of General Capital Assets – By Source

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS
 Year Ended June 30, 2008

	General Capital Assets June 30, 2007	Additions	Deletions	Transfers	General Capital Assets June 30, 2008
Administration	\$ 1,803,524	\$ 6,010	\$ (16,992)	\$ 64,259	\$ 1,856,801
Schools	4,557,130	122,603	(201,262)	(64,259)	4,414,212
	<u>\$ 6,360,654</u>	<u>\$ 128,613</u>	<u>\$ (218,254)</u>	<u>\$ -</u>	<u>\$ 6,271,013</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SCHEDULE OF GENERAL CAPITAL ASSETS - BY LOCATION
June 30, 2008

	<u>Equipment</u>		<u>Equipment</u>
Administration:		Kenai:	
District Office and		Kaleidoscope Charter	11,947
Warehouse	\$ 1,856,801	Mt. View Elementary	70,047
Total Administration	<u>1,856,801</u>	Middle School	108,253
		High School	625,372
		Kenai Alternative	12,937
		Total Kenai	<u>828,556</u>
Schools:			
Outside Cities:		Seldovia:	
Aurora Borealis	43,080	Susan B. English	147,495
Chapman Elementary	34,744	Total Seldovia	<u>147,495</u>
Hope	18,930		
Kachemak Selo	7,487	Seward:	
K-Beach	49,720	Elementary	46,679
McNeil Canyon	27,587	Middle	22,537
Moose Pass	6,694	High School	405,977
Nanwalek	12,567	Spring Creek	12,876
Nikiski High	445,390	Total Seward	<u>488,069</u>
Nikiski North Star	48,663		
Nikolaevsk	99,519	Soldotna:	
Ninilchik	208,642	Elementary	45,661
Port Graham	17,878	Redoubt Elementary	111,046
Skyview High	354,018	Middle School	91,306
Sterling	46,623	High School	517,455
Tebughna	19,000	Total Soldotna	<u>765,468</u>
Tustumena	24,360		
Voznesenka	12,017		
Total Outside Cities	<u>1,476,919</u>		
		Total Schools	<u>4,414,212</u>
Homer:		Total General Capital Assets	<u>\$ 6,271,013</u>
Paul Banks Elementary	20,839		
High School	611,958		
Middle School	38,115		
West Homer Elementary	22,918		
Homer Flex	13,875		
Total Homer	<u>707,705</u>		

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

COMPARATIVE SCHEDULE OF CAPITAL ASSETS - BY SOURCE
 June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
General Capital Assets:		
Equipment	<u>\$ 6,271,013</u>	<u>\$ 6,360,654</u>
Investments in General Capital Assets from:		
General Obligation Bonds	\$ 872,453	\$ 945,536
State and Federal Grants	3,147,215	1,357,345
General Fund Revenue	<u>2,251,345</u>	<u>4,057,773</u>
Total Investment in General Capital Assets:	<u>\$ 6,271,013</u>	<u>\$ 6,360,654</u>

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SCHEDULES SECTION

SCHEDULES SECTION

Schedule of State Financial Assistance

Schedule of Expenditures of Federal Awards

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2008

<u>State Grantor</u>	<u>Program Number</u>	<u>Amount Expended During the Year Ended 06/30/08</u>
Department of Education and Early Development:		
Charter Schools:		
Fireweed Charter	GF	\$ 40,921
Foundation *		54,790,303
TRS On Behalf		17,195,551
PERS On Behalf		2,126,596
School Improvement		1,517,638
SB221 Energy Relief		1,394,329
ISER		5,955,888
Pupil Transportation *		4,445,097
Youth In Detention - Kenai Youth Facility	EY 08.024.01	62,107
Youth In Detention - Spring Creek	EY 08.024.02	<u>146,678</u>
Total Department of Education and Early Development		<u>87,675,108</u>
Department of Commerce, Community and Economic Development:		
Passed through the Kenai Peninsula Borough:		
KPB School District - Equipment and Supplies for District Schools	07-DC-311	44,574
KPB School District - Mini Projects for Youth Education Development	07-DC-313	161,453
KPB School District - Equipment and Supplies for District Schools	08-DC-310	158,057
KPB School District - Tyonek School Books and Supplies	08-DC-312	<u>3,159</u>
Total Department of Commerce, Community and Economic Development		<u>367,243</u>
Department of Labor and Workforce Development -		
Youth First Initiative	8-1216	<u>99,638</u>
Total Department of Labor and Workforce Development		<u>99,638</u>
Total State Financial Assistance		<u>\$ 88,141,989</u>

* State major program

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

<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, 2008</u>
U.S. Department of Education - Direct:			
Gear Up Kenai Peninsula	84.334A	P334A050216	\$ 145,123
Title VII, Indian Education	84.060A	S060A070799	<u>287,390</u>
Total U.S. Department of Education - Direct			<u>432,513</u>
Passed Through Alaska			
Department of Education:			
Carl Perkins Basic	84.048A	EK 08.024.01	140,144
McKinney - Vento Homeless	84.196	FR 08.024.01	32,762
Migrant Education Book	84.011	MB 08.024.01	1,890
NCLB - Title I (FY07 Qtr 5)	84.010	IP 07.024.01	272,759
NCLB - Title I-A 10% Prof. Devel. (FY07 Qtr 5)	84.010	IP 07.024.01	91,603
NCLB - Title I	84.010	IP 08.024.01	1,665,608
NCLB - Title I-A Highly Qualified	84.010	IP 08.024.01	1,035
NCLB - Title I-A SES Choice	84.010	IP 08.024.01	27,736
NCLB - Title I-A 10% Professional Development	84.010	IP 08.024.01	167,176
NCLB - Title I-C Migrant	84.011	IP 08.024.01	219,635
NCLB - Title II-A, Training & Recruiting	84.367	IP 08.024.01	1,001,469
NCLB - Title II-D Competitive	84.318	IP 08.024.01	17,664
NCLB - Title II-D Enhancing Educ. Thru Tech	84.318	IP 08.024.01	21,603
NCLB - Title III-A English Language Acquisition	84.365	IP 08.024.01	-
NCLB - Title IV Drug Free Schools	84.186	IP 08.024.01	89,534
NCLB - Title V-A, Innovative Education	84.298	IP 08.024.01	<u>140,136</u>
			3,715,958
Preschool Disabled	84.173A	SE 08.024.01	63,347
Title I - School Improvement	84.010	CA 08.024.01	17,113
Title I-D, Delinquent & At Risk	84.010	CD 08.024.01	22,862
Title I-D, Delinquent (Transitional)	84.013A	CO 08.024.01	9,089
Title I-D, Delinquent (Transitional)	84.013A	CO 08.024.02	29,740
Title VI-B	84.027A	SE 08.024.01	<u>1,793,279</u>
Total Passed Through Alaska			
Department of Education			<u>5,826,184</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2008

<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, 2008</u>
Passed Through University of AK:			
UAF-Upward Bound - Seward	84.047A	FP 800679	9,881
UAF-Upward Bound - Nikiski	84.047A	FP 800677	9,441
UAF-Upward Bound - Nanwalek	84.047A	FP 800678	<u>6,149</u>
Total Passed Through Univ. of AK			<u>25,471</u>
Total U.S. Department of Education			<u>6,284,168</u>
U.S. Department of Agriculture:			
Passed Through Alaska Department of Education:			
National School Lunch Program	10.555	MA 08.024.01	1,489,378
Breakfast Program	10.553	MA 08.024.01	156,505
Commodities	10.550		<u>74,242</u>
Total U.S. Department of Agriculture			<u>1,720,125</u>
National Aeronautics and Space Administration:			
Passed Through National Science Teachers Association:			
NASA Explorer School Program	43.001	40813	<u>6,425</u>
Total Expenditures of Federal Awards			<u>\$ 8,010,718</u>

Note 1. Basis of Presentation

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

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STATISTICAL SECTION

STATISTICAL INFORMATION

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

Net Assets by Component

Expenses, General Revenues, and Net (Expenses)/Revenue

General Revenue and total Change in Net Assets

General Fund Balances, All Other Governmental Fund Balances, Total Fund Balance

Governmental Funds Revenue

Governmental Funds Expenditures

Other Financing Sources and Uses and Net Change in Fund Balance

Assessed Value and Estimated Actual of Taxable Property

Property Tax Rates and Tax Levies, Direct and Overlapping Governments

Principal Property Taxpayers

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

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Statistical Section Overview

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

Contents

Financial Trends

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

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

Revenue Capacity

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

Table VIII	Assessed Value and Estimated Actual Value of Taxable Property
Table IX	Property Tax Rates and Tax Levies, Direct and Overlapping Governments
Table X	Principal Property Taxpayers
Table XI	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 XII	Legal Debt Margin Information
Table XIII	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 XIV	Demographic and Economic Statistics
Table XV	General Fund Full-Time Equivalent District Employees by Function
Table XVI	Average Per Pupil General Fund Operating Expenditures
Table XVII	Average Daily Membership as Compared to Assessed Valuation

Operating Information

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

This data not available at date of printing

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

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT

NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR									
	1998-1999*	1999-2000 *	2000-2001*	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Invested in Capital Assets, net of related debt	\$ -	\$ -	\$ -	\$ 245,238	\$ 954,935	\$ 999,893	\$ 917,475	\$ 1,128,957	\$ 2,788,379	\$ 2,481,217
Restricted										
Charter Schools				157,135	465,765	657,545	979,415	1,010,775	1,641,086	2,394,188
Special Revenue Funds	-	-	-	6,993	4,521	5,253	25,931	29,926	-	-
Total Restricted	-	-	-	164,128	470,286	662,798	1,005,346	1,040,701	1,641,086	2,394,188
Unrestricted	-	-	-	3,869,979	4,716,739	5,287,349	5,754,879	4,863,722	9,576,795	17,409,088
Total Net Assets	\$ -	\$ -	\$ -	\$ 4,279,345	\$ 6,141,960	\$ 6,950,040	\$ 7,677,700	\$ 7,033,380	\$ 14,006,260	\$ 22,284,493

* The district began to report accrual information when it implemented GASB statement 34 in FY02

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
EXPENSES, GENERAL REVENUES, AND NET (EXPENSES)/REVENUE
LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR									
	1998-1999*	1999-2000 *	2000-2001*	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Expenses										
Government Activities:										
Instruction	\$ -	\$ -	\$ -	\$ 43,280,023	\$ 43,079,317	\$ 42,347,765	\$ 37,470,450	\$ 40,677,575	\$ 45,569,630	\$ 56,433,650
Special Education - Instruction	-	-	-	-	-	-	8,406,422	8,862,570	9,735,531	12,695,426
Special Education - Pupil	-	-	-	-	-	-	3,104,193	3,225,301	3,550,817	4,361,228
Support Services - Pupil	-	-	-	6,902,861	6,904,871	6,886,049	2,034,625	2,578,315	2,854,976	3,565,911
Support Services - Instruction	-	-	-	-	-	-	1,596,111	2,044,711	2,194,911	2,433,644
School Administration	-	-	-	3,186,905	3,457,924	3,657,399	4,103,546	4,468,581	4,728,010	5,650,670
School Administration - Support	-	-	-	5,986,841	5,865,899	6,244,532	3,088,974	3,315,588	3,579,108	3,793,947
District Administration	-	-	-	-	-	-	792,270	824,772	824,354	951,922
District Administration - Support	-	-	-	-	-	-	2,954,860	3,560,804	3,907,855	4,572,251
Operation & Maintenance of Plant	-	-	-	13,580,657	13,626,274	13,841,199	15,618,107	15,996,516	16,424,930	17,935,992
Pupil Activities	-	-	-	1,418,175	1,443,880	1,101,760	1,134,118	1,196,254	(138,465)	1,934,081
Community Service	-	-	-	63,033	93,352	40,774	22,956	58,115	19,257	11,217
Pupil Transportation	-	-	-	59,250	108,283	(492,171)	(115,941)	144,992	667,508	1,010,104
Food Service	-	-	-	(12,263)	57,671	216,364	437,522	451,466	445,455	299,189
Total government activities	\$ -	\$ -	\$ -	\$ 74,465,482	\$ 74,637,471	\$ 73,843,671	\$ 80,648,213	\$ 87,405,560	\$ 94,363,877	\$ 115,649,232
General Revenues:										
Government Activities:										
Borough Direct Appropriation	\$ -	\$ -	\$ -	\$ 30,189,118	\$ 30,618,860	\$ 31,635,539	\$ 33,744,607	\$ 34,973,682	\$ 37,941,676	\$ 37,701,117
Public School Funding Program	-	-	-	42,482,522	43,992,698	42,355,439	46,467,673	50,003,179	59,959,314	60,523,098
Retirement: On-behalf Payments	-	-	-	-	-	-	-	-	-	19,322,147
Other State Revenue	-	-	-	1,686,156	-	-	-	110,355	1,116,108	3,135,060
Earnings on Investment	-	-	-	1,846,392	386,694	(252,271)	197,556	494,410	1,067,126	1,746,569
E-Rate Program	-	-	-	-	-	491,215	435,323	508,938	657,616	722,223
Medicaid Reimbursement	-	-	-	-	279,021	281,073	212,193	526,918	492,697	549,024
Other	-	-	-	551,561	653,143	140,756	318,521	143,758	102,220	228,227
Total General Revenues	\$ -	\$ -	\$ -	\$ 76,755,749	\$ 75,930,416	\$ 74,651,751	\$ 81,375,873	\$ 86,761,240	\$ 101,336,757	\$ 123,927,465
Net (Expense)/Revenue	\$ -	\$ -	\$ -	\$ 2,290,267	\$ 1,292,945	\$ 808,080	\$ 727,660	\$ (644,320)	\$ 6,972,880	\$ 8,278,233

* The district began to report accrual information when it implemented GASB statement 34 in FY02

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL REVENUE AND TOTAL CHANGE IN NET ASSETS
LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR									
	1998-1999*	1999-2000 *	2000-2001*	2001-2002	2002-2003**	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Net (Expense)/Revenue	\$ -	\$ -	\$ -	\$ 2,290,267	\$ 1,292,945	\$ 808,080	\$ 727,660	\$ (644,320)	\$ 6,972,880	\$ 8,278,233
Net Assets - Beginning	-	-	-	1,989,078	4,849,015	6,141,960	6,950,040	7,677,700	7,033,380	14,006,260
Net Assets - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,279,345</u>	<u>\$ 6,141,960</u>	<u>\$ 6,950,040</u>	<u>\$ 7,677,700</u>	<u>\$ 7,033,380</u>	<u>\$ 14,006,260</u>	<u>\$ 22,284,493</u>

* The district began to report accrual information when it implemented GASB statement 34 in FY02

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**GENERAL FUND BALANCES, ALL OTHER GOVERNMENTAL FUND BALANCES, TOTAL FUND BALANCE
LAST TEN FISCAL YEARS
(Unaudited)**

	FISCAL YEAR									
	1998-1999*	1999-2000 *	2000-2001*	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ 1,144,809	\$ 2,361,057	\$ 1,549,919	\$ 2,031,509	\$ 2,773,182	\$ 4,308,511	\$ 9,058,171
Unreserved	-	-	-	4,261,749	4,648,841	3,887,195	5,738,461	5,894,990	9,183,137	7,615,732
Undesignated	-	-	-	-	-	-	-	-	-	2,720,208
Total General Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,406,558</u>	<u>\$ 7,009,898</u>	<u>\$ 5,437,114</u>	<u>\$ 7,769,970</u>	<u>\$ 8,668,172</u>	<u>\$ 13,491,648</u>	<u>\$ 19,394,111</u>
All Other Government Funds										
Reserved	\$ -	\$ -	\$ -	\$ 128,624	\$ 15,678	\$ 29,709	\$ 20,492	\$ 15,642	\$ 288,282	\$ 254,471
Unreserved	-	-	-	297,313	111,267	483,324	730,823	656,776	2,112,873	-
Undesignated	-	-	-	-	-	-	-	-	-	5,179,038
Total All Other Government Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 425,937</u>	<u>\$ 126,945</u>	<u>\$ 513,033</u>	<u>\$ 751,315</u>	<u>\$ 672,418</u>	<u>\$ 2,401,155</u>	<u>\$ 5,433,509</u>
Total Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,832,495</u>	<u>\$ 7,136,843</u>	<u>\$ 5,950,147</u>	<u>\$ 8,521,285</u>	<u>\$ 9,340,590</u>	<u>\$ 15,892,803</u>	<u>\$ 24,827,620</u>

* The district began to report accrual information when it implemented GASB statement 34 in FY02

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR									
	1998-1999*	1999-2000 *	2000-2001*	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Federal Sources:										
Federal - Direct	\$ -	\$ -	\$ -	\$ 235,236	\$ 279,021	\$ 280,073	\$ 212,193	\$ 270,719	\$ 290,474	\$ 287,390
Federal - Through the State	-	-	-	6,823,642	7,638,505	7,705,505	7,924,649	9,743,914	8,059,469	8,267,768
Total Federal Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,058,878</u>	<u>\$ 7,917,526</u>	<u>\$ 7,985,578</u>	<u>\$ 8,136,842</u>	<u>\$ 10,014,633</u>	<u>\$ 8,349,943</u>	<u>\$ 8,555,158</u>
State Sources:										
Public School Funding Program	\$ -	\$ -	\$ -	\$ 43,948,821	\$ 43,992,698	\$ 42,355,439	\$ 46,467,673	\$ 50,113,534	\$ 61,075,422	\$ 82,980,305
Other State Revenue	-	-	-	4,749,212	4,967,842	5,045,569	5,160,238	5,243,702	5,604,033	6,001,393
Total All Other Government Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,698,033</u>	<u>\$ 48,960,540</u>	<u>\$ 47,401,008</u>	<u>\$ 51,627,911</u>	<u>\$ 55,357,236</u>	<u>\$ 66,679,455</u>	<u>\$ 88,981,698</u>
Local Sources:										
Borough Direct Appropriation	\$ -	\$ -	\$ -	\$ 30,189,118	\$ 30,618,860	\$ 31,635,539	\$ 33,744,607	\$ 34,973,682	\$ 37,941,676	\$ 37,701,117
Corporate Grants and User Fees	-	-	-	254,582	245,396	274,741	284,106	241,800	103,246	123,135
Food Sales	-	-	-	1,143,555	1,126,811	1,041,579	995,196	989,802	965,162	955,879
Earnings on Investments	-	-	-	1,846,392	386,694	(252,271)	197,556	494,410	1,067,126	1,746,569
Other Revenue	-	-	-	1,033,389	670,283	658,852	771,047	1,393,248	759,836	1,045,833
Total All Other Government Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,467,036</u>	<u>\$ 33,048,044</u>	<u>\$ 33,358,440</u>	<u>\$ 35,992,512</u>	<u>\$ 38,092,942</u>	<u>\$ 40,837,046</u>	<u>\$ 41,572,533</u>
Total Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,223,947</u>	<u>\$ 89,926,110</u>	<u>\$ 88,745,026</u>	<u>\$ 95,757,265</u>	<u>\$ 103,464,811</u>	<u>\$ 115,866,444</u>	<u>\$ 139,109,389</u>

* The district began to report accrual information when it implemented GASB statement 34 in FY02

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

GOVERNMENTAL FUND EXPENDITURES
LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR									
	1998-1999*	1999-2000 *	2000-2001*	2001-2002**	2002-2003**	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Expenditures:										
Instruction	\$ -	\$ -	\$ -	\$ 51,255,843	\$ 49,766,894	\$ 49,008,398	\$ 44,352,605	\$ 49,422,945	\$ 52,407,303	\$ 63,488,942
Special Education - Instruction	-	-	-	-	-	-	8,129,066	8,584,176	9,513,798	12,667,079
Special Education Services - Pupil	-	-	-	-	-	-	3,082,683	3,208,595	3,528,292	4,357,397
Support Services - Pupil	-	-	-	6,914,789	6,936,657	6,888,840	1,958,191	2,592,299	2,871,350	3,649,437
Support Services - Instruction	-	-	-	-	-	-	1,575,098	1,939,417	2,061,766	2,391,393
School Administration	-	-	-	3,306,541	3,420,590	3,635,245	4,085,433	4,450,469	4,949,959	6,051,927
School Administration - Support	-	-	-	5,897,106	5,750,012	6,256,017	2,895,324	3,192,316	3,415,962	3,813,704
District Administration	-	-	-	-	-	-	774,266	806,948	826,561	950,172
District Administration - Support	-	-	-	-	-	-	2,701,133	3,393,748	3,765,948	4,815,586
Operation & Maintenance of Plant	-	-	-	13,548,988	13,601,441	13,853,049	15,027,828	15,719,257	16,187,789	17,783,290
Pupil Activities	-	-	-	1,388,677	1,450,601	1,083,783	1,140,463	1,199,233	1,606,325	1,770,301
Community Services	-	-	-	291,872	303,099	285,206	249,130	278,567	56,971	56,027
Pupil Transportation	-	-	-	4,568,914	4,880,513	4,330,121	4,410,850	4,674,831	5,147,858	5,405,975
Food Service	-	-	-	2,356,096	2,511,955	2,641,246	2,804,057	3,182,705	2,974,349	2,973,342
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,528,826</u>	<u>\$ 88,621,762</u>	<u>\$ 87,981,905</u>	<u>\$ 93,186,127</u>	<u>\$ 102,645,506</u>	<u>\$ 109,314,231</u>	<u>\$ 130,174,572</u>

* The district began to report accrual information when it implemented GASB statement 34 in FY02

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

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

	FISCAL YEAR									
	1998-1999*	1999-2000 *	2000-2001*	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Excess of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ 695,121	\$ 1,304,348	\$ 763,121	\$ 2,571,138	\$ 819,305	\$ 6,552,213	\$ 8,934,817
Other Financing Sources (Uses)										
Capalized Leases	-	-	-	623,522	-	-	-	-	-	-
Transfers In	-	-	-	796,700	292,038	279,212	279,225	385,948	2,722,720	4,293,736
Transfers Out	-	-	-	(796,700)	(292,038)	(2,229,029)	(279,225)	(385,948)	(2,722,720)	(4,293,736)
Total other financing sources (Uses)	-	-	-	623,522	-	(1,949,817)	-	-	-	-
Net Change in fund balances	\$ -	\$ -	\$ -	\$ 1,318,643	\$ 1,304,348	\$ (1,186,696)	\$ 2,571,138	\$ 819,305	\$ 6,552,213	\$ 8,934,817

* The district began to report accrual information when it implemented GASB statement 34 in FY02

TABLE VIII

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)**

Fiscal Year	Assessed Values			Tax Exempt Values		Total Taxable Assessed Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
	Real Property	Oil Related	Personal Property	Real Property	Personal Property			
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	4,402,946	558,190	295,431	340,356	28,161	4,888,050	6.50	92.99%
2007-08	4,940,180	607,052	224,479	374,395	27,938	5,369,378	5.50	93.03%

This information was obtained from the Kenai Peninsula Borough.

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

Fiscal Year	TAX RATE (MILLS)						
	Borough	City of Homer	City of Kenai	City of Seldovia	City of Seward	City of Kachemak*	City of Soldotna
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	4.60	3.12	2.00	1.65
2007-08	5.50	4.50	4.50	4.60	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 X

PRINCIPAL PROPERTY TAXPAYERS
June 30, 2008
(Unaudited)

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value
UNOCAL	\$ 196,984,820	1	3.67%	\$ 592,945,249	1	17.72%
Tesoro Alaska Company	179,655,937	2	3.35%	80,496,018	3	2.41%
ConocoPhillips Co.	167,593,162	3	3.12%	95,718,573	2	2.86%
Marathon Oil	116,871,260	4	2.18%	47,687,380	5	1.43%
BP Exploration Alaska, Inc.	72,223,458	5	1.35%	-	-	-
ACS of the Northland, Inc.	62,074,266	6	1.16%	-	-	-
Agrium US, Inc.	48,783,310	7	0.91%	-	-	-
XTO Energy Inc	44,130,000	8	0.82%	-	-	-
Kenai Kachemak Pipeline	41,813,070	9	0.78%	-	-	-
Fred Meyer	19,266,051	10	0.36%	15,348,100	10	0.46%
Totals	<u>\$ 949,395,334</u>		<u>17.70%</u>	<u>\$ 832,195,320</u>		<u>24.88%</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
* 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
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	51,350	** 9,389	4,507,776,000	79,019,000	1.75%	1,539	8,416
2006-07	52,370	** 9,368	4,887,427,000	79,069,192	1.62%	1,510	8,440
2007-08	52,370	** 9,245	5,369,378,000	88,828,570	1.65%	1,596	9,608

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 2007-08 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, 2008
(Unaudited)

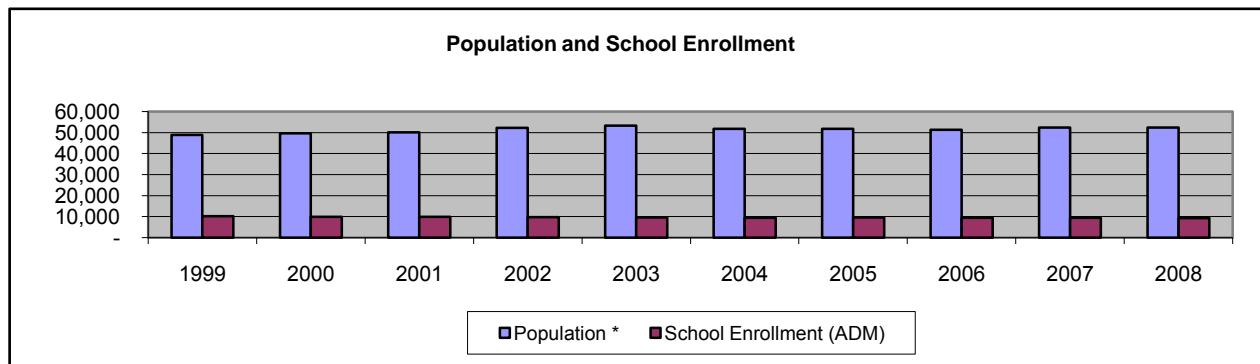
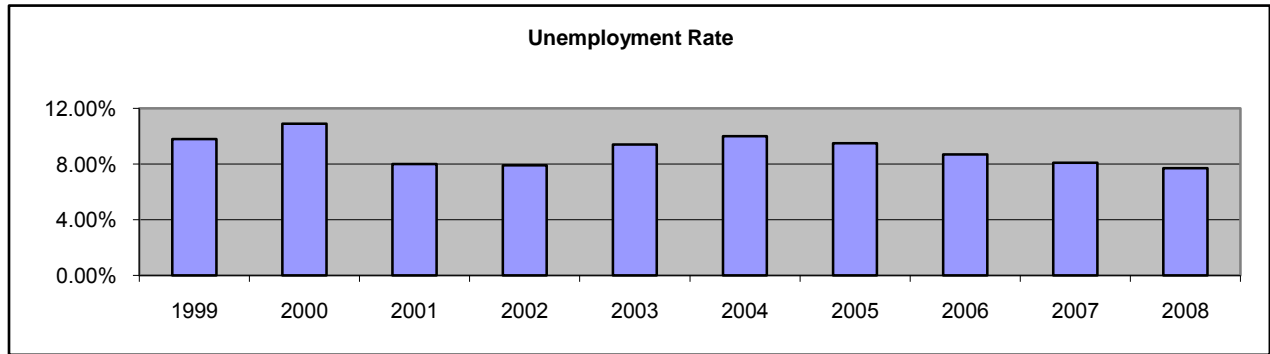
DEMOGRAPHIC DATA

Fiscal Year	Population *	Median Age **	School Enrollment (ADM)	Unemployment rate **
1999	48,952 *	35.4	10,179	9.80%
2000	49,673 *	36.1	9,896	10.90%
2001	50,172 **	35.9	9,963	8.00%
2002	52,245 **	36.4	9,799	7.90%
2003	53,316 **	36.6	9,661	9.40%
2004	51,733 **	37.4	9,467	10.00%
2005	51,765 **	38.0	9,527	9.50%
2006	51,350 **	39.7	9,389	8.70%
2007	52,370 **	39.1	9,368	8.10%
2008	52,370 **	39.1	9,245	7.70%

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
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
2007-08	482.66	164.88	41.78	39.21	25.73	36.40	47.00	5.00	32.75	82.94	3.10	961.45

* 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
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
2007-08	118,025,002	0.25	9366	12,601	0.25

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>
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
2007-08	9,266	(1.1)	5,369,378,000	9.1	579,471

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	2,499
Middle Schools	4	1,113
Elementary Schools	14	3,188
Combined Elem/High School	10	670
Charter Schools	4	613
Alternative Schools	5	215
Correspondence Schools	1	947
Total	44	9,245

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