

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Comprehensive Annual Financial Report for the

Fiscal Year Ended

June 30, 2015



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, 2015**

Mr. Sean Dusek, Superintendent of Schools

Prepared by Finance Department

**Dave Jones
Assistant Superintendent of Instructional Support**

**Laurie Olson
Director of Finance**

**Elizabeth Hayes
Accountant**

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Kenai Peninsula Borough School District

TABLE OF CONTENTS

Page

Title Page..... i
Table of Contents..... iii

I. INTRODUCTORY SECTION

A. School District Map 3
B. Letter of Transmittal 5
C. Certificate of Excellence, ASBO 11
D. Organizational Chart 13
E. Kenai Peninsula Borough School Board & Administration 15

II. FINANCIAL SECTION

Independent Auditor's Report 19
Management's Discussion and Analysis 25

Basic Financial Statements

Government-Wide Financial Statements

A. Statement of Net Position..... 35
B. Statement of Activities..... 36

Fund Financial Statements

A. Balance Sheet, Governmental Funds 37
B. Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 38
C. Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds..... 39
D. Reconciliation of Governmental Funds, Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities 40
E. Internal Service Funds, Statement of Net Position 41
F. Internal Service Funds, Statement of Revenues, Expenses, and Changes in Fund Net Position 42
G. Internal Service Funds, Statement of Cash Flows 43

H. Student Activity Agency Fund, Statement of Fiduciary Assets and Liabilities44

Notes to the Financial Statements.....45

Required Supplementary Information

Major Funds

A. Major Governmental Funds – General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget
and Actual69

B. Major Governmental Special Revenue Funds – Equipment, Schedule of
Revenues, Expenditures and Changes in Fund Balance, Budget and Actual70

C. Major Governmental Special Revenue Funds – Title I, Schedule of Revenues,
Expenditures and Changes in Fund Balance, Budget and Actual71

D. Kenai Peninsula Borough School District – Schedule on the Net Pension Liability
Public Employees Retirement System – PERS72

E. Kenai Peninsula Borough School District – Schedule of District Contributions
Public Employees Retirement System – PERS73

F. Kenai Peninsula Borough School District – Schedule of the District’s Information
On the Net Pension Liability Teachers Retirement System – TRS.....74

G. Kenai Peninsula Borough School District – Schedule of District Contributions
Teachers Retirement System – TRS75

Additional Supplementary Information

General Fund

A. General Fund Balance Sheet76

B. General Fund Schedule of Changes in Fund Balance.....77

C. General Fund Schedule of Revenues - Budget (GAAP Basis) and Actual.....78

D. General Fund Schedule of Expenditures - Budget (GAAP Basis) and Actual80

E. Schedule of Compliance – AS 14.17.50590

F. Schedule of Compliance – AS 14.17.52091

Equipment Fund – Special Revenue

A. Balance Sheet – Major Fund – Equipment92

B. Major Fund – Equipment – Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget (GAAP Basis) and Actual93

Title I Fund – Special Revenue

A. Balance Sheet – Major Fund – Title I94

B. Major Fund – Title I – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual95

Non-Major Funds - Special Revenue Funds

A. Special Revenue Funds98

B. Combining Balance Sheet – Non-Major Special Revenue Funds100

C. Combining Statement of Revenues, Expenditures and Changes in Fund Balance Non-Major Special Revenue Funds106

(1) Alaska Works – Construction Education Foundation, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual ...115

(2) Artists in Schools, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual116

(3) Association of Alaska School Boards – Artist Tops, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual.....117

(4) Broadband Assistance, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual118

(5) Building Trades, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual119

(6) Career and Technical Education, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual120

(7) Carl Perkins - Basic, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual121

(8) Community Theater, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual122

(9) Compass Alaska, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual123

(10) Corporate and Miscellaneous Grants, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual124

(11) Digital Teaching, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual125

(12) Early Literacy, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual126

(13) Food Service, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual127

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| (14) Food Service – Fresh Fruit and Vegetable Program, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 128 |
| (15) Food Service – Nutritional Alaskan Foods, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 129 |
| (16) Food Service – NSLP Equipment, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 130 |
| (17) Gear Up Kenai Peninsula, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 131 |
| (18) Governor’s Alternative Schools, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 132 |
| (19) Legislative Equipment, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 133 |
| (20) McKinney-Vento Homeless, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 134 |
| (21) Mentor Project, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 135 |
| (22) Migrant Education, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 136 |
| (23) Principal Coach, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 137 |
| (24) Project Aware, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 138 |
| (25) School Improvement, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 139 |
| (26) Staff Development Mini – Grants, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 140 |
| (27) Student Transportation, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 141 |
| (28) Title I-D, Delinquent, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 142 |
| (29) Title VI-B, IDEA Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 143 |
| (30) Title VII, Indian Education, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 144 |
| (31) Upward Bound, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 145 |
| (32) Youth First, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 146 |
| (33) Youth in Detention, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 147 |

| | |
|----------------------------------------------------------------------------------------------------------------------------------------|-----|
| (34) Youth Risk Behavior Survey, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual | 148 |
|----------------------------------------------------------------------------------------------------------------------------------------|-----|

Internal Service Funds

| | |
|---------------------------------------------------------------------------------------------------|-----|
| A. Internal Service Funds, Statement of Net Position | 151 |
| B. Internal Service Funds, Statement of Revenues, Expenses and Changes in Fund Net Position | 152 |
| C. Internal Service Funds, Statement of Cash Flows..... | 153 |

Fiduciary Fund

| | |
|-------------------------------------------------------------------------|-----|
| A. Fiduciary Fund – Statement of Changes in Assets and Liabilities..... | 157 |
|-------------------------------------------------------------------------|-----|

Capital Assets

| | |
|------------------------------------------------------------|-----|
| A. Schedule of Changes in General Capital Assets | 161 |
| B. Schedule of General Capital Assets – By Location | 162 |
| C. Comparative Schedule of Capital Assets – By Source..... | 163 |

III. SCHEDULES SECTION

| | |
|----------------------------------------------------|-----|
| A. Schedule of State Financial Assistance..... | 166 |
| B. Schedule of Expenditures of Federal Awards..... | 167 |

IV. STATISTICAL SECTION

| | |
|--------------------------------------|-----|
| A. Statistical Section Overview..... | 170 |
|--------------------------------------|-----|

Table

| | |
|-------------------------------------------------------------------------------------------|-----|
| B. Net Position by Component I..... | 171 |
| Last Ten Fiscal Years | |
| C. Net Expenses, General Revenues, and Change in Net Position II..... | 172 |
| from the Statement of Activities | |
| Last Ten Fiscal Years | |
| D. Total Change in Net Position III..... | 173 |
| Last Ten Fiscal Year | |
| E. General Fund Balances, Special Revenue Fund Balances, Total Fund Balance IV..... | 174 |
| Last Ten Fiscal Years | |
| F. Governmental Funds Revenues V..... | 175 |
| Last Ten Fiscal Years | |

| | | |
|----|-----------------------------------------------------------------------------------|-----|
| G. | Governmental Funds ExpendituresVI..... | 176 |
| | Last Ten Fiscal Years | |
| H. | Other Financing Sources and Uses and Net Change in Fund BalanceVII..... | 177 |
| | Last Ten Fiscal Years | |
| I. | Assessed Value and Estimated Actual Value of Taxable PropertyVIII..... | 178 |
| | Last Ten Fiscal Years | |
| J. | Property Tax Rates and Tax Levies, Direct and Overlapping Governments.....IX..... | 179 |
| | Last Ten Fiscal Years | |
| K. | Principal Property Taxpayers.....X..... | 180 |
| L. | Principal EmployersXI..... | 181 |
| M. | Property Tax Levies and CollectionsXII..... | 182 |
| | Last Ten Fiscal Years | |
| N. | Legal Debt Margin Information.....XIII..... | 183 |
| | Last Ten Fiscal Years | |
| O. | Ratio of Net Area Wide General Bonded Debt to Assessed ValueXIV..... | 184 |
| | and Net Bonded Debt per Capita and Student Capita | |
| | Last Ten Fiscal Years | |
| P. | Computation of Direct and Overlapping Debt.....XV..... | 185 |
| | Last Ten Fiscal Years | |
| Q. | Demographic and Economic StatisticsXVI..... | 186 |
| R. | General Fund Full-Time Equivalent District Employees by FunctionXVII..... | 187 |
| | Last Ten Fiscal Years | |
| S. | All Funds Full-Time Equivalent District Employees by Function.....XVIII..... | 188 |
| T. | Average Per Pupil General Fund Operating ExpendituresXIX..... | 189 |
| | Last Ten Fiscal Years | |
| U. | Average Daily Membership as Compared to Assessed Valuation | |
| | Showing Assessed Valuation Support Per Student.....XX..... | 190 |
| | Last Ten Fiscal Years | |

INTRODUCTORY SECTION

INTRODUCTORY SECTION

School District Map

Letter of Transmittal

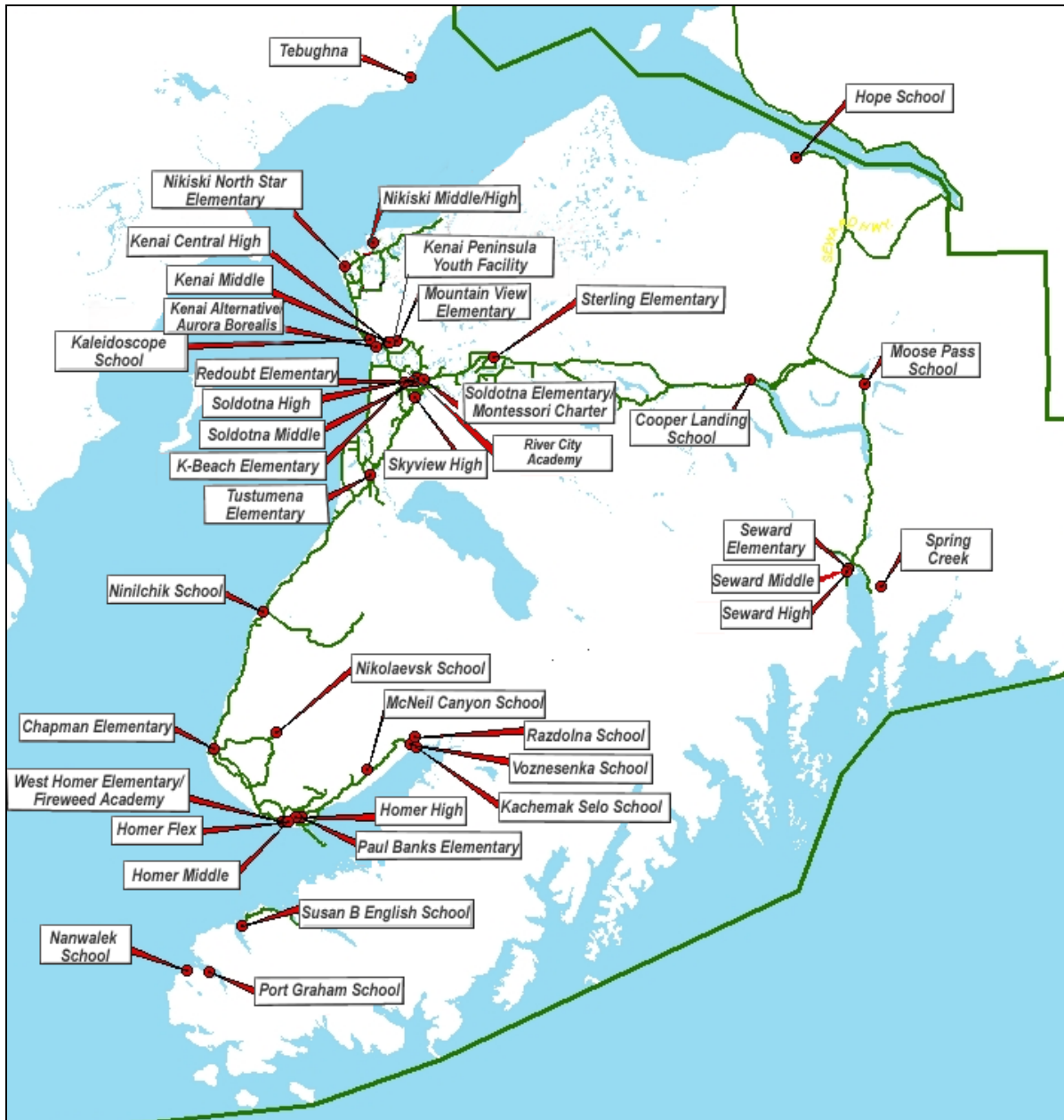
Certificate of Excellence, ASBO

Organizational Chart

Kenai Peninsula Borough School Board and Administration

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The Kenai Peninsula Borough School District Map



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

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Assistant Superintendent

Dave Jones

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October 27, 2015

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, 2015 is submitted herewith. This report was prepared by the School District's finance department following the guidelines recommended by the Association of School Business Officials International and generally accepted accounting principles (GAAP). The statutes of the State of Alaska require that the Board of Education provide for an audit of all school accounts within ninety days following the close of the fiscal year, by an independent certified public accountant.

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

The District's financial statements have been audited by BDO USA, LLP, a firm of licensed certified public accountants; field work was completed September 4, 2015. 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, 2015 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, 2015 are fairly presented in conformity with GAAP. The auditor's report is presented as the first component of the financial section of this report.

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

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

Comprehensive Annual Financial Report (CAFR)

The District's CAFR consists of four parts:

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

The Reporting Entity

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

Relationship with Kenai Peninsula Borough

Pursuant to Alaska Statute 14.12.020(c), the Kenai Peninsula Borough Assembly provides money from local sources to maintain and operate the School District. Alaska Statute 14.14.060 states that a Borough can establish a centralized treasury and is responsible for major rehabilitation, all construction and major repair of school buildings. The Kenai Peninsula Borough provides for new construction, debt service, centralized treasury, building maintenance, and the cost of property, liability, and fire insurance for school facilities.

Therefore, such physical plant, bonded debt, capital improvement funds, for tax levies, tax collection, maintenance of buildings and insurance for buildings are accounted for by the Kenai Peninsula Borough and are reflected in their report. The maintenance of buildings and insurance of buildings is also required by the State of Alaska to be shown in the School District report as "in-kind revenue and expenditures." These amounts are shown in the report in the General Fund Schedules. In FY11, voters of the borough approved a bond for upgrades to roofs on school buildings. During FY12, roof replacement work began at eight schools and as of the end of FY13, 18 schools had received total or partial roof replacement. No roof work was performed during FY15, but at this time, the final work on the project will be completed in summer 2016.

Included in the Financial Report are numerous statistical tables presenting a financial and statistical history of the Kenai Peninsula Borough School District for the last ten years. Some tables present School District data that has been combined with data provided by the Kenai Peninsula Borough to give a consolidated overview of the School District's financial status.

Board of Education – Governance of the School District

Alaska Statute sections 12.12.010 – 115 provide for the creation of school districts in the State of Alaska and establish a school board as the governing body for each district. The nine voting members of the School District Board of Education (Board of Education) determine policy for operation and management of the District. Each member serves for three years, some elected each year for overlapping terms.

Profile of the District

The District encompasses 25,600 square miles. Approximately 8,800 students attend forty-three schools and the home school program in our district, in twenty-one communities. Our schools include a variety of configurations from K-12 schools in remote sites to more conventional configurations in our larger communities. The School District provides a full range of educational services on an area-wide basis within the Kenai Peninsula Borough. These services include elementary,

secondary, bilingual and vocational instruction, education for exceptional students, correspondence study, pupil transportation, food service program, activity and athletic programs and instructional and general administrative services. Special needs are met with the assistance of programs and services such as English language education, gifted/talented, bilingual/bicultural, Chapter 1/Migrant Education and special education. Enrollments have generally been declining for the past ten years, but the rate of decline has lessened recently.

The mission of the Kenai Peninsula Borough School District is to develop productive, responsible citizens who are prepared to be successful in a dynamic world.

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

Under the new accountability system, the plan was for students to take state assessments in reading, writing and math, with each school and district having its own annual goal for improvement, based on reducing its percentage of non-proficient students by half in six years, including in each subgroup of students. Based on a 100-point scale, schools were to receive a rating of one star to five stars.

ASPI results for the Kenai Peninsula Borough School District at the end of FY14 are:

- 5 Stars – 11 schools
- 4 Stars – 23 schools
- 3 Stars – 7 schools
- 2 Stars – 2 schools
- 1 Star – 1 school

Alaska Measures of Progress (AMP) is the new Alaska assessment for students in grades 3-10, which replaces the Standards Based Assessments (SBA). AMP is aligned to the State of Alaska English Language Arts and math standards that were adopted in 2012. Students will test during a five-week window each spring and, like the SBAs, results from the AMP test will help determine students' progress over the course of their school career. AMP is a new assessment that measure new and more rigorous academic standards; therefore, we expect a new baseline will be established for KPBSD students and all other students in Alaska. Because of the changes to testing statewide, the ASPI star results will be carried forward for FY15.

Internal Control

In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal account controls. Management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because costs of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, the District's internal account controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls

The objective of the District's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Resources are allocated to and accounted for in individual funds, based upon the purposes for which those funds were created. Transfers of \$50,000 or more are authorized by the Board of Education. Therefore, the legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriation) is the fund level. All other transfers are authorized by the superintendent and reported quarterly to the Board of Education.

Factors Affecting Financial Condition

The District and Borough governments are largely dependent upon actions of the State government to finance their operating and capital programs. Projected declining levels of production indicate that State oil revenue, which comprises about half of the State's revenue budget, will likely not continue to fund local governments at the current level. State funding for municipal operations is limited to revenue sharing, PERS on-behalf payments, school debt reimbursement and fish tax.

As the State government attempts to control its operating budget, it seems likely that more responsibilities will tend to be shifted down to the local level.

After experiencing consistent, gradual growth since the late 1980s, the borough's economy has experienced setbacks over the last several years with the closure of Agrium, ConocoPhillips LNG plant and Lowe's. In recent years, taxable property values have increased at a rate faster than Borough expenditures. As a result, the Borough's tax rate has decreased. Borough wide, the general government tax rate has decreased from 8.59 mills in FY96 to 6.5 mills in FY07, 5.5 mills in FY08, and 4.5 mills from FY09 through FY15. The Borough's FY16 budget was also developed based on a mill rate of 4.5.

Sales tax continues to generate a large portion of the Borough's revenue. In FY98, sales tax revenue represented 21% of total general fund revenues; projected FY16 budgeted sales tax revenue represents about 42% of general fund revenues. The oil and gas property is subject to significant fluctuations in value. Short-term, the Borough's property tax base will continue to be impacted. Recent activity would tend to indicate that Cook Inlet oil and gas exploration is on the upswing.

The FY15 base student allocation (BSA) used in the Public School Funding Program was \$5,830 per student, which was an increase of \$150 from FY14. The multiplier for correspondence students also increased from .80 to .90 and the legislature provided one-time funding in the amount of \$3,008,638. Additional changes to funding for Charter Schools included a cap on the Indirect Cost rate at 4% and a share of the local funding received beyond the minimum required contribution. By using a portion of fund balance and making some changes to staffing formulas, the District was able to keep abreast of structured salary and benefit increases.

The financial condition of the School District is, and will continue to be, a pressing concern for the future. The State Public School Funding Program sets the amount of general school funding the School District receives from the State and it also sets the limit of the amount to be raised from local sources under an equalization section of the formula. The Kenai Peninsula Borough did not fund the School District to the maximum allowed under the foundation formula from FY10 through FY15, however the borough assembly voted to provide maximum allowed funding to the district for FY16. Discussions about the budget will continue to evolve between the borough assembly and board of education.

Changes in enrollment have a dramatic impact on the District's Public School Funding Program revenue from the State. The Alaska Legislature has also made known that cuts enacted in FY16 will likely be increased for FY17 and beyond, as oil revenue continues to be at low levels. More information on this topic is included in the Management's Discussion and Analysis.

Pension and Other Post-employment Benefits

The District participates in two defined benefit pension plans. The Alaska Public Employees' Retirement System (PERS) was converted to a cost-sharing plan on July 1, 2008 by the Alaska Legislature and covers eligible State and local government employees. The Alaska Teachers' Retirement System (TRS) is a cost-sharing multiple employer plan that covers teachers and other eligible participants.

The plans were established and are administered by the State of Alaska to provide pension, post-employment healthcare, death, and disability benefits. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The State of Alaska Legislature also created the Public Employees' Retirement System (PERS) Tier IV and Teachers' Retirement System (TRS) Tier III, which are defined contribution retirement plans established for employees hired after July 1, 2006 or for employees converting from the PERS Tier I, II or III or TRS Tier I or II defined benefit plans. The plans are administered by the State of Alaska, Commissioner of the Department of Administration. Benefit and contribution provisions are established by State law and may only be amended by the State Legislature. The Alaska Retirement Management Board may also determine certain contribution requirements.

Further information about both plans is included in the notes to the financial statements.

Certificate of Excellence

The Association of School Business Officials (ASBO) International awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014.

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

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

Acknowledgments

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

Respectfully submitted,



Sean Dusek
Superintendent



Dave Jones
Assistant Superintendent

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Association of School Business Officials International



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

Kenai Peninsula Borough School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

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



A handwritten signature in black ink, reading "Terrie S. Simmons".

Terrie S. Simmons, RSBA, CSBO
President

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

John D. Musso, CAE, RSBA
Executive Director

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Kenai Peninsula Borough School District
 Education Stakeholders
 (Students, Parents, Community Members, Businesses)

Board of Education

Superintendent

Communications Specialist

Assistant Superintendent
 Instruction

Assistant Superintendent
 Instructional Support

Directors

Directors

Elementary Education/ Professional Development

Secondary Education/Student Activities

Pupil Services

Federal Programs/ K-12 Schools/ Assessment

Information Services

Planning and Operations

Human Resources

Finance

Supervisors/Managers
 1) Professional Development
 2) Curriculum & Assessment Coordinator

Supervisors/Managers
 1) Schools, OT/PT, Assessment, Gifted, Student Workforce
 2) Schools, Surrogate, Behavior programs, Assessment
 3) Schools, Preschools, Intensive, Child Find, Speech, RTI, Transportation Liaison, Alternate Assessment

Supervisors/Managers
 1) Bilingual Education
 2) Federal Programs

Supervisors/Managers
 1) Purchasing
 2) Student Nutrition
 3) Transportation
 4) Warehouse

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

SCHOOL BOARD

Mr. Joe Arness, President
Ms. Sunni Hilts, Vice President
Mr. Dan Castimore, Treasurer
Ms. Penny Vadla, Clerk
Mr. Marty Anderson, Member
Mrs. Liz Downing, Member
Ms. Lynn Hohl, Member
Mr. Bill Holt, Member
Mr. Tim Navarre, Member
Ms. Maria Kulikov Student Representative

ADMINISTRATION

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

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FINANCIAL SECTION

FINANCIAL SECTION

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kenai Peninsula Borough School District, a component unit of Kenai Peninsula Borough, Alaska, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Kenai Peninsula Borough School District, Alaska, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 8 to the financial statements, in 2015 the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement Number 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Prior-Year Comparative Information

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Kenai Peninsula Borough School District's financial statements for the year ended June 30, 2014, from which such summarized information was derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the schedules of net pension liability and net pension contributions on pages 25–32, 69–71 and 72-75, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit for the year ended June 30, 2015 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Kenai Peninsula Borough School District's basic financial statements. The accompanying introductory and statistical sections, combining and individual fund financial statements and schedules, and other schedules, as listed in the table of contents for the year ended June 30, 2015 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Members of the School Board
Soldotna, Alaska

The accompanying combining and individual fund financial statements and schedules, and other schedules, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2015 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund financial statements and schedules, and other schedules, as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2015.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Kenai Peninsula Borough School District's as of and for the year ended June 30, 2014 (not presented herein), and have issued our report thereon dated October 6, 2014, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The combining and individual fund financial statements, and other schedules for the year ended June 30, 2014 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 financial statements. The 2014 totals were subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 totals were fairly stated in all material respects in relation to the basic financial statements as a whole, for the year ended June 30, 2014.

The accompanying introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2015 on our consideration of Kenai Peninsula Borough School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kenai Peninsula Borough School District's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
December 14, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Management's Discussion and Analysis

As management of the Kenai Peninsula Borough School District (District), we offer readers of the Kenai Peninsula Borough School District's financial statements this overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 5-9 of this report.

Financial Highlights

- There was a substantial change to the net position of the District, due to implementation of the Governmental Accounting Standards Board (GASB) Statement 68, regarding accounting for pension plans. GASB 68 requires that defined benefit pension plan obligations be reported in the financial report of the employer (the District), even though the pension plan is a cost-sharing plan where the obligation to employees of more than one employer are pooled and used to pay the benefits of employees of any employer participating in the plan.
- As a result of implementation of GASB 68, the net position of the District changed on paper, from \$29,738,785 as of June 30, 2014 to (\$24,056,491) as of June 30, 2015. This dramatic change was caused by the inclusion of the District's calculated share of net pension liability in the amount of (\$51,223,699).
- The District's share of the liability to employees for defined benefit pensions was calculated by the State of Alaska Department of Administration using actuarial valuations of the total pension liability and projections of benefit payments, including adjustments to pension for various reasons, such as cost-of-living-adjustments.
- As of June 30, 2015, the District's governmental funds reported combined ending fund balances of \$22,865,196, a decrease of \$1,576,969 in comparison to the prior year.
- The District received \$3,008,638 in one-time funding provided by the Legislature to districts. Although this was the 4th consecutive year that districts received one-time funding from the state, it appears that FY15 will be the final year for this additional funding as the governor and legislature eliminated scheduled one-time funding for FY16.
- For the third year in a row, the District used a substantial amount of Fund Balance. Part of the amount of fund balance usage includes Fund Balance designated for Health Care. While the district has planned the gradual draw-down of Fund Balance, the plan also includes cutting back on expenditures to balance the budget.
- There is a little over \$800,000 remaining in Fund Balance designated for Health Care, down from the original amount of over \$5M in FY12.
- Expenditure changes for the current year included a change to the Pupil-Teacher Ratio for secondary schools, increasing from 24 pupils:1 teacher to 24.5 pupils:1 teacher at that level. Additional expenditure reductions are planned for FY16.
- At the end of the current fiscal year, non-exempt fund balance for the General Fund was \$15,005,432 which is 5.53% of current year expenditures, as compared to 8.86% at the end of FY14. This amount is in compliance with Alaska Statute, AS 14.17.505, which states a district may not accumulate in a fiscal year a non-exempt portion of its year-end fund balance greater than 10% of its expenditures for that fiscal year. Of this \$15,005,432 non-exempt fund balance, about 53% or \$7,897,978 was designated as unassigned fund balance and available for spending. The unassigned fund balance for the General Fund represented 2.91% of total General Fund expenditures, which is within the limits of Board Policy 3470.

- A portion of the fund balance is designated for Facilities Maintenance and available for use by the Kenai Peninsula Borough Maintenance Department as a portion of In-Kind Services. This Designated Fund Balance has increased each year for the past several years. The balance at the end of FY15 is now \$2,042,930.

Overview of the Financial Statements

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

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

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

The Statement of Activities provides information which shows how the District's net position changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting method used by private-sector business. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid. The Statement of Activities also recognizes the reductions to revenues and expenditures, due to implementation of GASB 68 and recognition of the net pension liability.

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

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

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

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

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

The District maintains 35 individual governmental funds. Information is presented separately in the Balance Sheet – Governmental Funds and the Schedule of Revenues, Expenditures and Changes in

Fund Balance – Governmental Funds for the General Fund, Equipment Fund, and the Title I Fund, all of which are considered to be major funds, for the purposes of this document. Data for the other 32 funds are combined into a single aggregated presentation. Data for each of these non-major governmental funds is provided in the Combining Balance Sheet and the individual funds section of the Special Revenue portion of the financial statements.

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

The basic governmental fund financial statements can be found on pages 37-40 of this report.

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

The District has used an Internal Service Fund to account for compensated leave balances since FY04. Additionally, an Internal Service Fund was established in FY12 to account for the District Health Care Plan. Internal Service Fund data can be found on pages 41-43.

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

The basic fiduciary fund financial statement can be found on page 44 of this report.

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

The notes to the financial statements can be found on pages 47-65 of this report.

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

The District was successfully involved in the following reviews, audits, and/or examinations by the State of Alaska Department of Education and Early Development:

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

The combining and individual fund statements referred to earlier in connection with nonmajor governmental funds can be found on pages 96-144.

Governmental-wide Financial Analysis

In FY15, the District planned for and used a significant amount of fund balance and plans to use more in FY16. In addition, there were changes made in staffing formulas and changes to school staffing levels at some elementary schools that caused a reduction in expenditures. Two factors affecting the District that will continue to be an issue are 1. The rising cost of healthcare and 2. Reduction in oil prices, which affect state revenues and levels of funding to the District. Additionally, all indications are that one-time funding that the legislature intended to continue in FY16 and beyond will be eliminated. Information at this time indicates that the state will continue to contribute payments on behalf of the District to the Public Employee Retirement System (PERS) and the Teachers Retirement System (TRS) to help pay down the unfunded liabilities in those retirement accounts.

As noted earlier, the increase or decrease in net position over time may serve as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$27,167,208, on June 30, 2015 compared to \$29,738,785 on June 30, 2014 which was a decrease in total net position of \$2,571,577. Use of fund balance is part of the District's strategy to sustain current programs and staffing levels and provide the best possible educational experience for District students.

**Net Position
Governmental Activities**

| | <u>June 30, 2015</u> | <u>June 30, 2014</u> |
|-------------------------------------|----------------------|----------------------|
| Current and other assets | \$ 41,384,143 | \$ 42,894,651 |
| Capital assets | <u>3,516,215</u> | <u>3,604,976</u> |
| Total Assets | 44,900,358 | 46,499,627 |
| Deferred Outflows - pension related | <u>4,929,036</u> | - |
| Total Assets and Deferred Outflows | 49,829,394 | 46,499,627 |
| Current and other liabilities | 14,228,183 | 13,259,313 |
| Long-term liabilities | <u>54,240,689</u> | <u>3,501,529</u> |
| Total Liabilities | 68,468,872 | 16,760,842 |
| Deferred Inflows - pension related | <u>5,417,013</u> | - |
| Total Assets and Deferred Outflows | 73,885,885 | 16,760,842 |
| Net Position | | |
| Net Investment in Capital Assets | 3,516,215 | 3,604,976 |
| Restricted | 2,988,996 | 2,471,131 |
| Unrestricted | <u>(30,561,702)</u> | <u>23,662,678</u> |
| Total Net Positions | \$ (24,056,491) | \$ 29,738,785 |

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

**Changes in Net Position
Governmental Activities**

| | <u>June 30, 2015</u> | <u>June 30, 2014</u> |
|-------------------------------------------------|-----------------------|----------------------|
| Revenues: | | |
| Program revenues | | |
| Charges for Services | \$669,280 | \$683,135 |
| Operating Grants and Contributions | 18,719,908 | 19,290,617 |
| General Revenues | | |
| Public School Funding Program | 82,450,661 | 78,348,712 |
| Retirement: On-Behalf Payments | 39,377,047 | 24,234,519 |
| Other State Funding | 211,375 | 200,451 |
| E-Rate Program | 287,658 | 1,219,637 |
| Borough Appropriation | 44,013,525 | 43,500,000 |
| Earnings on Investments | 326,758 | 475,548 |
| Other Local Revenue | 399,614 | 128,744 |
| Total Revenues | <u>167,066,638</u> | <u>168,081,363</u> |
| Expenses: | | |
| Instruction | 87,002,086 | 75,266,303 |
| Special Education - Instruction | 25,120,274 | 21,809,338 |
| Special Education Support Services - Student | 6,985,692 | 5,958,859 |
| Support Services – Student | 5,139,495 | 4,961,996 |
| Support Services - Instruction | 4,025,162 | 3,780,721 |
| School Administration | 9,185,386 | 7,846,925 |
| School Administration Support Services | 5,197,826 | 4,969,562 |
| District Administration | 1,020,470 | 1,253,600 |
| District Administration Support Services | 6,349,127 | 6,219,036 |
| Operations and Maintenance of Plant | 23,453,558 | 23,096,259 |
| Student Activities | 2,684,455 | 2,452,215 |
| Student Transportation Services | 7,932,255 | 7,334,939 |
| Community Services | 39,110 | 40,583 |
| Food Services | 4,490,808 | 4,479,711 |
| Total Expenses | <u>188,625,704</u> | <u>169,470,047</u> |
| Change in Net Position | <u>(2,169,878)</u> | <u>(1,388,684)</u> |
| Beginning Net Position as of July 1 | <u>-</u> | <u>31,127,469</u> |
| Beginning Net Position as of July 1 as restated | <u>(21,886,613)</u> | <u>-</u> |
| Ending Net Position as of June 30 | <u>(\$24,056,491)</u> | <u>\$29,738,785</u> |

Prior to FY15, the change in total net position varied from year to year, but by relatively small amounts. For example, the change from FY14 to FY15 was about 4%. The change in total net position from FY14 to FY15 is over \$50M, due to the change in reporting required by GASB 68. The total net position of the District now includes the District's calculated share of net pension liability for the defined benefit pension plans that some District employees are eligible to participate in.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Did the District generate enough revenue to pay for current obligations? What is available for spending at the end of the year?

The general fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance was \$17,249,541. Of that amount, nonspendable fund balance totaled \$707,220, restricted fund balance was \$2,988,996, assigned fund balance totaled \$5,655,347 and unassigned was \$7,897,978. The fund balance in the general fund decreased \$1,147,325 from the prior year. This decrease was a planned use of fund balance to sustain staffing levels. With recent federal changes in health care requirements and continued expected increases in health care costs putting pressure on the budget, all spending is evaluated for sustainability and need.

For the last several years, both the Title I Fund and the Equipment Fund have been designated as Major Funds. For FY14, the Title I Fund was not quite large enough to earn the Major Fund designation, but it is being reported as a Major Fund for the benefit of the readers of the document and for consistency. The Title I Fund is again being reported as a Major Fund in FY15 for purposes of consistency and information. Over \$2.4 million or 80% of the Title I Fund expenditures was used for salaries and benefits of employees working to support students at Title I designated schools. This includes about 18 FTE for certified employees and about 3 FTE for support employees paid for from the Title I grant funds. Equipment Fund expenditures in the amount of \$750,236 were made for supplies and equipment such as desks, tables, chairs, and other equipment for schools. The Equipment Fund is a Major Fund.

General Fund Budgetary Highlights

Significant items in the FY15 original budget and final amended budget can be summarized as follows:

- Increase in PTR at secondary level from 1:24 to 1:24.5.
- Continued programmatic staffing levels implemented in FY09 to support vocational education, credit recovery, creative/practical arts and foreign language and staffing of secondary counselors and K-8 grade interventionists to address student needs district-wide.
- Reduction of student travel funds to assist students traveling to state competitions by \$25,000. Additional funding for student activity travel to fund a part of the travel cost schools incur besides that spent traveling to state competitions; remaining costs are covered by fund-raising and/or sponsorship.
- Transfer to Food Service in the amount of \$1,300,000 to cover costs of the implementation of new Federal regulations, increased salary and benefit costs and increased food costs.
- The District's share of the \$3B on-behalf payment by the State in FY15 was about \$142M, which inflates the total expenditures so that comparisons to prior year totals are not valid. If on-behalf payments are deducted from total expenditures, salary and benefit accounts comprised approximately 79.3% of our expenditures, of that employer share of healthcare costs were 14.7%.

FY15 Budget Revisions approved by the Board of Education included:

- An increase in funding due to changes in state foundation support, including the increase in the Base Student Allocation from \$5,680 to \$5,830, an increase in the Correspondence Student multiplier from .80 to .90, an increase in the one-time funding and an increase in the number of students identified as having Intensive Needs.
- Change in the expenditure budget to revise In-Kind service and Operations budget to account for the portion allocated to Charter Schools by the new legislation about distribution of Additional Allowable local contributions to Charter Schools.
- Adjust the Kenai Peninsula Borough (KPB) in-kind budgets to align with KPB Ordinance 2014-19, which resulted in a revision between the division between KPB appropriation and In-Kind contributions totaling \$44,000,000.
- Increase in the amount of the TRS On-Behalf and PERS On-Behalf payments to reflect the District's portion of the \$3B payment made by the state in FY15 to partially offset the unfunded liability in the PERS and TRS retirement accounts.
- In addition to the budget revision approved by the Board, budget transfers were approved by administration and/or the Board of Education when deemed appropriate for school and department operations in accordance with Board Policy.

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

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2015 amounts to \$3,516,215 (net of accumulated depreciation) compared to \$3,604,976 as of June 30, 2014. The investment in capital assets includes furniture and equipment. Additional information on the District's capital assets can be found in note 4.

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

In setting the budgets for FY16, the District considered a number of issues with District-wide impact, among them:

Revenue Budget

- The Alaska Legislature revised the scheduled payment of one-time funding for FY16 and FY17, in response to the reduction in state revenue caused by falling oil prices. The prospects of the legislature passing any forward funding measures at this point is unlikely, but the district will continue to advocate for that as it would provide a more stable method of funding. Planned one-time funding for FY16 was eliminated.
- The legislature approved a lump sum payment to the Division of Retirement in the amount of \$3 billion, of which 2/3 will go to the Teachers Retirement system (TRS) and the remaining 1/3 to the Public Employees Retirement System (PERS). This contribution is not expected to impact the current rates of employer-share contributions to the retirement plans or the continuing assistance from the legislature in the form of 'on-behalf' payments towards the unfunded liability in the retirement plans, but has a significant impact on the financial statements.
- With declining oil revenue and no forward funding mechanism currently in place, there are serious concerns about the future of education funding in the state. Therefore, the District continues to

maintain a conservative approach to all budget matters, including a structured and planned use of fund balance to maintain current staffing formulas as long as possible.

- Borough residents provided the highest level of local educational funding allowed through the funding formula for many years. That changed in FY10 when the district was first funded at less than the maximum allowed. A change in the local support calculation of the state foundation formula from 4 mills to 2.65 mills has resulted in a shift, with a large portion previously provided by the borough now provided by the state. The borough has committed to maximum allowable funding for the district in FY16.
- Concerns about reduced enrollment and the associated reduction in revenue is a major concern for FY16. Since reductions are generally scattered and not at one particular location or school, reductions to staff cannot always be made to reduce expenditures.

Expenditure Budget

- A fund balance allocation of \$ 3,427,959 is budgeted for FY16 operations. Continued use of fund balance is expected in the next few years to maintain current staffing formulas. The District's goal is to mitigate increased class sizes for as long as financially possible.
- Increase in Pupil/Teacher Ratio (PTR) at secondary level by .5 student to 25:1 and shift in small elementary schools to a new K-6 small elementary formula.
- Increasing Teachers Retirement System (TRS) and Public Employee Retirement System (PERS) required fund obligations are currently being partially funded for the District by the Alaska Legislature on a year by year basis. Payments made on-behalf of the district to the PERS and the TRS are estimated at around \$10M for FY16.
- All district programs were evaluated for continuation and all vacant positions were reviewed based on need before they were advertised. Staffing formulas were increased by .5 PTR as a step in reducing salary and benefit expenditures.
- Health care costs continue to increase and impact of the Affordable Care Act will affect future year costs.
- Continued reduction in the historical variance between budget and actual revenues and expenditures is actively pursued.
- A high quality operational maintenance program that ensures the continued use and economic value of borough facilities.

Request for information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's financial situation. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Assistant Superintendent of Instructional Support, Kenai Peninsula Borough School District, 148 N. Binkley Street, Soldotna, AK 99669.

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:

Statement of Net Position

Statement of Activities

Fund Financial Statements:

Balance Sheet, Governmental Funds

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

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

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

Statement of Net Position – Internal Service Fund

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

Statement of Cash Flows – Internal Service Fund

Student Activity Agency Fund, Statement of Fiduciary Assets and Liabilities

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2015

ASSETS AND DEFERRED OUTFLOWS

| | |
|---------------------------------------------------------|-------------|
| Current Assets: | |
| Cash | \$ 20,340 |
| Equity in Central Treasury | 33,709,569 |
| Equity in Central Treasury - Restricted for Health Care | 3,318,306 |
| Accounts Receivable | 458,283 |
| Due from Other Governments | 2,899,190 |
| Inventories | 978,455 |
| | 41,384,143 |
| Total Current Assets | |
| Capital Assets: | |
| Furniture and Equipment | 9,185,581 |
| Less Accumulated Depreciation | (5,669,366) |
| | 3,516,215 |
| Capital Assets - Net of Accumulated Depreciation | |
| Total Assets | |
| | 44,900,358 |
| Deferred Outflows - pension related | |
| | 4,929,036 |
| Total Assets and Deferred Outflows | |
| | 49,829,394 |

LIABILITIES AND DEFERRED OUTFLOWS

| | |
|----------------------------------------|------------|
| Current Liabilities: | |
| Accounts Payable | 1,202,235 |
| Accrued Liabilities | 7,923,890 |
| Health Claims payable - IBNR | 4,234,444 |
| Other Health Care Liabilities | 789,349 |
| Compensated Absences | 78,265 |
| | 14,228,183 |
| Total Current Liabilities | |
| Noncurrent Liabilities: | |
| Due in more than one year: | |
| Compensated Absences Payable | 3,504,967 |
| Net Pension Liability | 50,735,722 |
| | 54,240,689 |
| Total Noncurrent Liabilities | |
| Total Liabilities | |
| | 68,468,872 |
| Deferred Inflows - pension related | |
| | 5,417,013 |
| Total Liabilities and Deferred Inflows | |
| | 73,885,885 |

NET POSITION

| | |
|----------------------------------|-----------------|
| Net Investment in Capital Assets | 3,516,215 |
| Restricted: | |
| Charter Schools | 664,091 |
| Facilities Maintenance | 2,042,930 |
| Homeschool Carry Over | 281,975 |
| Unrestricted | (30,561,702) |
| | \$ (24,056,491) |
| Total Net Position | |

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, 2015

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Assets |
|---------------------------------------------------------------|-----------------------|-------------------------|------------------------------------------|----------------------------------------------------------|
| | | Charges for Services | Operating Grants and Contributions | |
| Governmental activities: | | | | |
| Instruction | 87,002,086 | \$ - | \$ 4,266,471 | \$ (82,735,615) |
| Special Education - Instruction | 25,120,274 | - | 2,263,973 | (22,856,301) |
| Special Education Support Services - Student | 6,985,692 | - | - | (6,985,692) |
| Support Services - Student | 5,139,495 | - | 20,639 | (5,118,856) |
| Support Services - Instruction | 4,025,162 | - | 48,565 | (3,976,597) |
| School Administration | 9,185,386 | - | 850,601 | (8,334,785) |
| School Administration Support Services | 5,197,826 | - | 42,050 | (5,155,776) |
| District Administration | 1,020,470 | - | - | (1,020,470) |
| District Administration Support Services | 6,349,127 | - | 283,033 | (6,066,094) |
| Operations and Maintenance of Plant | 23,453,558 | - | 225,016 | (23,228,542) |
| Student Activities | 2,684,455 | - | 19,184 | (2,665,271) |
| Community Services | 39,110 | 31,685 | - | (7,425) |
| Student Transportation | 7,932,255 | - | 8,092,216 | 159,961 |
| Food Service | 4,490,808 | 637,595 | 2,608,160 | (1,245,053) |
| Total governmental activities | <u>\$ 188,625,704</u> | <u>\$ 669,280</u> | <u>\$ 18,719,908</u> | <u>\$ (169,236,516)</u> |
| General revenues: | | | | |
| Grants and contributions not restricted to specific programs: | | | | |
| Borough direct appropriation | | | | 44,013,525 |
| Public School Funding Program | | | | 82,450,661 |
| Retirement: On-behalf Payments | | | | 39,377,047 |
| Earnings on Investments | | | | 326,758 |
| E-Rate Program | | | | 287,658 |
| Medicaid Reimbursement | | | | 211,375 |
| Other Local Revenue | | | | 399,614 |
| Total general revenues | | | | <u>167,066,638</u> |
| Change in net position | | | | <u>(2,169,878)</u> |
| Net position, beginning of year as restated | | | | <u>(21,886,613)</u> |
| Net position, end of year | | | | <u>\$ (24,056,491)</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, 2015

| | General | Equipment | Title I | Other Governmental | Total Governmental Funds |
|--------------------------------------|----------------------|---------------------|-------------------|-----------------------|--------------------------------|
| <u>ASSETS</u> | | | | | |
| Assets: | | | | | |
| Cash | \$ 20,340 | \$ - | \$ - | \$ - | \$ 20,340 |
| Equity in Central Treasury | 22,260,201 | 3,886,408 | - | 1,488,444 | 27,635,053 |
| Accounts Receivable | 455,848 | - | - | 2,435 | 458,283 |
| Prepaid Items | - | - | - | - | - |
| Due from Other Governments | - | - | 914,640 | 1,984,550 | 2,899,190 |
| Due from Special Revenue Funds | 2,930,075 | - | - | - | 2,930,075 |
| Inventories | 707,220 | - | - | 271,235 | 978,455 |
| Total Assets | <u>\$ 26,373,684</u> | <u>\$ 3,886,408</u> | <u>\$ 914,640</u> | <u>\$ 3,746,664</u> | <u>\$ 34,921,396</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ 1,200,253 | \$ - | \$ 383 | \$ 1,599 | \$ 1,202,235 |
| Accrued Liabilities | 7,923,890 | - | - | - | 7,923,890 |
| Due to General Fund | - | - | 914,257 | 2,015,818 | 2,930,075 |
| Total Liabilities | <u>9,124,143</u> | <u>-</u> | <u>914,640</u> | <u>2,017,417</u> | <u>12,056,200</u> |
| Fund Balances: | | | | | |
| Nonspendable: | | | | | |
| Inventories | 707,220 | - | - | 271,235 | 978,455 |
| Restricted for: | | | | | |
| Charter Schools | 664,091 | - | - | - | 664,091 |
| Home School Carry-over | 281,975 | - | - | - | 281,975 |
| Facilities Maintenance | 2,042,930 | - | - | - | 2,042,930 |
| Assigned to: | | | | | |
| School Incentive Purchases | 474,474 | - | - | - | 474,474 |
| Self-Insurance Health Care | 814,978 | - | - | - | 814,978 |
| Professional - Technical Services | 690,403 | - | - | - | 690,403 |
| Staff Travel | 12,037 | - | - | - | 12,037 |
| Student Travel | 218 | - | - | - | 218 |
| Purchased Services | 31,026 | - | - | - | 31,026 |
| Supplies | 93,802 | 18,983 | - | 310 | 113,095 |
| Equipment | 110,450 | 33,273 | - | - | 143,723 |
| Subsequent Year Operations | 3,427,959 | 3,834,152 | - | 1,502,678 | 8,764,789 |
| Unassigned | <u>7,897,978</u> | <u>-</u> | <u>-</u> | <u>(44,976)</u> | <u>7,853,002</u> |
| Total Fund Balances | <u>17,249,541</u> | <u>3,886,408</u> | <u>-</u> | <u>1,729,247</u> | <u>22,865,196</u> |
| Total Liabilities and Fund Balances | <u>\$ 26,373,684</u> | <u>\$ 3,886,408</u> | <u>\$ 914,640</u> | <u>\$ 3,746,664</u> | <u>\$ 34,921,396</u> |

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2015

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------|
| Fund balances – total governmental funds | | \$ 22,865,196 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| <p>The cost of capital assets (furniture and equipment) purchased is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the School District as a whole. The cost of those capital assets is allocated over their useful lives (as depreciation expense) to the various functions reported as governmental activities in the statement of activities.</p> | | |
| Cost of capital assets | 9,185,581 | |
| Accumulated depreciation to date | <u>(5,669,366)</u> | 3,516,215 |
| <p>Internal service funds are used by the school district to charge the cost of certain activities, such as health care, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.</p> | | |
| | | <u>785,797</u> |
| <p>Long-term liabilities.</p> | | |
| <p>Due in more than one year:</p> | | |
| Net Pension Liability | | (50,735,722) |
| <p>Certain changes in net pension liabilities are deferred rather than recognized immediately. These items are amortized over time.</p> | | |
| Deferred outflows for pensions | | 4,929,036 |
| Deferred inflows for pensions | | (5,417,013) |
| Net position | | <u>(\$24,056,491)</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, 2015

| | General | Equipment | Title I | Other Governmental | Total Governmental Funds |
|--------------------------------------------------------------|----------------------|---------------------|------------------|-----------------------|--------------------------------|
| Revenues: | | | | | |
| Local | \$ 44,013,525 | \$ - | \$ - | \$ - | \$ 44,013,525 |
| State | 226,345,214 | - | - | 9,822,601 | 236,167,815 |
| Federal-Direct | - | - | - | 514,450 | 514,450 |
| Federal-Through the State | 211,375 | - | 2,566,708 | 5,473,407 | 8,251,490 |
| Earnings on Investments | 326,758 | 95,170 | - | - | 421,928 |
| E-Rate | 287,658 | - | - | - | 287,658 |
| Food Sales | - | - | - | 637,595 | 637,595 |
| Corporate Grants and User Fees | - | - | - | 89,114 | 89,114 |
| Other Local Revenues | 399,614 | - | - | 190,143 | 589,757 |
| Total Revenues | 271,584,144 | 95,170 | 2,566,708 | 16,727,310 | 290,973,332 |
| Expenditures - Current: | | | | | |
| Instruction | 148,723,548 | 303,369 | 2,494,522 | 1,761,468 | 153,282,907 |
| Special Education - Instruction | 37,637,162 | - | - | 2,263,973 | 39,901,135 |
| Special Education Support Services - Student | 12,031,526 | - | - | - | 12,031,526 |
| Support Services - Student | 8,396,634 | - | - | 20,639 | 8,417,273 |
| Support Services - Instruction | 6,387,960 | - | - | 48,565 | 6,436,525 |
| School Administration | 15,775,084 | 9,889 | - | 850,601 | 16,635,574 |
| School Administration Support Services | 5,958,303 | - | - | 42,050 | 6,000,353 |
| District Administration | 1,673,515 | - | - | - | 1,673,515 |
| District Administration Support Services | 6,915,804 | - | 72,186 | 210,847 | 7,198,837 |
| Operations and Maintenance of Plant | 24,009,582 | 436,978 | - | 144,949 | 24,591,509 |
| Student Activities | 3,922,351 | - | - | 60,967 | 3,983,318 |
| Community Services | - | - | - | 38,992 | 38,992 |
| Student Transportation | - | - | - | 7,908,357 | 7,908,357 |
| Food Service | - | - | - | 4,450,480 | 4,450,480 |
| Total Expenditures | 271,431,469 | 750,236 | 2,566,708 | 17,801,888 | 292,550,301 |
| Excess (Deficiency) of Revenues Over Expenditures | 152,675 | (655,066) | - | (1,074,578) | (1,576,969) |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | - | - | - | 1,300,000 | 1,300,000 |
| Transfers Out | (1,300,000) | - | - | - | (1,300,000) |
| Total Other Financing Sources (Uses) | (1,300,000) | - | - | 1,300,000 | - |
| Net Change in Fund Balances | (1,147,325) | (655,066) | - | 225,422 | (1,576,969) |
| Fund Balances, Beginning of Year | 18,396,866 | 4,541,474 | - | 1,503,825 | 24,442,165 |
| Fund Balances, End of Year | \$ 17,249,541 | \$ 3,886,408 | \$ - | \$ 1,729,247 | \$ 22,865,196 |

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, 2015

Net change in fund balances – total governmental funds \$ (1,576,969)

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

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

| | | |
|------------------------------|------------------|----------|
| Equipment purchases | \$ 743,175 | |
| Current depreciation expense | <u>(783,852)</u> | (40,677) |

| | | |
|------------------------------|--|----------|
| Loss on retirement of assets | | (48,084) |
|------------------------------|--|----------|

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------|
| Internal service funds are used by management to charge the costs of health care to individual funds. Change in net position is reported with governmental activities. | | <u>(905,847)</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------|

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------|
| Change related to net pension obligation and related accounts can increase or decrease net pension. This is the net decrease in equity due to changes in net position obligation and related deferred inflows and outflows. | | <u>401,699</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------|

| | | |
|------------------------|--|-----------------------|
| Change in net position | | <u>\$ (2,169,878)</u> |
|------------------------|--|-----------------------|

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF NET POSITION
June 30, 2015

| | <u>Internal Service Funds</u> |
|--------------------------------------------------------------------------|---------------------------------------|
| <u>ASSETS</u> | |
| Equity in Central Treasury | \$ 6,074,516 |
| Equity in Central Treasury - Restricted for Healthcare | <u>3,318,306</u> |
| Total assets | <u><u>\$ 9,392,822</u></u> |
| <u>LIABILITIES</u> | |
| Current Liabilities | |
| Health Claims Payable (IBNR) | \$ 4,234,444 |
| Contributions Collected from Employees in Excess of Negotiated Agreement | 789,349 |
| Compensated Absences | <u>78,265</u> |
| Total Current Liabilities | 5,102,058 |
| Noncurrent Liabilities | |
| Compensated Absences, net of current portion | <u>3,504,967</u> |
| Total Liabilities | <u><u>\$ 8,607,025</u></u> |
| <u>NET POSITION</u> | |
| Net Position - Unrestricted | <u>785,797</u> |
| Total Net Position | <u><u>\$ 785,797</u></u> |

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
For the Year Ended June 30, 2015

| | <u>Internal Service Funds</u> |
|---------------------------------------------------------------------------------|---------------------------------------|
| Operating Revenues: | |
| Charges to Other Funds | \$ 2,666,043 |
| Employer Contributions | 20,701,593 |
| Employee Contributions, Net of adjustment per negotiated agreement | <u>3,787,654</u> |
| Total Operating Revenues | <u>27,155,290</u> |
| Operating Expenses: | |
| Administrative services | 2,666,043 |
| Healthcare Claims and Administrative Fees, Net of Decrease in IBNR of \$108,264 | <u>25,419,053</u> |
| Total operating expenses | <u>28,085,096</u> |
| Operating income | <u>(929,806)</u> |
| Nonoperating Revenues - Interest Income | <u>23,959</u> |
| Decrease in net position | (905,847) |
| Total net position, beginning of year | <u>1,691,644</u> |
| Total net position, end of year | <u><u>\$ 785,797</u></u> |

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS
Year Ended June 30, 2015

| | <u>Internal Service Funds</u> |
|----------------------------------------------------------------------------------|---------------------------------------|
| Cash flows from operating activities: | |
| Payments for interfund services provided | \$ 2,666,043 |
| Payments to employees | (2,648,561) |
| Receipts from employer - current year contributions | 20,701,594 |
| Receipts from employees - current year contributions | 4,145,578 |
| Payments for claims and services | <u>(25,310,789)</u> |
| Net cash flow from operating activities | <u>(446,135)</u> |
| | |
| Cash flows from investing activities - interest income earned | <u>23,959</u> |
| | |
| Net decrease in cash and cash equivalents | <u>(422,176)</u> |
| | |
| Cash and cash equivalents, beginning of year | <u>9,814,998</u> |
| | |
| Cash and cash equivalents, end of year | <u>\$ 9,392,822</u> |
| | |
| Reconciliation of operating income to net cash provided by operating activities: | |
| Operating income | \$ (929,806) |
| Increase in compensated absences payable | 17,481 |
| Increase in Health care payable | 108,264 |
| Contributions used from employees health care reserve per negotiated agreement | <u>357,925</u> |
| Net cash (used) provided by operating activities | <u>\$ (446,136)</u> |

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 STUDENT ACTIVITY AGENCY FUND
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 June 30, 2015

| | Student Activity Agency Fund |
|-------------------------------|---------------------------------|
| Assets: | |
| Equity in Central Treasury | \$ 2,638,739 |
| Cash | 16,726 |
| Total Assets | \$ 2,655,465 |
| | |
| Liabilities: | |
| Accounts Payable | \$ - |
| Amounts Due to Student Groups | 2,655,465 |
| Total Liabilities | \$ 2,655,465 |

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

NOTES TO THE FINANCIAL STATEMENTS

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

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Kenai Peninsula Borough School District (the "School District") have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

Reporting Entity

Pursuant to Alaska Statute, AS 29.35.160, the Kenai Peninsula Borough (the "Borough") has the responsibility of establishing, maintaining and operating a system of public schools. The Borough has delegated the administrative responsibilities for compliance with the statutes to the School Board of the Kenai Peninsula Borough School District, while retaining the responsibility for the physical plant, except furniture and equipment. The School District is one of 3 discrete component units of the Kenai Peninsula Borough. The 2 others are the South Peninsula Hospital, located in Homer, and the Central Peninsula Hospital, located in Soldotna. School District financial data is discretely presented in the Kenai Peninsula Borough Comprehensive Annual Financial Report.

Complete financial statements of the Borough may be obtained from the Borough Clerk's Office at 144 N. Binkley Street, Soldotna, Alaska 99669; phone number 907-714-2160.

These financial statements include all funds of the School District. The operational services provided directly by the Borough have been included in the General Fund as Intergovernmental – Local Revenue and Expenditures.

During the year ended June 30, 2015, the School District recorded in-kind services provided by the Borough for school operations as follows:

| | |
|-------------|--------------------|
| Custodial | \$ 108,150 |
| Utilities | 83,989 |
| Maintenance | 7,366,727 |
| Insurance | 1,860,222 |
| Audit | <u>66,366</u> |
| | <u>\$9,485,454</u> |

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or

soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, health care reserve and claims and judgments, are recorded only when payment is due. Prepaid expenditures are reported on the consumption method, meaning an expenditure is reported during the period it is consumed.

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

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

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

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

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

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

Additionally, the School District reports the following fund types:

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

Internal Service Fund – These funds account for the assets needed to pay for accrued employee compensated leave and the self-funded health care plan.

Fund Accounting

The accounts of the School District are organized on the basis of funds. A fund is considered a separate set of self-balancing accounts comprised of assets, liabilities, fund balance, revenues and expenditures for transactions related to certain district functions or activities. Fund balance represents the excess of assets over liabilities.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate fund types.

Governmental Funds Governmental fund operations are focused on the measurement of the sources and flow of current financial resources. This measurement is unique in that generally only current expendable financial resources are accounted for in this group. Governmental funds consist of the following fund types:

General Fund - The general School District activities are recorded in the General Fund. The revenues of the General Fund are derived primarily from allocations received from the State of Alaska, the Kenai

Peninsula Borough, and the United States government. Primary expenditures in the general fund are made for student instruction, operation of plant and administration.

The State Board of Education and Early Development adopted a revision to the Uniform Chart of Accounts and Account Code Descriptions for Public School Districts effective July 1, 2014.

Special Revenue Funds - These funds account for revenues from specific revenue sources including food service sales, transportation, grants from the State of Alaska and United States government, and other sources. Special Revenue funds are a revenue stream that is legally restricted or committed to a specific purpose.

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

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

Governmental Accounting Standards Board (GASB) Statement 34 requires Net Position of an Internal Service Fund be reported as unrestricted unless there are restrictions placed by an external source, such as a creditor, grantor or enabling legislation of other governments. Although the net position of the Internal Service Fund for Health Care is restricted for Health Care costs as stated in negotiated agreements between the district and employee groups, the District is required to present them in this document as Unrestricted Net Position.

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

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

Government-wide Financial Statements

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

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

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

Budgets

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

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

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

Activities of the general fund and the special revenue funds are included in the annual appropriating budget. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.

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

The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Open encumbrance amounts at year-end are automatically re-appropriated by Board Policy as part of the subsequent year's budget, since payment will occur in the subsequent year.

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

The legislature made changes to the State Foundation funding formula during the 2014 session that impacted the District starting in FY15. Changes include an increase to the Base Student Allocation (BSA) of the funding formula, an increase in the correspondence student multiplier from .80 to .90, continued one-time funding with a reduction that offset the BSA increase, increases to Charter School funding and a cap on Indirect Cost for Charter Schools of 4%.

The recent state change in calculating the required local contribution has reduced the total allowable contribution, as well. Even with the reduction in total allowed, the borough contribution of \$44,013,525 this year was less than the maximum allowable contribution for FY15 of 48,006,658.

The FY15 budget was developed and approved with an estimated enrollment of 8,773 students. Although the Kenai Peninsula Borough funding for the district has been less than the maximum allowed by state statute (the cap) for several years, there is some discussion about the possibility of full funding in FY16.

Prior Year Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total, but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

The FY15 General Fund budget amendments are detailed as follows:

Kenai Peninsula Borough School District
FY15 Revenue Budget and Planned Use of Fund Balance Change - General Fund

| Revenue Source | 7/1/2014 KPBSD Original Budget | 1/12/2015 KPBSD Budget Revision | 4/6/2015 KPBSD Budget Revision | 7/6/2015 KPBSD Budget Revision | KPBSD Final Budget |
|---------------------------------------------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|-----------------------|
| Borough In-Kind | \$ 9,669,346 | \$ - | \$ - | \$ - | \$ 9,669,346 |
| Borough Appropriation | 34,330,654 | - | - | - | 34,330,654 |
| Earnings on Investments | 300,000 | - | - | - | 300,000 |
| E-Rate | 646,000 | - | - | - | 646,000 |
| Miscellaneous | 80,000 | - | - | - | 80,000 |
| Total Local Revenue | 45,026,000 | - | - | - | 45,026,000 |
| Foundation Program | 77,214,816 | 2,081,812 | (136,655) | - | 79,159,973 |
| State One-Time Funding | 2,987,202 | - | 21,436 | - | 3,008,638 |
| TRS On-Behalf Payment | 29,622,936 | - | - | 103,593,371 | 133,216,307 |
| PERS On-Behalf Payment | 4,061,380 | - | - | 4,269,839 | 8,331,219 |
| Quality Schools | 274,995 | 7,431 | (375) | - | 282,051 |
| Total State Revenue | 114,161,329 | 2,089,243 | (115,594) | 107,863,210 | 223,998,188 |
| Medicaid | 200,000 | - | - | - | 200,000 |
| Total Federal Revenue | 200,000 | - | - | - | 200,000 |
| Total General Fund Revenue | 159,387,329 | 2,089,243 | (115,594) | 107,863,210 | 269,224,188 |
| Planned Use of Fund Balance | 4,048,564 | (1,348,961) | (1,358,181) | - | 1,341,422 |
| Total General Fund Revenue and Planned Use of Fund Balance | \$ 163,435,893 | \$ 740,282 | \$ (1,473,775) | \$ 107,863,210 | \$ 270,565,610 |

Cash and Investments

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

Borough ordinance authorizes the Borough to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, bankers' acceptances of the fifty largest banks, highest rated commercial paper, repurchase agreements, fully collateralized certificates of deposit, money market mutual funds, highest rated bonds and notes issued by a state or political subdivision thereof, and the Alaska Municipal League Investment Pool, Inc. Borough ordinance places limitations on maturity of investments, and Borough investment procedures limit the level of investment by type. School District investments are insured or registered or are securities which are held by the Borough or its agent in the Borough's name.

Cash is used to account for cash held in bank accounts for the Student Activity Agency Fund and to account for petty cash and other cash not classified elsewhere. All deposits are collateralized by federal deposit insurance or by securities held by the Borough's agent in the Borough's name.

Investments are stated at fair market value.

Short Term Interfund Receivables/Payables

During the course of operations, individual funds may overdraw their share of the pooled cash in the Central Treasury. Such advances are classified as "due to other funds" while the offsetting interfund receivable is classified as "due from other funds" in the General Fund on the balance sheet.

Inventories

Inventories are recorded at average cost on a first-in, first-out basis. General fund inventory consists of expendable supplies held at the central warehouse for issuance to schools or other School District locations. Food Service Fund inventory consists primarily of foodstuffs. The cost of inventory items in the School Operating Fund and Food Service Fund is included in expenditures when issued to schools from the central warehouse or issued for consumption. Land acquired for the Building Trades Project (see Note 7) is recorded at cost. Inventory is reported as Nonspendable to indicate that inventory does not represent available, spendable resources, even though it is a component of assets.

School Maintenance Supply inventory is maintained and accounted for by the Kenai Peninsula Borough. The cost of these inventory items is included in Borough In-Kind Services.

Capital Assets

The Borough owns and accounts for all land, school buildings, and improvements other than buildings, which are provided to School District schools without charge. General capital assets, which consist of furniture and equipment, are reported in the governmental activities column in the district-wide financial statements. General capital assets are defined by the School District as assets with an initial, individual cost of \$5,000 or more, and an estimated useful life in excess of one year. Additional information may be found in Note 4. General capital assets are valued at cost or estimated historical cost when the original cost is not available and depreciated/amortized over their estimated useful lives. Donated capital assets are valued at their estimated fair market value on the date received. The District owns land to be used for furthering vocational instruction. Additional information may be found in Note 7. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on estimated useful lives of 5 to 20 years for furniture and equipment.

Compensated Absences

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

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

Health Care

Since the School District is self-insured, eligible covered employees and the District both contribute monthly to the pool from which claims and administrative fees are paid. The contributions and other income not used in a fiscal year are carried over to subsequent years to provide for shortfalls or unexpected increases in costs and are accounted for in an Internal Service Fund.

Pensions

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

Fund Balance

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form—prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by a formal resolution of the school board—the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the school board removes the specified use by taking the same type of action that imposed the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The school board and Director of Finance have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable and are neither restricted nor committed. These include portions of fund balances assigned to the charter schools, school incentive purchases and for subsequent year's operations.

Unassigned fund balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the school board's policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the School Operating Fund and Special Revenue Funds. Any encumbrances outstanding at year-end are reported as appropriate constraints of fund balance if they meet the criteria and definitions outlined later in these notes. Encumbrances are included as reductions to fund balance for the purpose of calculating fund balance limits in accordance with state regulations.

Grants

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

In-Kind Contributions

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

Interfund Transactions

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

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

NOTE 2 - EQUITY IN CENTRAL TREASURY

The carrying value of the equity in the Central Treasury varies from the balances reported on the balance sheet by the amount that individual funds have overdrawn their share of the pooled cash. The district does not have a policy regarding custodial credit risk, interest rate risk or foreign currency risk. A reconciliation of the carrying value to the reported value as of June 30, 2015 is as follows:

| | Carrying Value of Equity in Central Treasury | Due to (from) other funds | Reported Equity in Central Treasury |
|--------------------------|-------------------------------------------------|------------------------------|----------------------------------------|
| General Fund | \$ 22,260,201 | \$ (2,930,075) | \$ 19,330,126 |
| Equipment Fund | 3,886,408 | - | 3,886,408 |
| Title I Fund | - | 914,257 | 914,257 |
| Other Governmental Funds | 1,488,444 | 2,015,818 | 3,504,262 |
| Internal Service Fund | <u>9,392,822</u> | - | <u>9,392,822</u> |
| Governmental Fund Total | <u>\$ 37,027,875</u> | <u>\$ -</u> | <u>\$ 37,027,875</u> |
| Agency Fund | <u>\$ 2,638,739</u> | <u>\$ -</u> | <u>\$ 2,638,739</u> |

NOTE 3 - RECEIVABLES

Receivables at June 30, 2015, consist of the following:

| | General Fund | Special Revenue Funds | Total |
|---------------------------------------|-------------------|-----------------------------|---------------------|
| Accounts Receivable | \$ 455,848 | \$ 2,435 | \$ 458,283 |
| Intergovernmental: | | | |
| Major Special Revenue: | | | |
| Federal – Through the State – Title I | - | 914,640 | 914,640 |
| Non-Major Special Revenue: | | | |
| Local | - | 65,520 | 65,520 |
| State | - | 323,949 | 323,949 |
| Federal – Through the State | - | 1,384,354 | 1,384,354 |
| Federal – Direct | - | 210,727 | 210,727 |
| Total Receivables | <u>\$ 455,848</u> | <u>\$ 2,901,625</u> | <u>\$ 3,357,473</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, 2015, were as follows:

| Governmental activities: | July 1, 2014 Balance | Additions | Deletions | June 30, 2015 Balance |
|-----------------------------------------------------------|-------------------------|--------------------|--------------------|--------------------------|
| Furniture and equipment | \$ 8,637,118 | \$ 743,175 | \$ (194,712) | \$ 9,185,581 |
| Less accumulated depreciation for furniture and equipment | <u>(5,032,142)</u> | <u>(783,852)</u> | <u>146,628</u> | <u>(5,669,366)</u> |
| Governmental activities capital assets, net | <u>\$ 3,604,976</u> | <u>\$ (40,677)</u> | <u>\$ (48,084)</u> | <u>\$ 3,516,215</u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|------------------------------------------|-----------------------|
| Instruction | \$ 233,786 |
| Special education instruction | 5,928 |
| Support services instruction | 16,023 |
| School administration | 1,019 |
| School administration support services | 968 |
| District administration | 4,940 |
| District administration support services | 138,554 |
| Operations and maintenance of plant | 97,493 |
| Student activities | 251,895 |
| Student transportation | - |
| Food services | <u>33,246</u> |
| Total depreciation expense | <u><u>783,852</u></u> |

Schedule of Capital Assets
Depreciation Classes by Useful Life

| <u>Useful Life (years)</u> | <u>Description</u> |
|----------------------------|------------------------------------------------------------------------------|
| 5 | Computers, software, printers, and library equipment. |
| 7 | Audio video and business equipment and vehicles |
| 10 | Buses, musical instruments, athletic, food service, and medical equipment. |
| 15 | Classroom, communication, custodial, shop, grounds and playground equipment. |
| 20 | Furniture |

NOTE 5 - LONG TERM DEBT

The School District's long-term debt as of June 30, 2015 is comprised of the following:

Long-term contracts payable

The district currently has no long-term contracts payable.

Compensated absences payable

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

| | <u>Total June 30, 2014</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Total June 30, 2015</u> | <u>Amount due in one year</u> |
|-----------------------|--------------------------------|---------------------|----------------------|---------------------------------------|-----------------------------------|
| Compensated Absences | \$3,565,751 | \$ 2,666,043 | \$(2,648,562) | \$ 3,583,232 | \$ 78,265 |
| Total Long -Term Debt | <u>\$ 3,565,751</u> | <u>\$ 2,666,043</u> | <u>\$(2,648,562)</u> | <u>\$ 3,583,232</u> | <u>\$ 78,265</u> |

NOTE 6 – DEFINED BENEFIT (DB) PENSION PLANS – with Special Funding Situation

The District participates in two defined benefit pension plans. The Teachers' Retirement System (TRS) is a cost-sharing multiple employer plan which covers teachers and other eligible participants. The Public Employees' Retirement System (PERS) is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. Both plans were established and are administered by the State of Alaska to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

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

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

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

Historical Context and Special Funding Situation

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

Although current statutes call for the State of Alaska to contribute to the Plans, the Alaska Department of Law has determined that the statutes do not create a legal obligation to assume the liabilities of the Plans; rather it establishes a contribution mechanism to provide employer relief against the rising contribution rates. This relief payment is subject to funding availability, and therefore not legally mandated. As a result, the State has determined that the Plan is *not* in a special funding situation.

Management of the District disagrees with the State's position and believes that AS 39.35.255 and AS 14.25.085 do constitute a special funding situation under GASB 68 rules and has recorded all pension related liabilities, deferred inflows/outflows, and disclosures on this basis, pending a final legal determination, as may be required to settle the matter.

The District records the on-behalf contributions as revenue and expenditures in the fund financial statements. However, current year expenditures are adjusted to deferred outflows in the government-wide financial statements. Prior year expenditures and on-behalf contributions (and other adjustments) reflect expenses at the government-wide level.

Employee Contribution Rates

Non-Teacher School District employees are required to contribute at 6.75% of their annual covered salary or at 9.6% of their annual covered salary if they have chosen the Alternate Option for PERS. The Alternate Option allows employees who work at least 172 days to earn a full year service credit for their time worked, rather than earning partial credit for the year when paying at the lower contribution rate. Teachers and other certificated employees are required to contribute 8.65% of annual covered salary for TRS.

Employer and Other Contribution Rates

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

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

Alaska Retirement Management (ARM) Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management (ARM) Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Prior to July 1, 2015, there were no constraints or restrictions on the actuarial cost method or other assumptions used in the ARM Board valuation. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 2.3 year term which ends in 2017. This will result in lower ARM Board rates in future years.

On-behalf Contribution Rate: This is the rate normally paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. However, in 2015, the State Legislature appropriated a one-time contribution to the Plans in the amount of \$1 billion for PERS and \$2 billion for TRS. As a result, the On-behalf Contribution Rates for 2015 significantly exceed the statutory amounts. As noted earlier, the on-behalf contributions are recognized in the fund financial statements as revenues and expenditures in the year they are appropriated by the State. In the government-wide financial statements, such on-behalf contributions in the subsequent measurement period, resulting in a one year lag.

GASB Rate: This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. Additionally, the GASB rate disregards all future Medicare Part D payments. For FY15, the GASB rate uses an 8.00% pension discount rate and a 4.90% healthcare discount rate for both PERS and TRS. The GASB rate and the ARM Board Adopted Rate differ significantly as a direct result of variances in the actuarial methods and assumptions used.

Contribution rates for the year ended June 30, 2015 were determined in the June 30, 2013 actuarial valuation.

| <i>PERS</i> | Employer Effective Rate | ARM Board Adopted Rate | State Contribution Rate | GASB Rate |
|----------------------------------------|-------------------------|------------------------|-------------------------|---------------|
| Pension | 12.54% | 25.09% | 42.41% | 33.05 |
| Postemployment healthcare (see Note 8) | 9.46% | 18.94% | - % | 55.07% |
| Total PERS Contribution Rate | 22.00% | 44.03% | 42.41% | 88.12% |

| <i>TRS</i> | Employer Effective Rate | ARM Board Adopted Rate | State Contribution Rate | GASB Rate |
|----------------------------------------|-------------------------|------------------------|-------------------------|----------------|
| Pension | 7.22% | 40.33% | 212.24% | 59.21% |
| Postemployment healthcare (see Note 8) | 5.34% | 30.42% | 43.05 % | 70.04% |
| Total TRS Contribution Rate | 12.56% | 70.75% | 255.29% | 129.25% |

In 2015, the District was credited with the following contributions into the pension plans.

| <i>PERS</i> | Measurement Period District FY14 | District FY15 |
|-----------------------------------------|-------------------------------------|----------------------|
| Employer contributions (including DBUL) | \$ 1,678,765 | \$ 1,802,254 |
| Nonemployer contributions (on-behalf) | 1,546,741 | 8,961,478 |
| Total Contributions | \$ 3,225,506 | \$ 10,763,732 |

The District has recorded a total on-behalf payment of \$10,396,146, which includes the \$8,961,478 school district portion listed above, as well as \$1,434,668 received by the Kenai Peninsula Borough for in-kind maintenance services. In addition, employee contributions to the Plan totaled \$769,494 during the District fiscal year.

| <i>TRS</i> | Measurement Period District FY14 | District FY15 |
|-----------------------------------------|-------------------------------------|-----------------------|
| Employer Contributions (including DBUL) | \$ 2,497,565 | \$ 2,405,825 |
| Nonemployer contributions (on-behalf) | 13,881,170 | 110,983,939 |
| Total Contributions | \$ 16,378,735 | \$ 113,389,764 |

In addition, employee contributions to the Plan totaled \$2,840,550 during the District fiscal year.

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

At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability associated with the District were as follows:

| <i>Net Pension Liability</i> | PERS | TRS |
|-----------------------------------------------------------------|----------------------|-----------------------|
| District's proportionate share of NPL | \$ 20,359,190 | \$ 30,376,532 |
| State's proportionate share of NPL associated with the District | 18,808,964 | 168,912,841 |
| Total | \$ 39,168,154 | \$ 199,289,373 |

The net pension liabilities were measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability for each Plan was determined by an actuarial valuation as of that date. The District's proportion of the net pension liabilities were based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2014, the District's proportion of PERS was 0.43650483 percent, which was an increase of 0.024289530 from its proportion measured as of June 30, 2013. For TRS the District's proportion was 1.012867650 percent, representing a decrease of 0.018863550 from the prior year.

For the year ended June 30, 2015, the District recognized pension expense of \$3,561,892 for PERS and \$15,664,197 for TRS. In addition, the District recognized on-behalf revenue from the State of Alaska in the amounts of \$1,546,741 and \$13,881,170 for PERS and TRS, respectively. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ - | \$ - |
| Changes in assumptions | - | - |
| Net difference between projected and actual earnings on pension plan investments | - | 5,064,056 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 720,957 | 352,957 |
| District contributions subsequent to the measurement date | 4,208,079 | - |
| Total | \$ 4,929,036 | \$ 5,417,013 |

\$4,208,079 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30,

| | |
|------|------------|
| 2016 | \$ 982,937 |
| 2017 | 1,181,091 |
| 2018 | 1,266,014 |
| 2019 | 1,266,014 |
| 2020 | 0 |

Actuarial Assumptions

The total pension liabilities was determined by actuarial valuations as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2014. The actuarial valuations for the year ended June 30, 2014 (latest available) were prepared by Buck Consultants. The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from July 1, 2005 to June 30, 2009, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience. Generally, both PERS and TRS follow the same assumptions, except as noted:

| | |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Inflation | 3.12% |
| Salary Increases | Graded by age and service, from 9.6% to 3.62% for PERS Graded by service, from 6.11% to 3.62% for TRS |
| Investment Return / Discount Rate | 8.00% net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and real rate of return over 4.88%. |
| Mortality | Rates based on the 1994 Group Annuity Mortality Table, sex distinct, 1994 Base year without margin projected to 2013 using Projection Scale AA: |

PERS - 75% for male and 55% for female for pre-termination for all others; and 100% for males and 1-year set-forward for females for post-termination.

TRS – 55% for females and 45% for males for per-termination mortality. 3-year setback for females and 4-year setback for males for post-termination mortality.

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

| <i>Asset Class</i> | Long-Term Expected Real Rate of Return |
|----------------------|----------------------------------------|
| Domestic equity | 6.77% |
| International equity | 7.50% |
| Private equity | 10.86% |
| Fixed income | 2.05% |
| Real estate | 3.63% |
| Absolute return | 4.80% |

Discount Rate

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

Discount Rate Sensitivity

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

| <i>PERS</i> | Proportional Share | 1% Decrease (7.00%) | Current Discount Rate (8.00%) | 1% Increase (9.00%) |
|-------------------------------------------------------------|--------------------|------------------------|-------------------------------------|------------------------|
| System Net Pension Liability | 100.0% | \$ 6,115,581,980 | \$ 4,664,148,458 | \$ 3,441,888,494 |
| District's proportionate share of the net pension liability | 0.436504830% | \$ 26,694,811 | \$ 20,359,190 | \$ 15,024,010 |

| <i>TRS</i> | Proportional Share | 1% Decrease (7.00%) | Current Discount Rate (8.00%) | 1% Increase (9.00%) |
|-------------------------------------------------------------|--------------------|------------------------|-------------------------------------|------------------------|
| System Net Pension Liability | 100.0% | \$ 3,776,983,113 | \$ 2,999,062,314 | \$ 2,346,163,638 |
| District's proportionate share of the net pension liability | 1.012867650 | \$ 38,255,840 | \$ 30,376,532 | \$ 23,763,533 |

Pension Plan Fiduciary Net Position

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

NOTE 7 – DEFINED CONTRIBUTION (DC) PENSION PLAN

Employees hired after July 1, 2006 participate in PERS Tier IV and TRS Tier III Defined Contribution Retirement Plans. These Plans are administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plans noted above. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management (ARM) Board may also amend contribution requirements. Included in the Plans are individual pension accounts, retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. These Plans are included in the comprehensive annual financial reports for PERS and TRS, and at the following website, as noted above. <http://doa.alaska.gov/drb>

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

Benefit Terms

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

Employee Contribution Rate

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

Employer Contribution Rate

For the year ended June 30, 2015, the District was required to contribute 5% of covered salary into PERS and 7% of covered salary for TRS.

The District and employee contributions to PERS for pensions for the year ended June 30, 2015 were \$450,289 and \$720,461, respectively. The District and employee contributions for TRS for pensions for the year ended June 30, 2015 were \$1,291,511 and \$1,476,011, respectively.

District contributions are recognized as pension expense/expenditures.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLANS

Defined Benefit OPEB

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

Employer Contribution Rates

The District is required to contribute 9.46% of covered payroll into the PERS OPEB plan. The District is required to contribute 9.46% of covered payroll into the TRS OPEB plan. In addition, during 2015, the State on-behalf contribution for OPEB was 43.05% of covered payroll.

Employees do not contribute to the DB OPEB plans.

Annual Postemployment Healthcare Cost

Actual contributions into the plan for the last three years were as follows.

| <i>PERS</i> | Annual | District | % of Costs |
|----------------------------|--------|---------------|-------------|
| <i>Year Ended June 30,</i> | OPEB | Contributions | Contributed |
| | Costs | | |

| | | | |
|------|-------------|-------------|-------|
| 2015 | \$1,359,472 | \$1,359,472 | 100 % |
| 2014 | \$1,637,684 | \$1,637,684 | 100 % |
| 2013 | \$1,812,982 | \$1,812,982 | 100 % |

On-behalf contributions for PERS OPEB were \$-0-, \$1,187,015, and \$1,225,552 for 2015, 2014, and 2013, respectively. Those amounts are not reflected in the OPEB costs in the table above.

| <i>TRS Year Ended June 30,</i> | <i>Annual OPEB Costs</i> | <i>District Contributions</i> | <i>% of Costs Contributed</i> |
|------------------------------------|----------------------------------|-----------------------------------|-----------------------------------|
| 2015 | \$1,782,249 | \$1,782,249 | 100 % |
| 2014 | \$2,133,100 | \$2,133,100 | 100 % |
| 2013 | \$2,282,747 | \$2,282,747 | 100 % |

On-behalf contributions for PERS OPEB were \$22,514,468, \$7,173,899, and \$6,944,745 for 2015, 2014, and 2013, respectively. Those amounts are not reflected in the OPEB costs in the table above.

Defined Contribution OPEB

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

Employer Contribution Rates

Employees do not contribute to the DC OPEB plans. Employer contribution rates were as follows for the year ended June 30, 2015:

| | <i>PERS Tier IV</i> | <i>TRS Tier III</i> |
|--------------------------------------------|-------------------------|-------------------------|
| Retiree medical plan | 1.66% | 2.04% |
| Occupational death and disability benefits | 0.22% | -% |
| | 1.88% | 2.04% |

In addition, PERS and TRS defined contribution members also participate in the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as “three percent of the average annual employee compensation of **all employees of all employers** in the plan”. As of July 1, 2014, for actual remittance, this amount is calculated as a flat rate for each full time or part-time employee per pay period and approximates \$1,961 per year for each full-time employee, and \$1.26 per hour for part-time employees for both PERS and TRS.

Annual Postemployment Healthcare Cost

In 2015, the District contributed \$688,798 in DC OPEB costs to PERS and \$970,820 in DC OPEB costs to TRS. These amounts have been recognized as expense/expenditures.

NOTE 9 – BUILDING TRADES PROJECT

The School District has acquired various parcels of land on which vocational education classes of Kenai Central High School constructed houses. Periodically these houses are sold and the proceeds used to recover the School District's costs. These projects are supervised by the Kenai Peninsula Building Authority, a nonprofit organization established by the School District in October, 1969, for the specific purpose of administering and overseeing this "Building Trades Project." Remaining property is currently valued at \$60,618.

NOTE 10 - FOOD SERVICE SPECIAL REVENUE FUND

The United States Department of Agriculture provided \$141,450 of food, milk and supplies during the year without charge to the School District. These in-kind contributions have been reflected as revenue and expenditures within the Food Service Special Revenue Fund.

NOTE 11 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payables resulting from short-term operating advances at June 30, 2015 are as follows:

| | <u>Receivable</u> | <u>Payable</u> |
|------------------------------|---------------------|---------------------|
| Major Fund - General Fund | \$ 2,930,075 | \$ - |
| Major Fund – Title IA | - | 914,257 |
| Non-major governmental funds | - | 2,015,818 |
| | <u>\$ 2,930,075</u> | <u>\$ 2,930,075</u> |

Interfund Transfers

Transfers between funds for the year ended June 30, 2015 were as follows:

| | <u>Transfer In:</u> | |
|--------------------------|-------------------------------------|--------------------|
| Transfer Out: | | |
| From the General Fund to | | |
| Non-Major Governmental | <u>Non-Major Governmental Funds</u> | <u>Total</u> |
| Funds for operating | <u>\$1,300,000</u> | <u>\$1,300,000</u> |
| subsidies | | |

NOTE 12 - RISK MANAGEMENT

The Kenai Peninsula Borough has established an office of Risk Management and a limited self-insurance program which is codified by Borough ordinance and administered by a risk management committee. It is the responsibility of the risk management committee to insure, self-insure or select appropriate retention levels and deductibles for the risks confronting the Kenai Peninsula Borough, its Service Areas, and the School District. All losses and claims are reported to the Risk Management office and are handled internally within the retention and deductible level. New claims and outstanding claims are reviewed monthly by the Borough Attorney, and the Risk Manager. There were no significant changes in the amount of coverage during the current fiscal year.

The greatest exposure to financial loss confronting the Kenai Peninsula Borough and School District would be in the areas of pollution liability, auto liability and general liability due to the ownership of landfills, the fleet of vehicles operated and the number of properties owned and operated by the Borough and School District. The Borough is self-insured for pollution liability due to limited availability of coverage and the associated cost. Based on this historical evidence of claim value and the increasing ability to fund a greater level of retention, the risk management committee chose to retain the first \$250,000 of each occurrence at the beginning of FY1992.

Insurers provide annual aggregate limits up to \$29,750,000 in excess of our \$250,000 retention level for the exposures of general liability, auto liability, public officials’ liability, educational errors and omissions, ambulance attendants’ professional liability and landfill liability. Insurance coverage for these various types of liability exposure are being provided by insurers in a single package policy format. Building and contents are

insured in excess of a \$100,000 deductible per occurrence, and data processing equipment and vehicles are insured in excess of a \$500 deductible per occurrence and borough owned vehicles are insured in excess of a \$20,000 deductible per occurrence. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Borough continues to fully insure the non-owned aircraft liability risks.

The Borough is self-insured for workers compensation cost, with a retention level of \$250,000 and excess insurance providing compliance with statutory requirements.

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

| | <u>2015</u> | <u>2014</u> |
|------------------------------------------------------------------------------------------|---------------------|---------------------|
| Beginning of fiscal year liability | \$ 2,933,760 | \$ 2,135,288 |
| Current year claims incurred and changes in estimates for claims incurred in prior years | 1,756,180 | 1,947,624 |
| Claims and expenses paid | <u>(1,755,080)</u> | <u>(1,149,152)</u> |
| End of fiscal year liability | <u>\$ 2,934,860</u> | <u>\$ 2,933,760</u> |

Included above is a liability for incurred but not reported (IBNR) claims of \$525,760. Experience indicates those losses or claims do not go unreported for any significant length of time, therefore, the exposure to IBNR losses or claims is minimal.

The School District maintains a health and medical benefit program which covers permanent employees working more than half time. The School District retains a major portion of the risk of this plan, and, accordingly, is liable for any employee health claims that are approved for payment. Stop-loss limits are \$200,000 for individual claims and 125% above projected annual cost for aggregate claims. Health and medical claims totaled approximately \$25,419,053 for the year ended June 30, 2015 and consisted of paid claims, stop-loss premiums and administrative fees. Accruals were made based on estimates of health claims at year end, including claims incurred but not reported. Such accruals are accounted for in the Internal Service Fund. A schedule of the changes in the health care claims liability for the three years ended June 30, 2013, 2014 and 2015 follows:

| | <u>Beginning of Fiscal Year Liability</u> | <u>Current Year Claim Estimates</u> | <u>Claim Payments</u> | <u>End of Fiscal Year Liability</u> |
|-------------|-----------------------------------------------|-----------------------------------------|---------------------------|-----------------------------------------|
| 2012 – 2013 | 4,204,000 | 25,015,175 | (24,853,175) | 4,366,000 |
| 2013 – 2014 | 4,366,000 | 24,801,142 | (25,040,962) | 4,126,180 |
| 2014 – 2015 | 4,126,180 | 26,348,391 | (26,240,127) | 4,234,444 |

NOTE 13 - CONTINGENCIES

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

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, would become a liability of the General Fund. In the opinion of management, any disallowed claims

will not have a material effect on any fund type of the School District included in the financial statements, as of and for the year ended June 30, 2014.

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, 2015, 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, 2015, will not have a material effect on the financial statements as of and for the year ended June 30, 2015.

NOTE 14 - SUBSEQUENT EVENTS

The district has no subsequent events to report.

NOTE 15 – NEW ACCOUNTING PRONOUNCEMENTS

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

GASB 72 – Fair Value Measurement and Application – Effective for year-end June 30, 2016 – This statement defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. This statement is expected to primarily affect investment disclosures.

GASB 73 – Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68 – This statement contains certain clarifications and amendments to GASB 67 and 68 as well as establishing requirements for both defined benefit and defined contribution pensions not within the scope of GASB 68. Effective for fiscal year end June 30, 2016—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for year ending June 30, 2017.

GASB 74 – Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans – Effective for year-end June 30, 2017, with earlier application encouraged – This statement contains reporting financial reporting guidelines for Postemployment Benefit Plans. This is the Plan side requirements applicable to OPEB benefits and generally brings the OPEB reporting rules into alignment with the new GASB 67 Pension rules.

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

GASB 76 – The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments – Effective for year-end June 30, 2016, with earlier application encouraged – This statement clarifies the hierarchy of generally accepted accounting principles to be used in the preparation of state and local government financial statements. This statement supersedes the previous hierarchy established in GASB 55.

NOTE 16 – CHANGE IN ACCOUNTING PRINCIPLE

As discussed in Note 6 to the financial statements, the District participates in two defined benefit plans: The Alaska Public Retirement System (PERS) plan and the Teachers Retirement System (TRS) plan. In 2015 the District adopted the provisions of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*, which, among other accounting and reporting criteria, requires the District to recognize its proportional share of the Net Pension Liability (and related deferred inflow/outflow accounts), as of the beginning of the District's fiscal year. As a result of the implementation of this statement, the District has recorded an opening balance adjustment to reflect opening balance pension liabilities and related accounts and to decrease opening net position as follows:

| | Opening net position, as originally presented | Change in accounting principle adjustment | Opening net position, as restated |
|-------------------------|--------------------------------------------------------|----------------------------------------------------|-----------------------------------------|
| Governmental Activities | \$ 29,738,785 | \$ (51,625,398) | \$ (21,886,613) |

REQUIRED SUPPLEMENTARY INFORMATION

MAJOR FUNDS:

Major Governmental Funds – General Fund – Schedule of Revenues, Expenditures and
Changes in Fund Balance

Major Governmental Funds – Equipment – Schedule of Revenues, Expenditures and
Changes in Fund Balance

Major Governmental Funds – Title I – Schedule of Revenues, Expenditures and
Changes in Fund Balance

BUDGETARY COMPARISON SCHEDULES:

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

Schedule of District Contributions – Public Employees Retirement System - PERS

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

Schedule of District Contributions – Teachers Retirement System - TRS

ADDITIONAL SUPPLEMENTARY INFORMATION

GENERAL FUND:

General Fund Balance Sheet

General Fund Schedule of Changes in Fund Balance

General Fund Schedule of Revenues – Budget (GAAP Basis) and Actual

General Fund Schedule of Expenditures – Budget (GAAP Basis) and Actual

Schedule of Compliance – AS 14.17.505

Schedule of Compliance – AS 14.17.520

EQUIPMENT FUND – SPECIAL REVENUE:

Balance Sheet – Major Fund – Equipment

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

TITLE I FUND – SPECIAL REVENUE:

Balance Sheet – Major Fund – Title I

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

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MAJOR GOVERNMENTAL FUNDS - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2015

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|------------------------------------------------------|-----------------------|-----------------------|----------------------|-----------------------------------------------------------|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Local | \$ 44,000,000 | \$ 44,000,000 | \$ 44,013,525 | \$ 13,525 |
| State | 114,161,329 | 223,998,188 | 226,345,214 | 2,347,026 |
| Federal-Through the State | 200,000 | 200,000 | 211,375 | 11,375 |
| Earnings on Investments | 300,000 | 300,000 | 326,758 | 26,758 |
| E-Rate | 646,000 | 646,000 | 287,658 | (358,342) |
| Other Local Revenues | 80,000 | 80,000 | 399,614 | 319,614 |
| Total Revenues | 159,387,329 | 269,224,188 | 271,584,144 | 2,359,956 |
| Expenditures: | | | | |
| Instruction | 79,716,177 | 149,793,152 | 148,723,548 | 1,069,604 |
| Special Education - Instruction | 21,891,476 | 37,321,532 | 37,637,162 | (315,630) |
| Special Education Support Services - Student | 6,658,226 | 12,485,679 | 12,031,526 | 454,153 |
| Support Services - Student | 5,502,972 | 8,198,522 | 8,396,634 | (198,112) |
| Support Services - Instruction | 4,150,234 | 6,216,429 | 6,387,960 | (171,531) |
| School Administration | 7,640,546 | 15,518,982 | 15,775,084 | (256,102) |
| School Administration Support Services | 5,449,955 | 5,814,571 | 5,958,303 | (143,732) |
| District Administration | 1,307,356 | 1,741,104 | 1,673,515 | 67,589 |
| District Administration Support Services | 6,170,641 | 6,775,155 | 6,915,804 | (140,649) |
| Operations and Maintenance of Plant | 21,788,386 | 22,802,994 | 24,009,582 | (1,206,588) |
| Student Activities | 2,334,924 | 4,192,061 | 3,922,351 | 269,710 |
| Total Expenditures | 162,610,893 | 270,860,181 | 271,431,469 | (571,288) |
| Excess (Deficiency) of Revenues over Expenditures | (3,223,564) | (1,635,993) | 152,675 | 1,788,668 |
| Other Financing Uses: | | | | |
| Transfers Out - Special Revenue Fund | (825,000) | (1,325,000) | (1,300,000) | 25,000 |
| Total Other Financing Uses: | (825,000) | (1,325,000) | (1,300,000) | 25,000 |
| Net Changes in Fund Balances | \$ (4,048,564) | \$ (2,960,993) | (1,147,325) | \$ 1,813,668 |
| Fund Balance, Beginning of Year | | | 18,396,866 | |
| Fund Balance, End of Year | | | \$ 17,249,541 | |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 MAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS - EQUIPMENT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|--------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|---------------------|-----------------------------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Earnings on Investment | \$ 75,000 | \$ 75,000 | \$ 95,170 | \$ 20,170 |
| Expenditures: | | | | |
| Instruction | 4,464,407 | 4,485,929 | 303,369 | 4,182,560 |
| School Administration | - | - | 9,889 | |
| Operations and Maintenance of Plant | - | 47,545 | 436,978 | (389,433) |
| Total Expenditures | <u>4,464,407</u> | <u>4,533,474</u> | <u>750,236</u> | <u>3,793,127</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | <u>\$ (4,389,407)</u> | <u>\$ (4,458,474)</u> | \$ (655,066) | <u>\$ 3,813,297</u> |
| Fund Balances, Beginning of Year | | | <u>4,541,474</u> | |
| Fund Balances, End of Year | | | <u>\$ 3,886,408</u> | |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS - TITLE I
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|--------------------------------------------------------------------------------------------------------------|------------------|-----------|-----------|-----------------------------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Federal-Through the State | 3,413,728 | 3,413,728 | 2,566,708 | (847,020) |
| Expenditures: | | | | |
| Instruction | 3,307,460 | 3,307,503 | 2,494,522 | 812,981 |
| District Administration Support Services | 106,268 | 106,225 | 72,186 | 34,039 |
| Total Expenditures | 3,413,728 | 3,413,728 | 2,566,708 | 847,020 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | \$ - | \$ - | \$ - | \$ - |
| Fund Balances, Beginning of Year | | | - | |
| Fund Balances, End of Year | | | \$ - | |

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

| | 2015 |
|-----------------------------------------------------------------------------------------------------------------|---------------|
| District's proportion of the net pension liability (asset) | 0.43650483% |
| District's proportionate share of the net pension liability (asset) | \$ 20,359,190 |
| State of Alaska proportionate share of the net pension liability (asset) | 18,808,964 |
| Total net pension liability | \$ 39,168,154 |
| District's covered employee payroll | \$ 10,968,117 |
| District's proportionate share of the net pension liability (asset) as a percentage of covered employee payroll | 186% |
| Plan fiduciary net position as a percentage of the total pension liability | 62.37% |

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

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

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

| | 2014-2015 |
|-------------------------------------------------------------------------|---------------|
| Contractually required contribution | \$ 1,802,254 |
| Contributions in relation to the contractually required contribution | 1,802,254 |
| Contribution deficiency (excess) | \$ - |
| District's covered employee payroll | \$ 10,968,117 |
| Contributions as a percentage of covered employee payroll | 17.217% |

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

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

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

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

| | 2014-2015 |
|-----------------------------------------------------------------------------------------------------------------|----------------|
| District's proportion of the net pension liability (asset) | 1.01286765% |
| District's proportionate share of the net pension liability (asset) | \$ 30,376,532 |
| State of Alaska proportionate share of the net pension liability (asset) | 168,912,841 |
| Total net pension liability | \$ 199,289,373 |
| District's covered employee payroll | \$ 34,340,451 |
| District's proportionate share of the net pension liability (asset) as a percentage of covered employee payroll | 88% |
| Plan fiduciary net position as a percentage of the total pension liability | 55.70% |

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

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

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

| | 2014-2015 |
|-------------------------------------------------------------------------|---------------|
| Contractually required contribution | \$ 2,405,825 |
| Contributions in relation to the contractually required contribution | 2,405,825 |
| Contribution deficiency (excess) | \$ - |
| District's covered employee payroll | \$ 32,776,435 |
| Contributions as a percentage of covered employee payroll | 7.340% |

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

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

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
BALANCE SHEET
June 30, 2015 and 2014

| <u>ASSETS</u> | <u>2015</u> | <u>2014</u> |
|---------------------------------------------|----------------------|----------------------|
| Cash on hand | \$ 20,340 | \$ 23,804 |
| Equity in Central Treasury | 22,260,201 | 21,755,561 |
| Accounts receivable | 455,848 | 825,039 |
| Prepaid Items | - | 950,000 |
| Due from Special Revenue Funds | 2,930,075 | 2,732,655 |
| Inventory | <u>707,220</u> | <u>737,933</u> |
| Total Assets | <u>\$ 26,373,684</u> | <u>\$ 27,024,992</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | <u>\$ 1,200,253</u> | <u>\$ 927,834</u> |
| Accrued liabilities: | | |
| Payroll | 5,484,594 | 5,356,413 |
| Retirement | 365,662 | 362,284 |
| Payroll taxes | 2,038,683 | 1,948,981 |
| Payroll deductions | <u>34,951</u> | <u>32,614</u> |
| Total Accrued Liabilities | <u>7,923,890</u> | <u>7,700,292</u> |
| Total Liabilities | <u>9,124,143</u> | <u>8,628,126</u> |
| Fund Balance: | | |
| Nonspendable | 707,220 | 1,687,933 |
| Restricted | 2,988,996 | 2,471,131 |
| Assigned | 5,655,347 | 8,120,850 |
| Unassigned | <u>7,897,978</u> | <u>6,116,952</u> |
| Total Fund Balance | <u>17,249,541</u> | <u>18,396,866</u> |
| Total Liabilities and Fund Balance | <u>\$ 26,373,684</u> | <u>\$ 27,024,992</u> |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF CHANGES IN FUND BALANCE
For the Years Ended June 30, 2015 and 2014

| | 2015 | 2014 |
|----------------------------------------------|---------------|---------------|
| Fund Balance, Beginning of Year | \$ 18,396,866 | \$ 19,623,299 |
| Add Revenues and Other Financing Sources | 271,584,144 | 148,107,611 |
| Deduct Expenditures and Other Financing Uses | (272,731,469) | (149,334,044) |
| Fund Balance, End of Year | \$ 17,249,541 | \$ 18,396,866 |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|-------------------------------------------------------|-----------------------|-----------------------|-----------------------|------------------------------------|-----------------------|
| | Original Budget | Current Budget | Actual | Variance Positive (Negative) | |
| Revenues: | | | | | |
| Local: | | | | | |
| Kenai Peninsula Borough - Direct Appropriation | \$ 34,330,654 | \$ 34,330,654 | \$ 34,330,654 | \$ - | \$ 34,170,106 |
| Kenai Peninsula Borough - In-Kind Services | 9,669,346 | 9,669,346 | 9,682,871 | 13,525 | 9,329,894 |
| Total Local | \$ 44,000,000 | 44,000,000 | 44,013,525 | 13,525 | 43,500,000 |
| State: | | | | | |
| Public School Funding | 77,214,816 | 79,159,973 | 79,159,764 | (209) | 74,891,748 |
| One-Time State Funding | 2,987,202 | 3,008,638 | 3,008,638 | - | 1,729,349 |
| One-Time State Funding - Safety | - | - | - | - | 1,452,652 |
| LOG/Quality Schools | 274,995 | 282,051 | 282,259 | 208 | 274,963 |
| Retirement: TRS On-Behalf | 29,622,936 | 133,216,307 | 133,498,407 | 282,100 | 21,055,069 |
| Retirement: PERS On-Behalf | 4,061,380 | 8,331,219 | 8,961,478 | 630,259 | 2,733,756 |
| Retirement: PERS On-Behalf Passed Through KPB | - | - | 1,434,668 | 1,434,668 | 445,694 |
| Total State | 114,161,329 | 223,998,188 | 226,345,214 | 2,347,026 | 102,583,231 |
| Federal - Through the State: | | | | | |
| Medicaid - Direct Reimbursement | 200,000 | 200,000 | 211,375 | 11,375 | 200,451 |
| Total Federal - Through the State | 200,000 | 200,000 | 211,375 | 11,375 | 200,451 |
| Earnings on Investments | 300,000 | 300,000 | 326,758 | 26,758 | 475,548 |
| E-Rate | 646,000 | 646,000 | 287,658 | (358,342) | 1,219,637 |
| Other Local Revenues: | | | | | |
| Facilities Rental | 30,000 | 30,000 | 32,700 | 2,700 | 29,450 |
| Miscellaneous | 50,000 | 50,000 | 366,914 | 316,914 | 99,294 |
| Total Other Local Revenues: | 80,000 | 80,000 | 399,614 | 319,614 | 128,744 |
| Total Revenues | 159,387,329 | 269,224,188 | 271,584,144 | 2,359,956 | 148,107,611 |
| Other Financing Sources: | | | | | |
| Fund Balance Appropriation | 4,048,564 | 1,341,422 | - | (1,341,422) | - |
| Total Revenues and Other Financing Sources | \$ 163,435,893 | \$ 270,565,610 | \$ 271,584,144 | \$ 1,018,534 | \$ 148,107,611 |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|-------------------------------------|--------------------|--------------------|--------------------|-------------------------------------|-------------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Instruction: | | | | | |
| Certificated Salaries | \$ 34,328,570 | \$ 33,772,499 | \$ 33,711,007 | \$ 61,492 | \$ 33,378,258 |
| Non-Certificated Salaries | 2,537,969 | 2,617,323 | 2,621,815 | (4,492) | 2,447,589 |
| Employee Benefits | 35,703,258 | 106,571,934 | 106,137,987 | 433,947 | 28,702,131 |
| Professional and Technical Services | 210,550 | 156,764 | 139,567 | 17,197 | 210,618 |
| Staff Travel | 157,095 | 234,496 | 207,572 | 26,924 | 172,773 |
| Student Travel | 14,150 | 67,105 | 58,783 | 8,322 | 39,184 |
| Utility Services | 309,650 | 309,106 | 309,077 | 29 | 277,002 |
| Other Purchased Services | 498,799 | 469,807 | 463,895 | 5,912 | 434,703 |
| Supplies, Materials, and Media | 2,611,761 | 3,508,281 | 3,458,748 | 49,533 | 3,270,122 |
| Other Expenses | 2,400,369 | 618,442 | 74,258 | 544,184 | 94,906 |
| Equipment | 944,006 | 1,467,395 | 1,540,839 | (73,444) | 1,581,950 |
| | <u>79,716,177</u> | <u>149,793,152</u> | <u>148,723,548</u> | <u>1,069,604</u> | <u>70,609,236</u> |

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|-------------------------------------|--------------------|-------------------|-------------------|-------------------------------------|-------------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Special Education Instruction: | | | | | |
| Certificated Salaries | \$ 7,060,895 | \$ 6,747,513 | \$ 6,670,177 | \$ 77,336 | \$ 6,367,091 |
| Non-Certificated Salaries | 3,915,947 | 4,140,371 | 4,253,547 | (113,176) | 3,749,962 |
| Employee Benefits | 10,707,380 | 26,036,369 | 26,306,529 | (270,160) | 8,785,561 |
| Professional and Technical Services | 45,000 | 97,954 | 88,111 | 9,843 | 34,734 |
| Staff Travel | 46,970 | 57,857 | 58,168 | (311) | 47,680 |
| Student Travel | 2,200 | 1,307 | 1,447 | (140) | 1,562 |
| Utility Services | - | 234 | 635 | (401) | 107 |
| Other Purchased Services | 3,915 | 8,320 | 8,101 | 219 | 1,684 |
| Supplies, Materials, and Media | 87,669 | 183,190 | 202,008 | (18,818) | 116,700 |
| Other Expenses | 11,500 | 23,168 | 23,166 | 2 | 12,285 |
| Equipment | 10,000 | 25,249 | 25,273 | (24) | 13,024 |
| | <u>21,891,476</u> | <u>37,321,532</u> | <u>37,637,162</u> | <u>(315,630)</u> | <u>19,130,390</u> |

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | Variance- Positive (Negative) | 2014 Actual |
|-----------------------------------------------|--------------------|-------------------|-------------------|-------------------------------------|------------------|
| | Original Budget | Current Budget | Actual | | |
| Special Education Support Services - Student: | | | | | |
| Certificated Salaries | \$ 2,630,544 | \$ 2,643,558 | \$ 2,652,356 | \$ (8,798) | \$ 2,592,706 |
| Non-Certificated Salaries | 393,950 | 346,139 | 343,832 | 2,307 | 360,326 |
| Employee Benefits | 2,820,955 | 8,035,441 | 8,153,176 | (117,735) | 2,270,331 |
| Professional and Technical Services | 663,900 | 1,239,744 | 687,735 | 552,009 | 584,391 |
| Staff Travel | 87,200 | 94,566 | 95,765 | (1,199) | 67,357 |
| Student Travel | - | 172 | 172 | - | - |
| Utility Services | 5,000 | 1,266 | 1,157 | 109 | 3,179 |
| Other Purchased Services | 3,210 | 2,842 | 3,398 | (556) | 4,094 |
| Supplies, Materials, and Media | 49,032 | 97,660 | 69,644 | 28,016 | 64,521 |
| Other Expenses | 1,000 | 230 | 230 | - | 198 |
| Equipment | 3,435 | 24,061 | 24,061 | - | 17,386 |
| | <u>6,658,226</u> | <u>12,485,679</u> | <u>12,031,526</u> | <u>454,153</u> | <u>5,964,489</u> |

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|--------------------------------|--------------------|-------------------|------------------|-------------------------------------|------------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Support Services - Student: | | | | | |
| Certificated Salaries | \$ 1,176,100 | \$ 1,147,361 | \$ 1,159,093 | \$ (11,732) | \$ 1,188,214 |
| Non-Certificated Salaries | 1,476,626 | 1,382,840 | 1,399,678 | (16,838) | 1,393,200 |
| Employee Benefits | 2,725,319 | 5,531,818 | 5,717,869 | (186,051) | 2,210,168 |
| Staff Travel | 59,000 | 63,306 | 59,859 | 3,447 | 63,409 |
| Student Travel | 2,500 | 1,713 | 716 | 997 | 1,208 |
| Utility Services | 750 | 296 | 268 | 28 | 853 |
| Other Purchased Services | 4,651 | 7,072 | 4,509 | 2,563 | 4,562 |
| Supplies, Materials, and Media | 51,528 | 56,429 | 48,492 | 7,937 | 48,256 |
| Other Expenses | 5,598 | 5,818 | 5,048 | 770 | 506 |
| Equipment | 900 | 1,869 | 1,102 | 767 | 2,859 |
| | <u>5,502,972</u> | <u>8,198,522</u> | <u>8,396,634</u> | <u>(198,112)</u> | <u>4,913,235</u> |

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|-------------------------------------|--------------------|-------------------|------------------|-------------------------------------|------------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Support Services - Instruction: | | | | | |
| Certificated Salaries | \$ 1,289,167 | \$ 1,180,178 | \$ 1,220,258 | \$ (40,080) | \$ 1,372,702 |
| Non-Certificated Salaries | 589,868 | 609,481 | 605,447 | 4,034 | 574,441 |
| Employee Benefits | 1,684,374 | 3,867,221 | 4,047,348 | (180,127) | 1,405,282 |
| Professional and Technical Services | 89,594 | 21,800 | 21,800 | - | 61,098 |
| Staff Travel | 110,493 | 99,232 | 79,088 | 20,144 | 115,033 |
| Student Travel | 500 | 1,292 | 992 | 300 | - |
| Utility Services | 11,100 | 12,729 | 10,921 | 1,808 | 10,512 |
| Other Purchased Services | 67,582 | 65,159 | 61,262 | 3,897 | 46,439 |
| Supplies, Materials, and Media | 300,537 | 338,360 | 324,443 | 13,917 | 92,664 |
| Other Expenses | 2,495 | 7,923 | 6,900 | 1,023 | 7,425 |
| Equipment | 4,524 | 13,054 | 9,501 | 3,553 | 11,153 |
| | <u>4,150,234</u> | <u>6,216,429</u> | <u>6,387,960</u> | <u>(171,531)</u> | <u>3,696,749</u> |

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|-------------------------------------|--------------------|-------------------|-------------------|-------------------------------------|------------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| School Administration: | | | | | |
| Certificated Salaries | \$ 4,019,573 | \$ 4,094,164 | \$ 4,150,359 | \$ (56,195) | \$ 3,949,003 |
| Non-Certificated Salaries | 14,180 | 11,695 | 11,932 | (237) | 11,018 |
| Employee Benefits | 3,503,664 | 11,275,692 | 11,489,242 | (213,550) | 2,712,820 |
| Professional and Technical Services | 83 | 383 | - | 383 | 83 |
| Staff Travel | 61,252 | 92,819 | 81,755 | 11,064 | 80,923 |
| Other Purchased Services | - | 83 | 83 | - | 744 |
| Supplies, Materials, and Media | 11,653 | 10,730 | 8,021 | 2,709 | 8,326 |
| Other Expenses | 30,141 | 30,216 | 31,024 | (808) | 30,961 |
| Equipment | - | 3,200 | 2,668 | 532 | 139 |
| | <u>7,640,546</u> | <u>15,518,982</u> | <u>15,775,084</u> | <u>(256,102)</u> | <u>6,794,017</u> |

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | Variance- Positive (Negative) | 2014 Actual |
|-----------------------------------------|--------------------|-------------------|------------------|-------------------------------------|------------------|
| | Original Budget | Current Budget | Actual | | |
| School Administration Support Services: | | | | | |
| Certificated Salaries | \$ 133,834 | \$ 139,541 | \$ 139,540 | 1 | \$ 131,210 |
| Non-Certificated Salaries | 2,304,024 | 2,253,913 | 2,309,728 | (55,815) | 2,196,785 |
| Employee Benefits | 2,225,673 | 2,654,424 | 2,737,205 | (82,781) | 1,925,082 |
| Professional and Technical Services | - | 2,040 | 2,040 | - | - |
| Staff Travel | 9,319 | 12,568 | 9,358 | 3,210 | 13,842 |
| Utility Services | 680,200 | 639,144 | 638,617 | 527 | 560,628 |
| Other Purchased Services | 11,369 | 10,665 | 8,099 | 2,566 | 8,742 |
| Supplies, Materials, and Media | 54,886 | 82,999 | 95,110 | (12,111) | 84,114 |
| Other Expenses | 30,650 | 17,456 | 15,419 | 2,037 | 19,470 |
| Equipment | - | 1,821 | 3,187 | (1,366) | 3,752 |
| | <u>5,449,955</u> | <u>5,814,571</u> | <u>5,958,303</u> | <u>(143,732)</u> | <u>4,943,625</u> |

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|-------------------------------------|--------------------|-------------------|------------------|-------------------------------------|------------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| District Administration: | | | | | |
| Certificated Salaries | \$ 310,071 | \$ 298,151 | \$ 294,228 | \$ 3,923 | \$ 300,466 |
| Non-Certificated Salaries | 199,065 | 212,721 | 156,772 | 55,949 | 262,066 |
| Employee Benefits | 468,670 | 891,461 | 913,454 | (21,993) | 392,350 |
| Professional and Technical Services | 123,150 | 122,750 | 115,472 | 7,278 | 95,967 |
| Staff Travel | 87,150 | 71,109 | 59,272 | 11,837 | 85,570 |
| Utility Services | 14,450 | 22,137 | 21,715 | 422 | 18,304 |
| Other Purchased Services | 12,600 | 22,075 | 17,849 | 4,226 | 10,305 |
| Supplies, Materials, and Media | 23,200 | 29,503 | 27,591 | 1,912 | 31,385 |
| Tuition and Stipends | 33,600 | 33,600 | 33,600 | - | 33,600 |
| Other Expenses | 35,400 | 34,199 | 30,165 | 4,034 | 31,242 |
| Equipment | - | 3,398 | 3,397 | 1 | - |
| | <u>1,307,356</u> | <u>1,741,104</u> | <u>1,673,515</u> | <u>67,589</u> | <u>1,261,255</u> |

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|-------------------------------------------|--------------------|-------------------|------------------|-------------------------------------|------------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| District Administrative Support Services: | | | | | |
| Certificated Salaries | \$ 6,750 | \$ 29,107 | \$ 39,859 | \$ (10,752) | \$ 10,000 |
| Non-Certificated Salaries | 2,812,967 | 2,798,483 | 2,821,624 | (23,141) | 2,730,583 |
| Employee Benefits | 2,116,791 | 2,632,799 | 2,692,105 | (59,306) | 1,752,060 |
| Professional and Technical Services | 173,670 | 156,566 | 158,987 | (2,421) | 189,732 |
| Staff Travel | 107,900 | 109,568 | 99,896 | 9,672 | 96,321 |
| Utility Services | 32,150 | 39,856 | 39,316 | 540 | 34,612 |
| Other Purchased Services | 307,375 | 340,717 | 306,562 | 34,155 | 294,949 |
| Insurance and Bond Premiums | 573,090 | 573,090 | 573,090 | - | 478,107 |
| Supplies, Materials, and Media | 236,900 | 276,682 | 265,334 | 11,348 | 242,114 |
| Other Expenses | 51,937 | 47,079 | 35,350 | 11,729 | 29,275 |
| Indirect Costs | (363,389) | (399,071) | (283,032) | (116,039) | (385,736) |
| Equipment | 114,500 | 170,279 | 166,713 | 3,566 | 383,589 |
| | <u>6,170,641</u> | <u>6,775,155</u> | <u>6,915,804</u> | <u>(140,649)</u> | <u>5,855,606</u> |

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|--------------------------------------|--------------------|-------------------|-------------------|-------------------------------------|-------------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Operations and Maintenance of Plant: | | | | | |
| Certificated Salaries | \$ 1,690 | \$ 1,862 | \$ - | \$ 1,862 | \$ - |
| Non-Certificated Salaries | 3,486,009 | 3,367,830 | 3,246,300 | | 3,233,937 |
| Employee Benefits | 3,245,680 | 3,825,554 | 5,297,153 | (1,471,599) | 3,191,444 |
| Staff Travel | 9,425 | 5,762 | 5,039 | 723 | 3,037 |
| Utility Services | 400,131 | 379,283 | 379,094 | 189 | 389,622 |
| Energy | 5,579,523 | 5,731,888 | 5,707,467 | 24,421 | 5,511,290 |
| Other Purchased Services | 8,189,707 | 8,245,650 | 8,042,317 | 203,333 | 7,583,952 |
| Insurance and Bond Premiums | 557,309 | 557,309 | 557,309 | - | 634,696 |
| Supplies, Materials, and Media | 318,712 | 378,312 | 482,863 | (104,551) | 391,361 |
| Other Expenses | 200 | 200 | - | 200 | 8,512 |
| Equipment | - | 309,344 | 292,040 | 17,304 | 1,495,966 |
| | <u>21,788,386</u> | <u>22,802,994</u> | <u>24,009,582</u> | <u>(1,206,588)</u> | <u>22,443,817</u> |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|----------------------------------------------------|---------------------------|---------------------------|---------------------------|-------------------------------------|---------------------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Student Activities: | | | | | |
| Certificated Salaries | \$ 824,210 | \$ 881,768 | \$ 817,958 | \$ 63,810 | \$ 848,802 |
| Non-Certificated Salaries | 424,849 | 437,273 | 423,934 | 13,339 | 452,088 |
| Employee Benefits | 635,248 | 2,402,930 | 2,233,082 | 169,848 | 535,519 |
| Staff Travel | 3,700 | 11,565 | 12,356 | (791) | 10,412 |
| Student Travel | 307,762 | 311,921 | 300,767 | 11,154 | 298,283 |
| Utility Services | 100 | - | - | - | - |
| Other Purchased Services | 92,000 | 40,078 | 24,699 | 15,379 | 32,521 |
| Supplies, Materials, and Media | 12,363 | 67,127 | 62,861 | 4,266 | 56,844 |
| Other Expenses | 34,692 | 37,653 | 44,949 | (7,296) | 46,171 |
| Equipment | - | 1,746 | 1,745 | 1 | 16,226 |
| | <u>2,334,924</u> | <u>4,192,061</u> | <u>3,922,351</u> | <u>269,710</u> | <u>2,296,866</u> |
| Total Expenditures | <u>162,610,893</u> | <u>270,860,181</u> | <u>271,431,469</u> | <u>(571,288)</u> | <u>147,909,285</u> |
| Other Financing Uses: | | | | | |
| Transfer To Community Theater Fund | 25,000 | 25,000 | - | 25,000 | - |
| Transfer To Food Service Fund | 800,000 | 1,300,000 | 1,300,000 | - | 1,424,759 |
| Total Other Financing Uses | <u>825,000</u> | <u>1,325,000</u> | <u>1,300,000</u> | <u>25,000</u> | <u>1,424,759</u> |
| Total Expenditures and Other Financing Uses | <u>\$ 163,435,893</u> | <u>\$ 272,185,181</u> | <u>\$ 272,731,469</u> | <u>\$ (546,288)</u> | <u>\$ 149,334,044</u> |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 SCHEDULE OF COMPLIANCE - AS 14.17.505
 Year Ended June 30, 2015

| | | |
|--------------------------------------------|--|-----------------------------|
| Total fund balance - School Operating Fund | | \$ 17,249,541 |
| less exemptions per 4 ACC 09.160(a) | | |
| Encumbrances | | 439,936 |
| Home School allotment | | 281,975 |
| Inventory | | 707,220 |
| Self insurance | | <u>814,978</u> |
| Total exemptions | | 2,244,109 |
| | | |
| Fund balance subject to 10% limitation | | <u><u>\$ 15,005,432</u></u> |

Nonexempt fund balance as a percentage of current year expenditures:

| | | | | | |
|------------------------------------|---|-------------|---|--|--------------|
| Fund balance subject to limitation | | 15,005,432 | | | |
| | = | | = | | <u>5.53%</u> |
| Current year expenditures | | 271,431,469 | | | |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 SCHEDULE OF COMPLIANCE - AS 14.17.520
 For the Year Ended June 30, 2015

Instruction:

| | | |
|----------------------------------------------|--------------------|--------|
| Regular Instruction | \$ 148,723,548 | |
| Special Education Instruction | 37,637,162 | |
| Special Education Support Services - Student | 12,031,526 | |
| Support Services - Student | 8,396,634 | |
| Support Services - Instruction | 6,387,960 | |
| School Administration | <u>15,775,084</u> | |
| Total Instruction | <u>228,951,914</u> | 84.35% |

Non-Instruction:

| | | |
|------------------------------------------|--------------------|--------|
| School Administration Support Services | 5,958,303 | |
| District Administration | 1,673,515 | |
| District Administration Support Services | 6,915,804 | |
| Operations and Maintenance of Plant | 24,009,582 | |
| Student Activities | <u>3,922,351</u> | |
| Total Non-Instruction | <u>42,479,555</u> | 15.65% |
| Total Expenditures | <u>271,431,469</u> | |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 BALANCE SHEET - MAJOR FUND - EQUIPMENT
 June 30, 2015

With Comparative Totals as of June 30, 2014

| | 2015 | 2014 |
|--------------------------------------------|------------------|------------------|
| ASSETS | | |
| Equity in Central Treasury | \$ 3,886,408 | \$ 4,542,164 |
| Total Assets | \$ 3,886,408 | \$ 4,542,164 |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Accounts Payable | \$ - | \$ 690 |
| Due to General Fund | - | - |
| Total Liabilities | - | 690 |
| Assigned | 3,886,408 | 4,541,474 |
| Total Fund Balance: | 3,886,408 | 4,541,474 |
| Total Liabilities and Fund Balances | \$ 3,886,408 | \$ 4,542,164 |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MAJOR FUND - EQUIPMENT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|--------------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenues: | | | | | |
| Earnings on Investments | \$ 75,000 | \$ 75,000 | \$ 95,170 | \$ 20,170 | \$ 138,724 |
| Expenditures | | | | | |
| Instruction: | | | | | |
| Supplies, Materials, and Media | - | 20,428 | 2,952 | 17,476 | 275,159 |
| Equipment | 4,464,407 | 4,465,501 | 300,417 | 4,165,084 | 138,905 |
| Total Instruction | 4,464,407 | 4,485,929 | 303,369 | 4,182,560 | 414,064 |
| School Administraion: | | | | | |
| Equipment | - | - | 9,889 | (9,889) | - |
| Operations and Maintenance of Plant: | | | | | |
| Other Purchased Services | - | - | - | - | 13,272 |
| Supplies, Materials, and Media | - | 408 | 90 | 318 | 150,212 |
| Equipment | - | 47,137 | 436,888 | (389,751) | 473,996 |
| Total Operations and Maintenance of Plant | - | 47,545 | 436,978 | (389,433) | 637,480 |
| Total Expenditures | 4,464,407 | 4,533,474 | 750,236 | 3,783,238 | 1,051,544 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (4,389,407) | \$ (4,458,474) | (655,066) | \$ (3,763,068) | (912,820) |
| Fund Balance, Beginning of Year | | | 4,541,474 | | 5,454,294 |
| Fund Balance, End of Year | | | \$ 3,886,408 | | \$ 4,541,474 |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
BALANCE SHEET - MAJOR FUND - TITLE I
June 30, 2015

With Comparative Totals as of June 30, 2014

| | 2015 | 2014 |
|----------------------------------------|------------|--------------|
| ASSETS | | |
| Assets: | | |
| Due from other Governments | \$ 914,640 | \$ 1,125,507 |
| Total Assets | \$ 914,640 | \$ 1,125,507 |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Accounts Payable | \$ 383 | \$ 302 |
| Due to General Fund | 914,257 | 1,125,205 |
| Total Liabilities | 914,640 | 1,125,507 |
| Fund Balance: | - | - |
| Total Liabilities and Fund Balances | \$ 914,640 | \$ 1,125,507 |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MAJOR FUND - TITLE I
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|------------------|-------------------------------------|------------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenues: | | | | | |
| Federal-Through the State | \$ 3,413,728 | \$ 3,413,728 | \$ 2,566,708 | \$ (847,020) | \$ 3,034,141 |
| Expenditures: | | | | | |
| Instruction | | | | | |
| Certificated Salaries | 1,456,642 | 1,480,069 | 1,266,921 | 213,148 | 1,539,948 |
| Non-Certificated Salaries | 222,727 | 238,727 | 211,578 | 27,149 | 211,431 |
| Employee Benefits | 655,780 | 650,907 | 610,231 | 40,676 | 674,621 |
| Professional and Technical Service | 232,414 | 232,931 | 128,860 | 104,071 | 106,385 |
| Staff Travel | 307,550 | 322,670 | 178,377 | 144,293 | 186,292 |
| Student Travel | 13,000 | 9,443 | 1,443 | 8,000 | 15,149 |
| Utility Services | 5,800 | 5,535 | 3,465 | 2,070 | 2,952 |
| Other Purchased Services | 30,540 | 23,112 | 13,466 | 9,646 | 16,722 |
| Supplies, Materials, and Media | 124,314 | 125,566 | 60,514 | 65,052 | 105,389 |
| Other Expenses | 243,693 | 203,543 | 19,248 | 184,295 | 7,545 |
| Equipment | 15,000 | 15,000 | 419 | 14,581 | 28,956 |
| Total Regular Instruction | <u>3,307,460</u> | <u>3,307,503</u> | <u>2,494,522</u> | <u>812,981</u> | <u>2,895,390</u> |
| District Administration Support Services | | | | | |
| Indirect Costs | <u>106,268</u> | <u>106,225</u> | <u>72,186</u> | <u>34,039</u> | <u>138,751</u> |
| Total Expenditures | <u>3,413,728</u> | <u>3,413,728</u> | <u>2,566,708</u> | <u>847,020</u> | <u>3,034,141</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>-</u> |
| Fund Balance, Beginning of Year | | | <u>-</u> | | <u>-</u> |
| Fund Balance, End of Year | | | <u>\$ -</u> | | <u>\$ -</u> |

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NON-MAJOR FUNDS – SPECIAL REVENUE FUNDS

Special Revenue Funds

Combining Balance Sheet Non-Major Special Revenue Funds

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

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

Funds included in the special revenue category are:

| | |
|------------------------------------------|---------------------------------|
| Alaska Works - CEF | Gear Up Kenai Peninsula |
| Artist in Schools | Governor's Alternative Schools |
| Association of Alaska School Boards | Legislative Equipment Fund |
| Broadband Assistance | McKinney – Vento Homeless |
| Building Trades | Mentor Project |
| Career and Technical Education | Migrant Education |
| Carl Perkins – Basic | Project Aware |
| Community Theater | Principal Coach |
| Compass Alaska | Staff Development Mini - Grants |
| Corporate and Miscellaneous Grants | Student Transportation |
| Digital Teaching | Title I-D, Delinquent |
| Early Literacy | Title VI-B, IDEA |
| Food Service | Title VII, Indian Education |
| Food Service – FFVP | Upward Bound |
| Food Service – Nutritional Alaskan Foods | Youth in Detention |
| Food Service – NSLP Equipment | Youth Risk Behavior Survey |

SPECIAL REVENUE FUNDS

Alaska Works – Construction Education Foundation (CEF) grant is an Alaska Department of Labor funded project that supports our District's after school construction academies.

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

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

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

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

Career and Technical Education is a State of Alaska Department of Workforce and Development grant to support activities in the implementation of strategies and actions defined in the Alaska Career and Technical Education Plan.

Carl Perkins - Basic programs provide improved vocational education for economically disadvantaged, physically challenged, English language learners, seasonal migrant families, at-risk students, parenting and/or pregnant youth, and students of under-represented minorities and gender.

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

Compass Alaska – Chartering Career Pathways, assists young Alaskans to navigate a path that leads to post-secondary placement in a field of interest supported by a Personal Learning and Career Plan.

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

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

Early Literacy grant is administer early literacy screening assessments to all students in kindergarten, first and second graders; and third grade students identified as experiencing delays.

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

Food Service – Fresh Fruit & Vegetable Program (FFVP) is designed to provide additional support to the daily breakfast and lunch program at two locations in our District.

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

Food Service – National School Lunch Program Equipment Assistance Grant was awarded to purchase four milk coolers to support our breakfast program.

Gear Up Kenai Peninsula provides academic and career support for students who are not achieving at their true potential and are economically disadvantaged. Students receive academic and career support and families receive information on post secondary planning within their means.

Governor's Alternative Schools grant will promote the health, fitness and nutritional needs of students for healthier lifestyles.

Legislative Equipment Fund awarded direct funding for schools to purchase equipment and supplies.

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

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

Migrant Education grant provides additional resources to Migrant eligible students.

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

Principal Coach is a program funded by the State of Alaska Department of Education and Early Development for superintendents and school-site administrators new to the profession or new to the state with less than two years experience in Alaska.

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

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

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

Title VI-B, Individuals with Disabilities Education Act (IDEA) grant provides funds for the overall improvement of service for students receiving Special Education.

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

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

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

Youth Risk Behavior Survey is used to identify behaviors in order to enhance school health programming and improve the school health environment.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
 June 30, 2015
 With Comparative Totals as of June 30, 2014

| | AASB | Alaska Works CEF | Building Trades | Carl Perkins Basic |
|------------------------------------------------|------------------|---------------------|--------------------|-----------------------|
| ASSETS | | | | |
| Equity in Central Treasury | \$ 10,479 | \$ - | \$ - | \$ - |
| Accounts receivable | - | - | - | - |
| Due from other Governments | - | 65,520 | - | 74,457 |
| Inventory | - | - | 60,618 | - |
| Total Assets | \$ 10,479 | \$ 65,520 | \$ 60,618 | \$ 74,457 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - |
| Due to General Fund | - | 65,520 | 44,976 | 74,457 |
| Total Liabilities | - | 65,520 | 44,976 | 74,457 |
| Fund Balances: | | | | |
| Nonspendable | - | - | 60,618 | - |
| Assigned | 10,479 | - | - | - |
| Unassigned | - | - | (44,976) | - |
| Total Fund Balances | 10,479 | - | 15,642 | - |
| Total Liabilities and Fund Balances | \$ 10,479 | \$ 65,520 | \$ 60,618 | \$ 74,457 |

Continued

| | Community Theater | Compass Alaska | Corporate & Miscellaneous Grants | Digital Teaching |
|------------------------------------------------|----------------------|-------------------|----------------------------------------|---------------------|
| ASSETS | | | | |
| Equity in Central Treasury | \$ 48,173 | \$ - | \$ 19,411 | - |
| Accounts receivable | 2,435 | - | - | - |
| Due from other Governments | - | 17,797 | - | 77,651 |
| Inventory | - | - | - | - |
| Total Assets | \$ 50,608 | \$ 17,797 | \$ 19,411 | \$ 77,651 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ - | \$ 473 | \$ - | \$ - |
| Due to General Fund | - | 17,324 | - | 77,651 |
| Total Liabilities | - | 17,797 | - | 77,651 |
| Fund Balances: | | | | |
| Nonspendable | - | - | - | - |
| Assigned | 50,608 | - | 19,411 | - |
| Unassigned | - | - | - | - |
| Total Fund Balances | 50,608 | - | 19,411 | - |
| Total Liabilities and Fund Balances | \$ 50,608 | \$ 17,797 | \$ 19,411 | \$ 77,651 |

Continued

| | Food Service | Gear - Up Kenai | Legislative Equipment | McKinney-Vento Homeless |
|------------------------------------------------|-------------------|--------------------|--------------------------|----------------------------|
| ASSETS | | | | |
| Equity in Central Treasury | \$ 370,216 | \$ - | \$ - | \$ - |
| Accounts receivable | - | - | - | - |
| Due from other Governments | 13,235 | 48,850 | 1,673 | 2,991 |
| Inventory | 210,617 | - | - | - |
| Total Assets | \$ 594,068 | \$ 48,850 | \$ 1,673 | \$ 2,991 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ 53 | \$ - | \$ - | \$ - |
| Due to General Fund | - | 48,850 | 1,673 | 2,991 |
| Total Liabilities | 53 | 48,850 | 1,673 | 2,991 |
| Fund Balances: | | | | |
| Nonspendable | 210,617 | - | - | - |
| Assigned | 383,398 | - | - | - |
| Unassigned | - | - | - | - |
| Total Fund Balances | 594,015 | - | - | - |
| Total Liabilities and Fund Balances | \$ 594,068 | \$ 48,850 | \$ 1,673 | \$ 2,991 |

Continued

| | Mentor Project | Migrant Education | Principal Coach | Project Aware |
|------------------------------------------------|-------------------|----------------------|--------------------|------------------|
| ASSETS | | | | |
| Equity in Central Treasury | \$ - | \$ - | \$ - | \$ - |
| Accounts receivable | - | - | - | - |
| Due from other Governments | 116,589 | 5,804 | 209,614 | 5,598 |
| Inventory | - | - | - | - |
| Total Assets | \$ 116,589 | \$ 5,804 | \$ 209,614 | \$ 5,598 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - |
| Due to General Fund | 116,589 | 5,804 | 209,614 | 5,598 |
| Total Liabilities | 116,589 | 5,804 | 209,614 | 5,598 |
| Fund Balances: | | | | |
| Nonspendable | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| Total Fund Balances | - | - | - | - |
| Total Liabilities and Fund Balances | \$ 116,589 | \$ 5,804 | \$ 209,614 | \$ 5,598 |

Continued

| | Staff Development Mini-Grants | Student Transportaion | Title I-D Delinquent | Title VI-B IDEA |
|----------------------------------------|----------------------------------|--------------------------|-------------------------|---------------------|
| ASSETS | | | | |
| Equity in Central Treasury | \$ - | \$ 1,039,365 | \$ - | \$ - |
| Accounts receivable | - | - | - | - |
| Due from other Governments | 3,978 | - | 3,456 | 1,155,387 |
| Inventory | - | - | - | - |
| Total Assets | <u>\$ 3,978</u> | <u>\$ 1,039,365</u> | <u>\$ 3,456</u> | <u>\$ 1,155,387</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ - | \$ 273 | \$ - | \$ - |
| Due to General Fund | 3,978 | - | 3,456 | 1,155,387 |
| Total Liabilities | <u>3,978</u> | <u>273</u> | <u>3,456</u> | <u>1,155,387</u> |
| Fund Balances: | | | | |
| Nonspendable | - | - | - | - |
| Assigned | - | 1,039,092 | - | - |
| Unassigned | - | - | - | - |
| Total Fund Balances | <u>-</u> | <u>1,039,092</u> | <u>-</u> | <u>-</u> |
| Total Liabilities and Fund Balances | <u>\$ 3,978</u> | <u>\$ 1,039,365</u> | <u>\$ 3,456</u> | <u>\$ 1,155,387</u> |

| | Title VII Indian Education | YRBS | Upward Bound | Total June 30, 2015 | Total June 30, 2014 |
|------------------------------------------------|-------------------------------|---------------|------------------|------------------------|------------------------|
| ASSETS | | | | | |
| Equity in Central Treasury | \$ - | \$ 800 | \$ - | \$ 1,488,444 | \$ 1,079,003 |
| Accounts receivable | - | - | - | 2,435 | 2,585 |
| Due from other Governments | 161,877 | - | 20,073 | 1,984,550 | 1,570,801 |
| Inventory | - | - | - | 271,235 | 467,256 |
| Total Assets | \$ 161,877 | \$ 800 | \$ 20,073 | \$ 3,746,664 | \$ 3,119,645 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ - | \$ 800 | \$ - | \$ 1,599 | \$ 8,370 |
| Due to General Fund | 161,877 | - | 20,073 | 2,015,818 | 1,607,450 |
| Total Liabilities | 161,877 | 800 | 20,073 | 2,017,417 | 1,615,820 |
| Fund Balances: | | | | | |
| Nonspendable | - | - | - | 271,235 | 467,256 |
| Assigned | - | - | - | 1,502,988 | 1,081,545 |
| Unassigned | - | - | - | (44,976) | (44,976) |
| Total Fund Balances | - | - | - | 1,729,247 | 1,503,825 |
| Total Liabilities and Fund Balances | \$ 161,877 | \$ 800 | \$ 20,073 | \$ 3,746,664 | \$ 3,119,645 |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015
 With Comparative Totals for the Year Ended June 30, 2014

| | Alaska Works CEF | Artist in Schools | AASB | Broadband Assistance |
|------------------------------------------------------|---------------------|-------------------|------------------|-------------------------|
| Revenues: | | | | |
| State | \$ - | \$ 700 | \$ - | \$ 21,687 |
| Federal-Direct | - | - | - | - |
| Federal-Through the State | - | 765 | 21,600 | - |
| Federal-Through other Intermediate Agencies | - | - | - | - |
| Food sales | - | - | - | - |
| Corporate grants and user fees | - | - | - | - |
| Other Local | 184,415 | 4,043 | - | - |
| Total Revenues | <u>184,415</u> | <u>5,508</u> | <u>21,600</u> | <u>21,687</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 127,911 | 5,508 | 11,121 | - |
| Special Education - Instruction | - | - | - | - |
| Support Services - Students | - | - | - | - |
| Support Services - Instruction | 48,565 | - | - | - |
| School Administration | - | - | - | - |
| School Administration Support Services | - | - | - | 21,687 |
| Operations and Maintenance of Plant | - | - | - | - |
| Student Activities | - | - | - | - |
| Community Services | - | - | - | - |
| District Administration Support Services | 7,939 | - | - | - |
| Student Transportation | - | - | - | - |
| Food Services | - | - | - | - |
| Total Expenditures | <u>184,415</u> | <u>5,508</u> | <u>11,121</u> | <u>21,687</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>-</u> | <u>-</u> | <u>10,479</u> | <u>-</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers Out | - | - | - | - |
| Total Other Financing Sources (Uses): | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Changes In Fund Balances | - | - | 10,479 | - |
| Fund Balances, Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances, End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,479</u> | <u>\$ -</u> |

Continued

| | Building Trades | Career Tech Ed | Carl Perkins - Basic | Community Theater |
|------------------------------------------------------|-----------------|-------------------|-------------------------|----------------------|
| Revenues: | | | | |
| State | \$ - | \$ 33,295 | \$ - | \$ - |
| Federal-Direct | - | - | - | - |
| Federal-Through the State | - | - | 220,236 | - |
| Federal-Through other Intermediate Agencies | - | - | - | - |
| Food sales | - | - | - | - |
| Corporate grants and user fees | - | - | - | 31,685 |
| Other Local | - | - | - | - |
| Total Revenues | - | 33,295 | 220,236 | 31,685 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | - | 33,295 | 211,172 | - |
| Special Education - Instruction | - | - | - | - |
| Support Services - Students | - | - | - | - |
| Support Services - Instruction | - | - | - | - |
| School Administration | - | - | - | - |
| School Administration Support Services | - | - | - | - |
| Operations and Maintenance of Plant | - | - | - | - |
| Student Activities | - | - | - | - |
| Community Services | - | - | - | 38,992 |
| District Administration Support Services | - | - | 9,064 | - |
| Student Transportation | - | - | - | - |
| Food Services | - | - | - | - |
| Total Expenditures | - | 33,295 | 220,236 | 38,992 |
| Excess (Deficiency) of Revenues over Expenditures | - | - | - | (7,307) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers Out | - | - | - | - |
| Total Other Financing Sources (Uses): | - | - | - | - |
| Net Changes In Fund Balances | - | - | - | (7,307) |
| Fund Balances, Beginning of Year | 15,642 | - | - | 57,915 |
| Fund Balances, End of Year | \$ 15,642 | \$ - | \$ - | \$ 50,608 |

Continued

| | Compass Alaska | Corporate & Miscellaneous Grants | Digital Teaching | Early Literacy |
|--------------------------------------------------------------|-------------------|----------------------------------------|---------------------|-------------------|
| Revenues: | | | | |
| State | \$ 49,528 | \$ - | \$ 313,963 | \$ 20,639 |
| Federal-Direct | - | - | - | - |
| Federal-Through the State | - | - | - | - |
| Federal-Through other Intermediate Agencies | - | - | - | - |
| Food sales | - | - | - | - |
| Corporate grants and user fees | - | 57,429 | - | - |
| Other Local | - | - | - | - |
| Total Revenues | 49,528 | 57,429 | 313,963 | 20,639 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 47,377 | 38,245 | 302,110 | - |
| Special Education - Instruction | - | - | - | - |
| Support Services - Students | - | - | - | 20,639 |
| Support Services - Instruction | - | - | - | - |
| School Administration | - | - | - | - |
| School Administration Support Services | - | - | - | - |
| Operations and Maintenance of Plant | - | 15,103 | - | - |
| Student Activities | - | 26,507 | - | - |
| Community Services | - | - | - | - |
| District Administration Support Services | 2,151 | - | 11,853 | - |
| Student Transportation | - | - | - | - |
| Food Services | - | - | - | - |
| Total Expenditures | 49,528 | 79,855 | 313,963 | 20,639 |
| Excess (Deficiency) of Revenues over Expenditures | - | (22,426) | - | - |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers Out | - | - | - | - |
| Total Other Financing Sources (Uses): | - | - | - | - |
| Net Changes In Fund Balances | - | (22,426) | - | - |
| Fund Balances, Beginning of Year | - | 41,837 | - | - |
| Fund Balances, End of Year | \$ - | \$ 19,411 | \$ - | \$ - |

Continued

| | Food Service | Food Service FFVP | Food Service Nutritional Alaskan Foods | Food Service NSLP Equipment |
|--------------------------------------------------------------|--------------------|----------------------|----------------------------------------------|-----------------------------------|
| Revenues: | | | | |
| State | \$ - | \$ - | \$ 98,579 | \$ - |
| Federal-Direct | - | - | - | - |
| Federal-Through the State | 2,353,914 | 133,984 | - | 20,000 |
| Federal-Through other Intermediate Agencies | - | - | - | - |
| Food sales | 637,595 | - | - | - |
| Corporate grants and user fees | - | - | - | - |
| Other Local | 1,685 | - | - | - |
| Total Revenues | 2,993,194 | 133,984 | 98,579 | 20,000 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | - | - | - | - |
| Special Education - Instruction | - | - | - | - |
| Support Services - Students | - | - | - | - |
| Support Services - Instruction | - | - | - | - |
| School Administration | - | - | - | - |
| School Administration Support Services | - | - | - | - |
| Operations and Maintenance of Plant | - | - | - | - |
| Student Activities | - | - | - | - |
| Community Services | - | - | - | - |
| District Administration Support Services | - | - | - | - |
| Student Transportation | - | - | - | - |
| Food Services | 4,277,516 | 133,984 | 18,980 | 20,000 |
| Total Expenditures | 4,277,516 | 133,984 | 18,980 | 20,000 |
| Excess (Deficiency) of Revenues over Expenditures | (1,284,322) | - | 79,599 | - |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 1,300,000 | - | - | - |
| Transfers Out | - | - | - | - |
| Total Other Financing Sources (Uses): | 1,300,000 | - | - | - |
| Net Changes In Fund Balances | 15,678 | - | 79,599 | - |
| Fund Balances, Beginning of Year | 406,638 | - | 92,100 | - |
| Fund Balances, End of Year | \$ 422,316 | \$ - | \$ 171,699 | \$ - |

Continued

| | Gear Up Kenai Peninsula | Governor's Alternative Schools | Legislative Equipment | McKinney - Vento Homeless |
|------------------------------------------------------|----------------------------|--------------------------------------|--------------------------|------------------------------|
| Revenues: | | | | |
| State | \$ - | \$ 641 | \$ 176,872 | \$ - |
| Federal-Direct | 125,578 | - | - | - |
| Federal-Through the State | - | - | - | 14,909 |
| Federal-Through other Intermediate Agencies | - | - | - | - |
| Food sales | - | - | - | - |
| Corporate grants and user fees | - | - | - | - |
| Other Local | - | - | - | - |
| Total Revenues | 125,578 | 641 | 176,872 | 14,909 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 120,124 | 641 | 46,075 | 14,261 |
| Special Education - Instruction | - | - | - | - |
| Support Services - Students | - | - | - | - |
| Support Services - Instruction | - | - | - | - |
| School Administration | - | - | - | - |
| School Administration Support Services | - | - | 951 | - |
| Operations and Maintenance of Plant | - | - | 129,846 | - |
| Student Activities | - | - | - | - |
| Community Services | - | - | - | - |
| District Administration Support Services | 5,454 | - | - | 648 |
| Student Transportation | - | - | - | - |
| Food Services | - | - | - | - |
| Total Expenditures | 125,578 | 641 | 176,872 | 14,909 |
| 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

| | Mentor Project | Migrant Education | Principal Coach | Project Aware |
|------------------------------------------------------|-------------------|----------------------|--------------------|------------------|
| Revenues: | | | | |
| State | \$ - | \$ - | \$ 909,512 | \$ - |
| Federal-Direct | - | - | - | - |
| Federal-Through the State | 296,279 | 11,183 | - | 6,114 |
| Federal-Through other Intermediate Agencies | - | - | - | - |
| Food sales | - | - | - | - |
| Corporate grants and user fees | - | - | - | - |
| Other Local | - | - | - | - |
| Total Revenues | 296,279 | 11,183 | 909,512 | 6,114 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 284,898 | 11,183 | - | 5,848 |
| Special Education - Instruction | - | - | - | - |
| Support Services - Students | - | - | - | - |
| Support Services - Instruction | - | - | - | - |
| School Administration | - | - | 850,601 | - |
| School Administration Support Services | - | - | 19,412 | - |
| Operations and Maintenance of Plant | - | - | - | - |
| Student Activities | - | - | - | - |
| Community Services | - | - | - | - |
| District Administration Support Services | 11,381 | - | 39,499 | 266 |
| Student Transportation | - | - | - | - |
| Food Services | - | - | - | - |
| Total Expenditures | 296,279 | 11,183 | 909,512 | 6,114 |
| 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

| | Staff Development Mini-Grants | Student Transportation | Title I-D Delinquent | Title VI-B IDEA |
|------------------------------------------------------|-------------------------------------|---------------------------|-------------------------|--------------------|
| Revenues: | | | | |
| State | \$ 26,076 | \$ 8,092,216 | \$ - | \$ - |
| Federal-Direct | - | - | - | - |
| Federal-Through the State | - | - | 3,456 | 2,366,561 |
| Federal-Through other Intermediate Agencies | - | - | - | - |
| Food sales | - | - | - | - |
| Corporate grants and user fees | - | - | - | - |
| Other Local | - | - | - | - |
| Total Revenues | 26,076 | 8,092,216 | 3,456 | 2,366,561 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 26,076 | - | 3,343 | - |
| Special Education - Instruction | - | - | - | 2,263,973 |
| Support Services - Students | - | - | - | - |
| Support Services - Instruction | - | - | - | - |
| School Administration | - | - | - | - |
| School Administration Support Services | - | - | - | - |
| Operations and Maintenance of Plant | - | - | - | - |
| Student Activities | - | 34,460 | - | - |
| Community Services | - | - | - | - |
| District Administration Support Services | - | - | 113 | 102,588 |
| Student Transportation | - | 7,908,357 | - | - |
| Food Services | - | - | - | - |
| Total Expenditures | 26,076 | 7,942,817 | 3,456 | 2,366,561 |
| Excess (Deficiency) of Revenues over Expenditures | - | 149,399 | - | - |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers Out | - | - | - | - |
| Total Other Financing Sources (Uses): | - | - | - | - |
| Net Changes In Fund Balances | - | 149,399 | - | - |
| Fund Balances, Beginning of Year | - | 889,693 | - | - |
| Fund Balances, End of Year | \$ - | \$ 1,039,092 | \$ - | \$ - |

Continued

| | Title VII Indian Education | Upward Bound | Youth In Detention | Youth Risk Behavior Survey |
|------------------------------------------------------|-------------------------------|---------------|-----------------------|-------------------------------|
| Revenues: | | | | |
| State | \$ - | \$ - | \$ 69,143 | \$ 9,750 |
| Federal-Direct | 388,872 | - | - | - |
| Federal-Through the State | - | 24,406 | - | - |
| Federal-Through other Intermediate Agencies | - | - | - | - |
| Food sales | - | - | - | - |
| Corporate grants and user fees | - | - | - | - |
| Other Local | - | - | - | - |
| Total Revenues | <u>388,872</u> | <u>24,406</u> | <u>69,143</u> | <u>9,750</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 371,984 | 24,406 | 66,140 | 9,750 |
| Special Education - Instruction | - | - | - | - |
| Support Services - Students | - | - | - | - |
| Support Services - Instruction | - | - | - | - |
| School Administration | - | - | - | - |
| School Administration Support Services | - | - | - | - |
| Operations and Maintenance of Plant | - | - | - | - |
| Student Activities | - | - | - | - |
| Community Services | - | - | - | - |
| District Administration Support Services | 16,888 | - | 3,003 | - |
| Student Transportation | - | - | - | - |
| Food Services | - | - | - | - |
| Total Expenditures | <u>388,872</u> | <u>24,406</u> | <u>69,143</u> | <u>9,750</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers Out | - | - | - | - |
| Total Other Financing Sources (Uses): | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Changes In Fund Balances | - | - | - | - |
| Fund Balances, Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances, End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Concluded

| | Total June 30, 2015 | Total June 30, 2014 |
|------------------------------------------------------|------------------------|------------------------|
| Revenues: | | |
| State | \$ 9,822,601 | \$ 9,443,778 |
| Federal-Direct | 514,450 | 498,606 |
| Federal-Through the State | 5,473,407 | 5,896,279 |
| Federal-Through other Intermediate Agencies | - | - |
| Food sales | 637,595 | 657,295 |
| Corporate grants and user fees | 89,114 | 121,502 |
| Other Local | 190,143 | 183,427 |
| Total Revenues | 16,727,310 | 16,800,887 |
| Expenditures: | | |
| Current: | | |
| Instruction | 1,761,468 | 1,384,714 |
| Special Education - Instruction | 2,263,973 | 2,693,627 |
| Support Services - Students | 20,639 | 53,450 |
| Support Services - Instruction | 48,565 | 74,934 |
| School Administration | 850,601 | 1,059,302 |
| School Administration Support Services | 42,050 | 18,301 |
| Operations and Maintenance of Plant | 144,949 | 95,778 |
| Student Activities | 60,967 | 723,283 |
| Community Services | 38,992 | 40,621 |
| District Administration Support Services | 210,847 | 246,986 |
| Student Transportation | 7,908,357 | 7,343,482 |
| Food Services | 4,450,480 | 4,450,876 |
| Total Expenditures | 17,801,888 | 18,185,354 |
| Excess (Deficiency) of Revenues over Expenditures | (1,074,578) | (1,384,467) |
| Other Financing Sources (Uses): | | |
| Transfers in | 1,300,000 | 1,424,759 |
| Transfers Out | - | - |
| Total Other Financing Sources (Uses): | 1,300,000 | 1,424,759 |
| Net Changes In Fund Balances | 225,422 | 40,292 |
| Fund Balances, Beginning of Year | 1,503,825 | 1,463,533 |
| Fund Balances, End of Year | \$ 1,729,247 | \$ 1,503,825 |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
ALASKA WORKS - CONSTRUCTION EDUCATION FOUNDATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | Variance- Positive (Negative) | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|------------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | | |
| Revenues: | | | | | |
| Other Local | \$ 185,000 | \$ 185,000 | \$ 184,415 | \$ (585) | \$ 179,982 |
| Expenditures: | | | | | |
| Instruction | | | | | |
| Certificated Salaries | 22,500 | 23,200 | 24,025 | (825) | 22,500 |
| Non-Certificated Salaries | 41,432 | 5,480 | 5,600 | (120) | 3,798 |
| Employee Benefits | 30,983 | 3,618 | 3,758 | (140) | 3,719 |
| Professional and Technical Services | 8,625 | 10,095 | 10,095 | - | 8,500 |
| Staff Travel | 1,500 | 1,635 | 1,628 | 7 | 528 |
| Other Purchased Services | - | 2,970 | 2,970 | - | - |
| Supplies, Materials, and Media | 69,056 | 80,708 | 78,222 | 2,486 | 71,875 |
| Equipment | 3,000 | 1,651 | 1,613 | 38 | 4,007 |
| Total Instruction | 177,096 | 129,357 | 127,911 | 1,446 | 114,927 |
| Expenditures: | | | | | |
| Support Services - Instruction | | | | | |
| Non-Certificated Salaries | - | 26,488 | 26,487 | 1 | 31,134 |
| Employee Benefits | - | 21,251 | 22,004 | (753) | 24,665 |
| Staff Travel | - | - | 74 | (74) | 864 |
| Total Support Services - Instruction | - | 47,739 | 48,565 | (826) | 56,663 |
| District Administration Support Services | | | | | |
| Indirect Costs | 7,904 | 7,904 | 7,939 | (35) | 8,392 |
| Total Expenditures | 185,000 | 185,000 | 184,415 | 585 | 179,982 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ - | - | \$ - | \$ - |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | \$ - | | \$ - |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
ARTISTS IN SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | Variance- Positive (Negative) | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|--------------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | | |
| Revenues: | | | | | |
| State | \$ 700 | \$ 700 | \$ 700 | \$ - | \$ 1,000 |
| Federal - Through the State | 765 | 765 | 765 | - | 1,000 |
| Other Local | <u>1,465</u> | <u>4,043</u> | <u>4,043</u> | - | <u>1,750</u> |
| Total Revenues | <u>2,930</u> | <u>5,508</u> | <u>5,508</u> | - | <u>3,750</u> |
| Expenditures: | | | | | |
| Instruction | | | | | |
| Professional and Technical Services | 2,500 | 4,300 | 4,300 | - | 3,500 |
| Supplies, Materials, and Media | <u>430</u> | <u>1,208</u> | <u>1,208</u> | - | <u>250</u> |
| Total Expenditures | <u>2,930</u> | <u>5,508</u> | <u>5,508</u> | - | <u>3,750</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
ASSOCIATION OF ALASKA SCHOOL BOARDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | Variance- Positive (Negative) | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|-----------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | | |
| Revenues: | | | | | |
| Federal - Through the State | \$ 21,600 | \$ 21,600 | \$ 21,600 | \$ - | \$ - |
| Expenditures: | | | | | |
| Instruction | | | | | |
| Certificated Salaries | 3,510 | 3,510 | 3,510 | - | - |
| Non-Certificated Salaries | 1,755 | 1,755 | 1,755 | - | - |
| Employee Benefits | 624 | 624 | 600 | 24 | - |
| Supplies, Materials, and Media | 15,711 | 10,400 | - | 10,400 | - |
| Equipment | - | 5,311 | 5,256 | 55 | - |
| Total Expenditures | 21,600 | 21,600 | 11,121 | 10,479 | - |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ - | 10,479 | \$ - | - |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | \$ 10,479 | | \$ - |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 BROADBAND ASSISTANCE
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | Variance- Positive (Negative) | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|-----------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | | |
| Revenues: | | | | | |
| State | \$ 21,687 | \$ 21,687 | \$ 21,687 | \$ - | \$ - |
| Expenditures: | | | | | |
| School Administration Support Services | | | | | |
| Utility Services | 21,687 | 21,687 | 21,687 | - | - |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ - | - | \$ - | - |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | \$ - | | \$ - |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 BUILDING TRADES
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|------------------|-------------------------------------|------------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenue: | \$ - | \$ - | \$ - | \$ - | \$ - |
| Expenditures: | - | - | - | - | - |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ -</u> | <u>\$ -</u> | - | <u>\$ -</u> | - |
| Fund Balance, Beginning of Year | | | <u>15,642</u> | | <u>15,642</u> |
| Fund Balance, End of Year | | | <u>\$ 15,642</u> | | <u>\$ 15,642</u> |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 CAREER AND TECHNICAL EDUCATION
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | Variance- Positive (Negative) | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|-----------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | | |
| Revenues: | | | | | |
| State | \$ 33,295 | \$ 33,295 | \$ 33,295 | \$ - | \$ 38,722 |
| Expenditures: | | | | | |
| Instruction | | | | | |
| Certificated Salaries | - | - | - | - | 2,340 |
| Non-Certificated Salaries | - | - | - | - | 120 |
| Employee Benefits | - | - | - | - | 188 |
| Professional and Technical Services | 2,000 | 4,025 | 4,025 | - | - |
| Staff Travel | - | - | - | - | 1,770 |
| Student Travel | - | - | - | - | 4,304 |
| Supplies, Materials, and Media | 2,000 | 1,851 | 1,851 | - | 20,331 |
| Equipment | 29,295 | 27,419 | 27,419 | - | 9,669 |
| Total Expenditures | 33,295 | 33,295 | 33,295 | - | 38,722 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ - | - | \$ - | - |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | \$ - | | \$ - |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 CARL PERKINS - BASIC
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | Variance- Positive (Negative) | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|----------------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | | |
| Revenues: | | | | | |
| Federal - Through the State | \$ 187,448 | \$ 240,735 | \$ 220,236 | \$ (20,499) | \$ 231,982 |
| Expenditures: | | | | | |
| Instruction | | | | | |
| Certificated Salaries | 65,678 | 74,150 | 70,426 | 3,724 | 73,875 |
| Non-Certificated Salaries | 17,780 | 22,678 | 20,178 | 2,500 | 19,051 |
| Employee Benefits | 27,313 | 19,802 | 18,843 | 959 | 20,702 |
| Professional and Technical Services | - | 9,000 | 8,998 | 2 | 11,495 |
| Staff Travel | 23,135 | 34,830 | 25,739 | 9,091 | 35,306 |
| Student Travel | 5,734 | 7,649 | 4,436 | 3,213 | 4,891 |
| Other Purchased Services | 10,370 | 6,064 | 5,964 | 100 | 2,374 |
| Supplies, Materials, and Media | 17,819 | 44,945 | 44,944 | 1 | 45,429 |
| Other Expenses | 135 | 135 | 125 | 10 | 45 |
| Equipment | 11,859 | 11,528 | 11,519 | 9 | 8,390 |
| Total Instruction | <u>179,823</u> | <u>230,781</u> | <u>211,172</u> | <u>19,609</u> | <u>221,558</u> |
| District Administration Support Services | | | | | |
| Indirect Costs | <u>7,625</u> | <u>9,954</u> | <u>9,064</u> | <u>890</u> | <u>10,424</u> |
| Total Expenditures | <u>187,448</u> | <u>240,735</u> | <u>220,236</u> | <u>20,499</u> | <u>231,982</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>-</u> |
| Fund Balance, Beginning of Year | | | <u>-</u> | | <u>-</u> |
| Fund Balance, End of Year | | | <u>\$ -</u> | | <u>\$ -</u> |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
COMMUNITY THEATER
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | |
|-----------------------------------------------------|--------------------|-------------------|-----------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | 2014 Actual |
| Revenues: | | | | | |
| Corporate Grants and User Fees | \$ 42,500 | \$ 42,500 | \$ 31,685 | \$ (10,815) | \$ 25,840 |
| Expenditures: | | | | | |
| Community Services: | | | | | |
| Non-Certificated Salaries | 30,000 | 30,000 | 23,272 | 6,728 | 25,051 |
| Employee Benefits | 8,000 | 8,000 | 6,382 | 1,618 | 7,275 |
| Staff Travel | 1,500 | 1,500 | 2,103 | (603) | 2,645 |
| Utility Services | 1,000 | 1,000 | - | 1,000 | 434 |
| Other Purchased Services | - | - | 2,292 | (2,292) | 145 |
| Supplies, Materials, and Media | 2,000 | 2,000 | 4,943 | (2,943) | 5,071 |
| Total Expenditures | 42,500 | 42,500 | 38,992 | 3,508 | 40,621 |
| Excess (Deficiency) of Revenue over Expenditures | - | - | (7,307) | (7,307) | (14,781) |
| Other Financing Sources: | | | | | |
| Transfers In | \$ - | \$ - | - | \$ - | - |
| Fund Balance, Beginning of Year | | | 57,915 | | 72,696 |
| Fund Balance, End of Year | | | \$ 50,608 | | \$ 57,915 |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 COMPASS ALASKA
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|-----------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenues: | | | | | |
| State | \$ 80,000 | \$ 80,000 | \$ 49,528 | \$ (30,472) | \$ - |
| Expenditures: | | | | | |
| Instruction | | | | | |
| Certificated Salaries | - | 436 | 338 | 98 | - |
| Non-Certificated Salaries | - | - | - | - | - |
| Employee Benefits | - | 64 | 48 | 16 | - |
| Professional and Technical Services | 44,996 | 44,496 | 30,749 | 13,747 | - |
| Staff Travel | 2,880 | 2,880 | 1,491 | 1,389 | - |
| Student Travel | 6,680 | 6,680 | 2,450 | 4,230 | - |
| Other Purchased Services | 20,000 | 20,000 | 5,932 | 14,068 | - |
| Supplies, Materials, and Media | 1,500 | 1,500 | 6,369 | (4,869) | - |
| Total Instruction | 76,056 | 76,056 | 47,377 | 28,679 | - |
| District Administration Support Services | | | | | |
| Indirect Costs | 3,944 | 3,944 | 2,151 | 1,793 | - |
| Total Expenditures | 80,000 | 80,000 | 49,528 | 30,472 | - |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ - | \$ - | \$ - | - |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | \$ - | | \$ - |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
CORPORATE AND MISCELLANEOUS GRANTS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | |
|------------------------------------------------------|--------------------|-------------------|-----------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | 2014 Actual |
| Revenues: | | | | | |
| Corporate Grants and User Fees | 16,450 | 57,429 | 57,429 | - | 95,662 |
| Expenditures: | | | | | |
| Instruction: | | | | | |
| Non-Certificated Salaries | - | - | 846 | (846) | 325 |
| Employee Benefits | - | - | 65 | (65) | 25 |
| Professional and Technical Service | 1,000 | 4,400 | 4,400 | - | 3,365 |
| Student Travel | 4,108 | 5,706 | 4,136 | 1,570 | 9,744 |
| Supplies, Materials, and Media | 11,813 | 21,215 | 10,589 | 10,626 | 16,628 |
| Equipment | 2,637 | 20,821 | 18,209 | 2,612 | 7,759 |
| Total Instruction | 19,558 | 52,142 | 38,245 | 13,897 | 37,846 |
| Special Education - Instruction: | | | | | |
| Supplies, Materials, and Media | - | - | - | - | 1,111 |
| Equipment | - | - | - | - | 4,389 |
| Total Special Education - Instruction | - | - | - | - | 5,500 |
| Operations and Maintenance of Plant: | | | | | |
| Other Purchased Services | - | - | - | - | 1,000 |
| Supplies, Materials, and Media | 18,399 | 16,004 | 13,135 | 2,869 | 26 |
| Equipment | - | 2,395 | 1,968 | 427 | - |
| Total Operations and Maintenance of Plant | 18,399 | 18,399 | 15,103 | 3,296 | 1,026 |
| Student Activities: | | | | | |
| Non-Certificated Salaries | - | 200 | 234 | (34) | - |
| Employee Benefits | - | - | 18 | (18) | - |
| Student Travel | 500 | 3,200 | 3,148 | 52 | 6,600 |
| Other Purchased Services | - | 2,520 | 4,020 | (1,500) | 800 |
| Supplies, Materials, and Media | 10,040 | 12,515 | 9,047 | 3,468 | 8,990 |
| Other Expenses | - | 500 | 500 | - | - |
| Equipment | 9,790 | 9,790 | 9,540 | 250 | 3,960 |
| Total Student Activities | 20,330 | 28,725 | 26,507 | 2,218 | 20,350 |
| Total Expenditures | 58,287 | 99,266 | 79,855 | 19,411 | 64,722 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (41,837) | \$ (41,837) | (22,426) | \$ 19,411 | 30,940 |
| Fund Balance, Beginning of Year | | | 41,837 | | 10,897 |
| Fund Balance, End of Year | | | \$ 19,411 | | \$ 41,837 |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
DIGITAL TEACHING
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|----------------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenues: | | | | | |
| State | \$ 327,154 | \$ 355,942 | \$ 313,963 | \$ (41,979) | \$ - |
| Expenditures: | | | | | |
| Instruction | | | | | |
| Certificated Salaries | 93,925 | 69,688 | 37,019 | 32,669 | - |
| Non-Certificated Salaries | - | 3,631 | 3,630 | 1 | - |
| Employee Benefits | 14,452 | 13,155 | 9,545 | 3,610 | - |
| Professional and Technical Services | - | - | - | - | - |
| Staff Travel | 59,128 | 59,128 | 59,016 | 112 | - |
| Student Travel | - | - | - | - | - |
| Other Purchased Services | 19,858 | 40,561 | 40,561 | - | - |
| Supplies, Materials, and Media | 124,791 | 113,639 | 111,317 | 2,322 | - |
| Other Expenses | 792 | 792 | - | 792 | - |
| Equipment | - | 41,116 | 41,022 | 94 | - |
| Total Instruction | <u>312,946</u> | <u>341,710</u> | <u>302,110</u> | <u>39,600</u> | <u>-</u> |
| District Administration Support Services | | | | | |
| Indirect Costs | <u>14,208</u> | <u>14,232</u> | <u>11,853</u> | <u>2,379</u> | <u>-</u> |
| Total Expenditures | <u>327,154</u> | <u>355,942</u> | <u>313,963</u> | <u>41,979</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | <u>\$ -</u> | | <u>\$ -</u> |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 EARLY LITERACY
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|--------------------------------------------------------------|--------------------|-------------------|-----------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenues: | | | | | |
| State | \$ 20,639 | \$ 20,639 | \$ 20,639 | \$ - | \$ 18,271 |
| Expenditures: | | | | | |
| Support Services - Student Supplies, Materials, and Media | 20,639 | 20,639 | 20,639 | - | 18,271 |
| Total Expenditures | 20,639 | 20,639 | 20,639 | - | 18,271 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ - | - | \$ - | - |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | \$ - | | \$ - |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
FOOD SERVICE
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | Variance- Positive (Negative) | 2014 Actual |
|-----------------------------------------------------|--------------------|-------------------|------------------|-------------------------------------|------------------|
| | Original Budget | Current Budget | Actual | | |
| Revenues: | | | | | |
| Federal-Through the State | \$ 2,450,000 | \$ 2,200,000 | \$ 2,212,464 | \$ 12,464 | \$ 2,182,212 |
| Food Sales | 750,000 | 650,000 | 637,595 | (12,405) | 657,295 |
| Commodities | 140,000 | 140,000 | 141,450 | 1,450 | 169,996 |
| Other Local Revenues | - | - | 1,685 | 1,685 | 1,695 |
| Total Revenues | 3,340,000 | 2,990,000 | 2,993,194 | 3,194 | 3,011,198 |
| Expenditures: | | | | | |
| Food Services | | | | | |
| Non-Certificated Salaries | 1,476,519 | 1,524,097 | 1,550,949 | (26,852) | 1,531,653 |
| Employee Benefits | 1,112,783 | 1,145,624 | 1,086,113 | 59,511 | 1,032,877 |
| Professional and Technical Services | - | - | 2,120 | (2,120) | - |
| Staff Travel | 25,200 | 25,200 | 20,731 | 4,469 | 19,271 |
| Utility Services | 3,000 | 3,000 | 2,486 | 514 | 2,435 |
| Other Purchased Services | 50,503 | 51,298 | 45,443 | 5,855 | 48,803 |
| Supplies, Materials, and Media | 1,375,350 | 1,688,659 | 1,552,015 | 136,644 | 1,532,120 |
| Other Expenses | 4,750 | 4,750 | 4,732 | 18 | 4,144 |
| Equipment | 15,000 | 21,367 | 12,927 | 8,440 | 15,696 |
| Total Expenditures | 4,063,105 | 4,463,995 | 4,277,516 | 186,479 | 4,186,999 |
| Excess (Deficiency) of Revenue over Expenditures | (723,105) | (1,473,995) | (1,284,322) | 189,673 | (1,175,801) |
| Other Financing Sources: | | | | | |
| Transfers In | \$ 800,000 | \$ 1,300,000 | 1,300,000 | - | 1,424,759 |
| Fund Balance, Beginning of Year | | | 406,638 | | 157,680 |
| Fund Balance, End of Year | | | \$ 422,316 | | \$ 406,638 |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 FOOD SERVICE - FRESH FRUIT & VEGETABLE PROGRAM
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|------------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenues: | | | | | |
| Federal-Through the State | \$ 31,825 | \$ 133,984 | \$ 133,984 | \$ - | \$ 118,449 |
| Expenditures: | | | | | |
| Food Service | | | | | |
| Non-Certificated Salaries | - | - | - | - | - |
| Employee Benefits | - | - | - | - | - |
| Supplies, Materials, and Media | 31,825 | 133,984 | 133,984 | - | 118,449 |
| Total Expenditures | 31,825 | 133,984 | 133,984 | - | 118,449 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ - | - | \$ - | - |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | \$ - | | \$ - |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
FOOD SERVICE - NUTRITIONAL ALASKAN FOODS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|------------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenues: | | | | | |
| State | \$ 129,807 | \$ 209,406 | \$ 98,579 | \$ (110,827) | \$ 237,528 |
| Expenditures: | | | | | |
| Food Service Supplies, Materials, and Media | 221,907 | 301,506 | 18,980 | 282,526 | 145,428 |
| Total Expenditures | 221,907 | 301,506 | 18,980 | 282,526 | 145,428 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (92,100) | \$ (92,100) | 79,599 | \$ 171,699 | 92,100 |
| Fund Balance, Beginning of Year | | | 92,100 | | - |
| Fund Balance, End of Year | | | \$ 171,699 | | \$ 92,100 |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 FOOD SERVICE NSLP EQUIPMENT
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|-----------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenues: | | | | | |
| Federal-Through the State | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ - | \$ 118,449 |
| Expenditures: | | | | | |
| Food Service | | | | | |
| Supplies, Materials, and Media | - | 995 | 994 | 1 | - |
| Equipment | 20,000 | 19,005 | 19,006 | (1) | 118,449 |
| Total Expenditures | 20,000 | 20,000 | 20,000 | - | 118,449 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ - | - | \$ - | - |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | \$ - | | \$ - |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 GEAR UP KENAI PENINSULA
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|------------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenues: | | | | | |
| Federal-Direct | \$ 128,000 | \$ 170,645 | \$ 125,578 | \$ (45,067) | \$ 127,608 |
| Expenditures: | | | | | |
| Instruction | | | | | |
| Professional and Technical Service | 122,441 | 163,234 | 120,124 | 43,110 | 121,659 |
| District Administration Support Services | | | | | |
| Indirect Costs | 5,559 | 7,411 | 5,454 | 1,957 | 5,949 |
| Total Expenditures | 128,000 | 170,645 | 125,578 | 45,067 | 127,608 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ - | - | \$ - | - |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | \$ - | | \$ - |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GOVERNOR'S ALTERNATIVE SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|--------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenues: | | | | | |
| State | \$ 21,770 | \$ 20,270 | \$ 641 | \$ (19,629) | \$ 25,950 |
| Expenditures: | | | | | |
| Instruction: | | | | | |
| Certificated Salaries | 10,000 | 10,000 | - | 10,000 | - |
| Staff Travel | 1,770 | 1,770 | 641 | 1,129 | 1,102 |
| Other Purchased Services | - | - | - | - | 3,619 |
| Supplies, Materials, and Media | - | - | - | - | 20,019 |
| Other Expenses | - | 8,500 | - | 8,500 | - |
| Total Instruction | 11,770 | 20,270 | 641 | 19,629 | 24,740 |
| District Administration Support Services: | | | | | |
| Indirect Costs | 10,000 | - | - | - | 1,210 |
| Total Expenditures | 21,770 | 20,270 | 641 | 19,629 | 25,950 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | \$ - | | \$ - |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 LEGISLATIVE EQUIPMENT
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | Variance- Positive (Negative) | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|------------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | | |
| Revenues: | | | | | |
| State | \$ 560,000 | \$ 560,000 | \$ 176,872 | \$ (383,128) | \$ 102,233 |
| Expenditures: | | | | | |
| Instruction: | | | | | |
| Supplies, Materials, and Media | - | 16,615 | 16,391 | 224 | 7,481 |
| Equipment | 10,000 | 412,588 | 29,684 | 382,904 | - |
| Total Instruction | 10,000 | 429,203 | 46,075 | 383,128 | 7,481 |
| Support Services - Student | | | | | |
| Supplies, Materials, and Media | - | - | - | - | 338 |
| School Administration Support Services | | | | | |
| Equipment | - | 951 | 951 | - | - |
| Operations and Maintenance of Plant: | | | | | |
| Other Purchased Services | 3,200 | 3,200 | 3,200 | - | - |
| Supplies, Materials, and Media | - | 28,439 | 28,438 | 1 | 64,110 |
| Equipment | 546,800 | 98,207 | 98,208 | (1) | 30,642 |
| Total Operations and Maintenance of Plant | 550,000 | 129,846 | 129,846 | - | 94,752 |
| Total Expenditures | 560,000 | 560,000 | 176,872 | 383,128 | 102,571 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ - | - | \$ - | - |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | \$ - | | \$ - |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MCKINNEY-VENTO HOMELESS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|-----------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenues: | | | | | |
| Federal-Through the State | \$ 14,593 | \$ 15,000 | \$ 14,909 | \$ (91) | \$ 19,379 |
| Expenditures: | | | | | |
| Instruction | | | | | |
| Staff Travel | 5,000 | 5,000 | 4,926 | 74 | 1,824 |
| Student Travel | 3,000 | 2,314 | 2,300 | 14 | 1,000 |
| Utility Services | - | - | - | - | 23 |
| Other Purchased Services | 500 | 500 | 500 | - | 13 |
| Supplies, Materials, and Media | 5,460 | 6,535 | 6,535 | - | 15,615 |
| Total Instruction | 13,960 | 14,349 | 14,261 | 88 | 18,475 |
| District Administration Support Services | | | | | |
| Indirect Costs | 633 | 651 | 648 | 3 | 904 |
| Total Expenditures | 14,593 | 15,000 | 14,909 | 91 | 19,379 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ - | - | \$ - | - |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | \$ - | | \$ - |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MENTOR PROJECT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|----------------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenues: | | | | | |
| Federal-Through the State | \$ 133,752 | \$ 394,736 | \$ 296,279 | \$ (98,457) | \$ 313,292 |
| Expenditures: | | | | | |
| Instruction | | | | | |
| Certificated Salaries | 54,773 | 227,494 | 199,328 | 28,166 | 202,419 |
| Non-Certificated Salaries | - | - | - | - | 330 |
| Employee Benefits | 22,064 | 80,789 | 68,904 | 11,885 | 67,281 |
| Staff Travel | 47,034 | 64,534 | 15,395 | 49,139 | 28,642 |
| Utility Services | - | 50 | 27 | 23 | |
| Supplies, Materials and Media | 4,737 | 6,308 | 865 | 5,443 | 1,418 |
| Equipment | - | 379 | 379 | - | 1,198 |
| Total Instruction | <u>128,608</u> | <u>379,554</u> | <u>284,898</u> | <u>94,656</u> | <u>301,288</u> |
| District Administration Support Services | | | | | |
| Indirect Costs | <u>5,144</u> | <u>15,182</u> | <u>11,381</u> | <u>3,801</u> | <u>12,004</u> |
| Total Expenditures | <u>133,752</u> | <u>394,736</u> | <u>296,279</u> | <u>98,457</u> | <u>313,292</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>-</u> |
| Fund Balance, Beginning of Year | | | <u>-</u> | | <u>-</u> |
| Fund Balance, End of Year | | | <u>\$ -</u> | | <u>\$ -</u> |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MIGRANT EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|-----------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenues: | | | | | |
| Federal-Through the State | \$ 12,400 | \$ 12,400 | \$ 11,183 | \$ (1,217) | \$ 8,234 |
| Expenditures: | | | | | |
| Instruction | | | | | |
| Non-Certificated Salaries | - | - | - | - | 350 |
| Employee Benefits | - | - | - | - | 27 |
| Staff Travel | 2,000 | 2,000 | 876 | 1,124 | 2,897 |
| Supplies, Materials, and Media | 10,400 | 10,400 | 10,307 | 93 | 4,800 |
| Total Instruction | 12,400 | 12,400 | 11,183 | 1,217 | 8,074 |
| District Administration Support Services | | | | | |
| Indirect Costs | - | - | - | - | 160 |
| Total Expenditures | 12,400 | 12,400 | 11,183 | 1,217 | 8,234 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ - | - | \$ - | - |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | \$ - | | \$ - |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 PRINCIPAL COACH
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|----------------|-------------------------------------|------------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenues: | | | | | |
| State | \$ 933,542 | \$ 933,542 | \$ 909,512 | \$ (24,030) | \$ 1,130,298 |
| Expenditures: | | | | | |
| School Administration | | | | | |
| Professional and Technical Services | 622,000 | 632,505 | 632,505 | - | 770,019 |
| Staff Travel | 229,507 | 219,002 | 201,283 | 17,719 | 258,593 |
| Utility Services | 1,650 | 1,650 | 1,090 | 560 | 1,426 |
| Other Purchases Services | 5,000 | 5,329 | 5,329 | - | 7,918 |
| Supplies, Materials, and Media | 15,000 | 10,288 | 5,714 | 4,574 | 18,366 |
| Other Expenses | 1,000 | 4,680 | 4,680 | - | 2,685 |
| Equipment | - | - | - | - | 295 |
| Total School Administration | <u>874,157</u> | <u>873,454</u> | <u>850,601</u> | <u>22,853</u> | <u>1,059,302</u> |
| School Administration Support Services | | | | | |
| Non-Certificated Salaries | 11,203 | 11,203 | 11,180 | 23 | 10,720 |
| Employee Benefits | <u>7,640</u> | <u>8,343</u> | <u>8,232</u> | <u>111</u> | <u>7,581</u> |
| Total School Administration Support Services | <u>18,843</u> | <u>19,546</u> | <u>19,412</u> | <u>134</u> | <u>18,301</u> |
| District Administration Support Services | | | | | |
| Indirect Costs | <u>40,542</u> | <u>40,542</u> | <u>39,499</u> | <u>1,043</u> | <u>52,695</u> |
| Total Expenditures | <u>933,542</u> | <u>933,542</u> | <u>909,512</u> | <u>24,030</u> | <u>1,130,298</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>-</u> |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | <u>\$ -</u> | | <u>\$ -</u> |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
PROJECT AWARE
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|--------------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenues: | | | | | |
| Federal - Through the State | \$ 229,740 | \$ 229,740 | \$ 6,114 | \$ (223,626) | \$ - |
| Expenditures: | | | | | |
| Support Services - Instruction | | | | | |
| Certificated Salaries | 144,592 | 138,408 | 1,087 | 137,321 | - |
| Non-Certificated Salaries | 5,663 | 8,065 | 2,702 | 5,363 | - |
| Employee Benefits | 58,402 | 58,117 | 477 | 57,640 | - |
| Professional and Technical Services | - | - | - | - | - |
| Staff Travel | 10,000 | 13,817 | 1,572 | 12,245 | - |
| Utility Services | - | 250 | 10 | 240 | - |
| Supplies, Materials, and Media | 1,105 | 1,105 | - | 1,105 | - |
| Other Expenses | - | - | - | - | - |
| Equipment | - | - | - | - | - |
| Total Instruction | <u>219,762</u> | <u>219,762</u> | <u>5,848</u> | <u>213,914</u> | <u>-</u> |
| District Administration Support Services | | | | | |
| Indirect Costs | <u>9,978</u> | <u>9,978</u> | <u>266</u> | <u>9,712</u> | <u>-</u> |
| Total Expenditures | <u>229,740</u> | <u>229,740</u> | <u>6,114</u> | <u>223,626</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>-</u> |
| Fund Balance, Beginning of Year | | | <u>-</u> | | <u>-</u> |
| Fund Balance, End of Year | | | <u>\$ -</u> | | <u>\$ -</u> |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SCHOOL IMPROVEMENT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|--------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenues: | | | | | |
| Federal - Through the State | \$ - | \$ - | \$ - | \$ - | \$ 4,130 |
| Expenditures: | | | | | |
| Instruction | | | | | |
| Certificated Salaries | - | - | - | - | 700 |
| Employee Benefits | - | - | - | - | 97 |
| Staff Travel | - | - | - | - | 3,300 |
| Supplies, Materials, and Media | - | - | - | - | 33 |
| Total Expenditures | - | - | - | - | 4,130 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ - | - | \$ - | - |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | \$ - | | \$ - |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STAFF DEVELOPMENT MINI-GRANTS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | Variance- Positive (Negative) | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|-----------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | | |
| Revenues: | | | | | |
| State | \$ 4,926 | \$ 37,065 | \$ 26,076 | \$ (10,989) | \$ 13,965 |
| Expenditures: | | | | | |
| Instruction | | | | | |
| Certificated Salaries | - | 1,275 | 1,120 | 155 | - |
| Non-Certificated Salaries | - | 269 | 387 | (118) | 155 |
| Employee Benefits | - | 119 | 115 | 4 | 12 |
| Staff Travel | 4,926 | 35,402 | 24,454 | 10,948 | 13,798 |
| Total Expenditures | 4,926 | 37,065 | 26,076 | 10,989 | 13,965 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ - | - | \$ - | - |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | \$ - | | \$ - |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STUDENT TRANSPORTATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | |
|-----------------------------------------------------|--------------------|-------------------|---------------------|-------------------------------------|-------------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | 2014 Actual |
| Revenue: | | | | | |
| State | \$ 7,924,942 | \$ 7,924,942 | \$ 8,092,216 | \$ 167,274 | \$ 7,729,490 |
| Expenditures: | | | | | |
| Student Activities | | | | | |
| Non-Certificated Salaries | 3,000 | 3,000 | 4,638 | (1,638) | 4,343 |
| Employee Benefits | 239 | 239 | 352 | (113) | 332 |
| Staff Travel | 3,000 | 2,700 | 1,160 | 1,540 | 3,135 |
| Utility Services | - | - | 4,252 | (4,252) | 3,368 |
| Other Purchased Services | - | 7,025 | 7,433 | (408) | 594 |
| Supplies, Materials, and Media | 32,000 | 22,000 | 13,879 | 8,121 | 8,029 |
| Other Expenses | 1,000 | 2,775 | 2,746 | 29 | 1,303 |
| Equipment | - | - | - | - | 681,830 |
| Total Student Activities | <u>39,239</u> | <u>37,739</u> | <u>34,460</u> | <u>3,279</u> | <u>702,934</u> |
| Student Transportation | | | | | |
| Non-Certificated Salaries | 130,124 | 130,124 | 149,314 | (19,190) | 126,615 |
| Employee Benefits | 70,949 | 70,949 | 72,982 | (2,033) | 67,274 |
| Staff Travel | 9,500 | 9,500 | 6,625 | 2,875 | 805 |
| Utility Services | 1,500 | 1,500 | 532 | 968 | 594 |
| Other Purchased Services | 7,797,211 | 7,798,611 | 7,671,832 | 126,779 | 7,141,865 |
| Supplies, Materials, and Media | 7,300 | 7,000 | 6,435 | 565 | 6,328 |
| Other Expenses | 1,300 | 1,200 | 193 | 1,007 | - |
| Equipment | - | 500 | 444 | 56 | - |
| Total Student Transportation | <u>8,017,884</u> | <u>8,019,384</u> | <u>7,908,357</u> | <u>111,027</u> | <u>7,343,481</u> |
| Total Expenditures | <u>8,057,123</u> | <u>8,057,123</u> | <u>7,942,817</u> | <u>114,306</u> | <u>8,046,415</u> |
| Excess (Deficiency) of Revenue over Expenditures | <u>(132,181)</u> | <u>(132,181)</u> | <u>149,399</u> | <u>281,580</u> | <u>(316,925)</u> |
| Fund Balance, Beginning of Year | | | <u>889,693</u> | | <u>1,206,618</u> |
| Fund Balance, End of Year | | | <u>\$ 1,039,092</u> | | <u>\$ 889,693</u> |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
TITLE I-D, DELINQUENT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|--------------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenues: | | | | | |
| Federal-Through the State | \$ 6,444 | \$ 6,444 | \$ 3,456 | \$ (2,988) | \$ 4,594 |
| Expenditures: | | | | | |
| Instruction | | | | | |
| Certificated Salaries | 1,055 | 1,500 | - | 1,500 | - |
| Employee Benefits | 40 | 120 | - | 120 | 180 |
| Professional and Technical Services | - | - | - | - | 14 |
| Staff Travel | - | 600 | - | - | - |
| Supplies, Materials, and Media | 3,949 | 2,540 | 2,497 | 43 | 4,186 |
| Other Expenses | 1,171 | 595 | - | 595 | - |
| Equipment | - | 846 | 846 | - | - |
| Total Instruction | <u>6,215</u> | <u>6,201</u> | <u>3,343</u> | <u>2,258</u> | <u>4,380</u> |
| District Administration Support Services | | | | | |
| Indirect Costs | <u>229</u> | <u>243</u> | <u>113</u> | <u>130</u> | <u>214</u> |
| Total Expenditures | <u>6,444</u> | <u>6,444</u> | <u>3,456</u> | <u>2,388</u> | <u>4,594</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, IDEA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | Variance- Positive (Negative) | 2014 Actual |
|------------------------------------------|--------------------|-------------------|------------------|-------------------------------------|------------------|
| | Original Budget | Current Budget | Actual | | |
| Revenues: | | | | | |
| Federal-Through the State | \$ 2,317,221 | \$ 3,332,676 | \$ 2,366,561 | \$ (966,115) | \$ 2,819,044 |
| Expenditures: | | | | | |
| Special Education - Instruction | | | | | |
| Certificated Salaries | 366,172 | 420,280 | 354,605 | 65,675 | 346,257 |
| Non-Certificated Salaries | 946,369 | 1,221,813 | 911,124 | 310,689 | 1,148,560 |
| Employee Benefits | 785,069 | 1,272,699 | 837,000 | 435,699 | 1,016,224 |
| Professional and Technical Services | - | 77,625 | 33,366 | 44,259 | 49,699 |
| Staff Travel | 19,527 | 105,339 | 103,881 | 1,458 | 85,304 |
| Other Purchased Services | 10,000 | 10,000 | 3,155 | 6,845 | 4,107 |
| Supplies, Materials, and Media | 89,451 | 75,404 | 16,522 | 58,882 | 25,090 |
| Other Expenses | - | - | - | - | 2,000 |
| Equipment | - | 5,000 | 4,320 | 680 | 10,886 |
| Total Special Education - Instruction | <u>2,216,588</u> | <u>3,188,160</u> | <u>2,263,973</u> | <u>924,187</u> | <u>2,688,127</u> |
| District Administration Support Services | | | | | |
| Indirect Costs | <u>100,633</u> | <u>144,516</u> | <u>102,588</u> | <u>41,928</u> | <u>130,917</u> |
| Total Expenditures | <u>2,317,221</u> | <u>3,332,676</u> | <u>2,366,561</u> | <u>966,115</u> | <u>2,819,044</u> |
| Excess (Deficiency) of Revenues | | | | | |
| Over Expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>-</u> |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | <u>\$ -</u> | | <u>\$ -</u> |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
TITLE VII - INDIAN EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|------------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenues: | | | | | |
| Federal-Direct | \$ 391,473 | \$ 391,473 | \$ 388,872 | \$ (2,601) | \$ 370,998 |
| Expenditures: | | | | | |
| Instruction | | | | | |
| Certificated Salaries | 90,983 | 100,162 | 100,162 | - | 818 |
| Non-Certificated Salaries | 117,122 | 98,762 | 97,677 | 1,085 | 142,671 |
| Employee Benefits | 109,652 | 97,506 | 96,510 | 996 | 98,334 |
| Professional and Technical Services | 51,949 | 55,254 | 54,847 | 407 | 57,803 |
| Staff Travel | 1,000 | 3,576 | 3,576 | - | 1,726 |
| Student Travel | 500 | 6,785 | 6,785 | - | 4,557 |
| Other Purchased Services | - | - | - | - | 1,600 |
| Supplies, Materials, and Media | 3,100 | 10,827 | 10,827 | - | 46,193 |
| Other Expenses | 250 | 1,600 | 1,600 | - | - |
| Total Instruction | 374,556 | 374,472 | 371,984 | 2,488 | 353,702 |
| District Administration Support Services | | | | | |
| Indirect Costs | 16,917 | 17,001 | 16,888 | 113 | 17,296 |
| Total Expenditures | 391,473 | 391,473 | 388,872 | 2,601 | 370,998 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ - | - | \$ - | - |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | \$ - | | \$ - |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
UPWARD BOUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | Variance- Positive (Negative) | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|---------------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | | |
| Revenues: | | | | | |
| Federal-Through the State | \$ 30,000 | \$ 30,000 | \$ 24,406 | \$ (5,594) | \$ 23,967 |
| Expenditures: | | | | | |
| Instruction | | | | | |
| Certificated Salaries | 11,842 | 11,842 | 11,842 | - | 11,842 |
| Non-Certificated Salaries | - | - | 363 | (363) | 188 |
| Employee Benefits | 1,658 | 1,658 | 1,478 | 180 | 1,372 |
| Student Travel | 3,000 | 1,708 | 1,208 | 500 | 1,865 |
| Supplies, Materials, and Media | 2,700 | 3,780 | 3,594 | 186 | 972 |
| Other Expenses | 10,800 | 10,800 | 5,709 | 5,091 | 7,130 |
| Equipment | - | 212 | 212 | - | 598 |
| Total Expenditures | <u>30,000</u> | <u>30,000</u> | <u>24,406</u> | <u>5,594</u> | <u>23,967</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ -</u> | <u>\$ -</u> | - | <u>\$ -</u> | - |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | <u>\$ -</u> | | <u>\$ -</u> |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 YOUTH FIRST
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|--------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenues: | | | | | |
| State | \$ - | \$ - | \$ - | \$ - | \$ 77,178 |
| Expenditures: | | | | | |
| Instruction | | | | | |
| Certificated Salaries | - | - | - | - | 10,597 |
| Non-Certificated Salaries | - | - | - | - | 3,284 |
| Employee Benefits | - | - | - | - | 1,991 |
| Staff Travel | - | - | - | - | 2,250 |
| Supplies, Materials, and Media | - | - | - | - | 2,008 |
| Total Instruction | - | - | - | - | 20,130 |
| Support Services - Students | | | | | |
| Non-Certificated Salaries | - | - | - | - | 29,497 |
| Employee Benefits | - | - | - | - | 23,953 |
| Total Support Services-Students | - | - | - | - | 53,450 |
| District Administration Support Services | | | | | |
| Indirect Costs | - | - | - | - | 3,598 |
| Total Expenditures | - | - | - | - | 77,178 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ - | - | \$ - | - |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | \$ - | | \$ - |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 YOUTH IN DETENTION
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | |
|------------------------------------------------------|--------------------|-------------------|-----------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | 2014 Actual |
| Revenues: | | | | | |
| State | \$ 69,143 | \$ 69,143 | \$ 69,143 | \$ - | \$ 69,143 |
| Expenditures: | | | | | |
| Instruction: | | | | | |
| Certificated Salaries | 25,370 | 25,370 | 50,882 | (25,512) | 50,348 |
| Non-Certificated Salaries | 30,050 | 30,050 | 985 | 29,065 | 1,059 |
| Employee Benefits | 10,677 | 10,677 | 14,273 | (3,596) | 14,288 |
| Supplies, Materials, and Media | 43 | 43 | - | 43 | 225 |
| Total Instruction | 66,140 | 66,140 | 66,140 | - | 65,920 |
| District Administration Support Services | | | | | |
| Indirect Costs | 3,003 | 3,003 | 3,003 | - | 3,223 |
| Total Expenditures | 69,143 | 69,143 | 69,143 | - | 69,143 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ - | - | \$ - | - |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | \$ - | | \$ - |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 YOUTH RISK BEHAVIOR SURVEY
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 With Comparative Actual Totals for the Year Ended June 30, 2014

| | 2015 | | | | 2014 Actual |
|------------------------------------------------------|--------------------|-------------------|----------|-------------------------------------|----------------|
| | Original Budget | Current Budget | Actual | Variance- Positive (Negative) | |
| Revenues: | | | | | |
| State | \$ 9,750 | \$ 9,750 | \$ 9,750 | \$ - | \$ - |
| Expenditures: | | | | | |
| Instruction | | | | | |
| Certificated Salaries | 1,711 | 1,709 | 1,709 | - | - |
| Employee Benefits | 239 | 238 | 239 | (1) | - |
| Utility Services | - | 102 | 102 | | |
| Supplies, Materials, and Media | 7,800 | 7,701 | 7,700 | 1 | - |
| Total Expenditures | 9,750 | 9,750 | 9,750 | - | - |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fund Balance, Beginning of Year | | | - | | - |
| Fund Balance, End of Year | | | \$ - | | \$ - |

INTERNAL SERVICE FUNDS

Internal Service Fund – Employee Compensated Leave
Internal Service Fund – Health Care

Statement of Net Position
Statement of Revenues, Expenditures, and Changes in Fund Net Position
Statement of Cash Flows

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF NET POSITION
June 30, 2015

| | Employee Compensated Leave Fund | Health Care Fund | Total Internal Service Funds |
|--------------------------------------------------------------------------|------------------------------------------|---------------------|---------------------------------------|
| <u>ASSETS</u> | | | |
| Equity in Central Treasury | \$ 3,583,232 | \$ 2,491,284 | \$ 6,074,516 |
| Equity in Central Treasury - Restricted for Healthcare | - | 3,318,306 | 3,318,306 |
| | <hr/> | <hr/> | <hr/> |
| Total assets | <u>\$ 3,583,232</u> | <u>\$ 5,809,590</u> | <u>\$ 9,392,822</u> |
| <u>LIABILITIES</u> | | | |
| Current Liabilities | | | |
| Health Claims Payable (IBNR) | \$ - | \$ 4,234,444 | \$ 4,234,444 |
| Contributions Collected from Employees in Excess of Negotiated Agreement | - | 789,349 | 789,349 |
| Compensated Absences | 78,265 | | 78,265 |
| Total Current Liabilities | <hr/> 78,265 | <hr/> 5,023,793 | <hr/> 5,102,058 |
| Noncurrent Liabilities | | | |
| Compensated Absences, net of current portion | <hr/> 3,504,967 | <hr/> - | <hr/> 3,504,967 |
| Total Liabilities | <u>\$ 3,583,232</u> | <u>\$ 5,023,793</u> | <u>\$ 8,607,025</u> |
| <u>NET POSITION</u> | | | |
| Net Position - Unrestricted | <hr/> - | <hr/> 785,797 | <hr/> 785,797 |
| Total Net Position | <u>\$ -</u> | <u>\$ 785,797</u> | <u>\$ 785,797</u> |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
For the Year Ended June 30, 2015

| | Employee Compensated Leave Fund | Health Care Fund | Total Internal Service Funds |
|---------------------------------------------------------------------|------------------------------------------|---------------------|---------------------------------------|
| | <u>Fund</u> | <u>Fund</u> | <u>Funds</u> |
| Operating Revenues: | | | |
| Charges to Other Funds | \$ 2,666,043 | \$ - | \$ 2,666,043 |
| Employer Contributions | - | 20,701,593 | 20,701,593 |
| Employee Contributions, Net of adjustment per negotiated agreement. | - | 3,787,654 | 3,787,654 |
| | <u>2,666,043</u> | <u>24,489,247</u> | <u>27,155,290</u> |
| Total Operating Revenues | | | |
| Operating Expenses: | | | |
| Administrative services | 2,666,043 | - | 2,666,043 |
| Healthcare Claims and Administrative Fees | - | 25,419,053 | 25,419,053 |
| | <u>2,666,043</u> | <u>25,419,053</u> | <u>28,085,096</u> |
| Total operating expenses | | | |
| Operating income | - | (929,806) | (929,806) |
| Nonoperating Revenues - Interest Income | - | 23,959 | 23,959 |
| Decrease in net position | - | (905,847) | (905,847) |
| Total net position, beginning of year | - | 1,691,644 | 1,691,644 |
| Total net position, end of year | <u>\$ -</u> | <u>\$ 785,797</u> | <u>\$ 785,797</u> |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2015

| | Employee Compensated Leave Fund | Health Care Fund | Total Internal Service Funds |
|-------------------------------------------------------------------------------------|------------------------------------------|---------------------|---------------------------------------|
| Cash flows from operating activities: | | | |
| Payments for interfund services provided | \$ 2,666,043 | \$ - | \$ 2,666,043 |
| Payments to employees | (2,648,561) | - | (2,648,561) |
| Receipts from employer - current year contributions | - | 20,701,594 | 20,701,594 |
| Receipts from employees - current year contributions | - | 4,145,578 | 4,145,578 |
| Payments for claims and services | - | (25,310,789) | (25,310,789) |
| Net cash flow from operating activities | <u>17,482</u> | <u>(463,617)</u> | <u>(446,135)</u> |
| Cash flows from investing activities - interest income received | <u>-</u> | <u>23,959</u> | <u>23,959</u> |
| Net increase (decrease) in cash and cash equivalents | <u>17,482</u> | <u>(439,658)</u> | <u>(422,176)</u> |
| Cash and cash equivalents, beginning of year | <u>3,565,750</u> | <u>6,249,248</u> | <u>9,814,998</u> |
| Cash and cash equivalents, end of year | <u>\$ 3,583,232</u> | <u>\$ 5,809,590</u> | <u>\$ 9,392,822</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | | |
| Operating income | \$ - | \$ (929,806) | \$ (929,806) |
| Increase in compensated absences payable | 17,481 | - | 17,481 |
| Increase in health care payable | - | 108,264 | 108,264 |
| Contributions collected from employees in excess of negotiated agreement | - | 357,925 | 357,925 |
| Net cash (used) provided by operating activities | <u>\$ 17,481</u> | <u>\$ (463,617)</u> | <u>\$ (446,136)</u> |

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FIDUCIARY FUND

Fiduciary Fund – Statement of Changes in Assets and Liabilities

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 FIDUCIARY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2015

| <u>Student Activity</u> | <u>Total June 30, 2014</u> | <u>Increases</u> | <u>Decreases</u> | <u>Total June 30, 2015</u> |
|----------------------------|--------------------------------|---------------------|---------------------|--------------------------------|
| Assets: | | | | |
| Cash | \$ 23,263 | \$ - | \$ 6,537 | \$ 16,726 |
| Equity in Central Treasury | <u>2,623,607</u> | <u>5,730,414</u> | <u>5,715,282</u> | <u>2,638,739</u> |
| Total Assets: | <u>\$ 2,646,870</u> | <u>\$ 5,730,414</u> | <u>\$ 5,721,819</u> | <u>\$ 2,655,465</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - |
| Amount Due Student Groups | <u>2,646,870</u> | <u>5,730,414</u> | <u>5,721,819</u> | <u>2,655,465</u> |
| Total Liabilities: | <u>\$ 2,646,870</u> | <u>\$ 5,730,414</u> | <u>\$ 5,721,819</u> | <u>\$ 2,655,465</u> |

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CAPITAL ASSETS

Schedule of Changes in General Capital Assets

Schedule of General Capital Assets – By Location

Comparative Schedule of General Capital Assets – By Source

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS
 For the Year Ended June 30, 2015

| | General Capital Assets June 30, 2014 | Additions | Deletions | Transfers | General Capital Assets June 30, 2015 |
|----------------|--------------------------------------------|-------------------|---------------------|----------------|--------------------------------------------|
| Administration | \$ 3,140,079 | \$ 408,050 | \$ (87,892) | \$ (649,820) | \$ 2,810,417 |
| Schools | <u>5,497,039</u> | <u>335,125</u> | <u>(106,820)</u> | <u>649,820</u> | <u>\$ 6,375,164</u> |
| | <u>\$ 8,637,118</u> | <u>\$ 743,175</u> | <u>\$ (194,712)</u> | <u>\$ -</u> | <u>\$ 9,185,581</u> |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SCHEDULE OF GENERAL CAPITAL ASSETS - BY LOCATION
June 30, 2015

| | Equipment | | Equipment |
|----------------------|--------------|------------------------------|--------------|
| Administration: | | Kenai: | |
| District Office and | | Aurora Borealis | 130,117 |
| Warehouse | \$ 2,810,417 | High School | 1,050,197 |
| Total Administration | 2,810,417 | Kaleidoscope | 77,909 |
| | | Kenai Alternative | 6,780 |
| Schools: | | Middle School | 206,838 |
| Outside Cities: | | Mt. View Elementary | 64,575 |
| Chapman Elementary | 46,612 | Total Kenai | 1,536,416 |
| Cooper Landing | 36,596 | | |
| Hope | 49,963 | Seldovia: | 112,397 |
| Kachemak Selo | 22,067 | Susan B. English | 112,397 |
| K-Beach | 68,829 | Total Seldovia | |
| McNeil Canyon | 42,108 | | |
| Moose Pass | 12,401 | Seward: | |
| Nanwalek | 36,510 | Elementary | 50,730 |
| Nikiski High | 694,543 | High School | 492,998 |
| Nikiski North Star | 54,823 | Middle | 47,464 |
| Nikolaevsk | 149,152 | Total Seward | 591,192 |
| Ninilchik | 155,911 | | |
| Port Graham | 25,388 | Soldotna: | |
| Skyview Middle | 369,536 | Connections | 24,548 |
| Sterling | 44,236 | Elementary | 91,405 |
| Tebughna | 42,245 | High School | 861,221 |
| Tustumena | 40,895 | Peninsula Optional High | 6,164 |
| Voznesenka | 21,365 | Prep School | 140,394 |
| Total Outside Cities | 1,913,180 | Redoubt Elementary | 69,839 |
| | | Total Soldotna | 1,193,571 |
| | | | |
| Homer: | | Total Schools | 6,375,164 |
| Fireweed Academy | 27,104 | | |
| High School | 797,723 | Total General Capital Assets | \$ 9,185,581 |
| Homer Flex | 12,939 | | |
| Middle School | 56,673 | | |
| Paul Banks | 28,030 | | |
| Razdolna | 52,802 | | |
| West Homer | 53,137 | | |
| Total Homer | 1,028,408 | | |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 COMPARATIVE SCHEDULE OF CAPITAL ASSETS - BY SOURCE
 June 30, 2015 and 2014

| | 2015 | 2014 |
|-------------------------------------------------|--------------|--------------|
| General Capital Assets: | | |
| Furniture and Equipment | \$ 9,185,581 | \$ 8,637,118 |
| Investments in General Capital Assets from: | | |
| General Obligation Bonds | \$ 4,542,847 | \$ 515,410 |
| State and Federal Grants | 4,152,377 | 4,133,722 |
| General Fund Revenue | 490,357 | 3,987,986 |
| Total Investment in General Capital Assets: | \$ 9,185,581 | \$ 8,637,118 |

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SCHEDULES SECTION

SCHEDULES SECTION

Schedule of State Financial Assistance

Schedule of Expenditures of Federal Awards

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
Schedule of State Financial Assistance
Year Ended June 30, 2015

| <u>State Grantor</u> | <u>Program Number</u> | <u>Amount Expended</u> |
|----------------------------------------------------------------------|---------------------------|----------------------------|
| Department of Administration: | | |
| * TRS On Behalf | | \$ 133,498,407 |
| * PERS On Behalf | | 8,961,478 |
| * PERS On Behalf passed through Kenai Peninsula Borough | | 1,434,668 |
| Total Department of Administration | | 143,894,553 |
| | | |
| Passed through Alaska State Council on the Arts: | | |
| Artist in Schools | AIS0006 | 700 |
| Total Passed through Alaska State Council on the Arts | | 700 |
| | | |
| Department of Education and Early Development: | | |
| * Foundation | | 79,159,764 |
| * Foundation - One time funding | | 3,008,638 |
| * Pupil Transportation | | 8,092,216 |
| Alternative Schools | SH 15.024.01 | 641 |
| Broadband Assistance Grant | SBG 15.024.12 | 21,687 |
| Early Literacy | LE 15.024.01 | 20,639 |
| Quality Schools | | 282,259 |
| Youth In Detention - Kenai Youth Facility | EY 15.024.01 | 69,143 |
| Digital Teaching Initiative | DT 15.024.01 | 313,963 |
| Youth Risk Behavior Survey | YR 15.024.01 | 9,750 |
| Total Department of Education and Early Development | | 90,978,700 |
| | | |
| Department of Labor and Workforce Development - | | |
| Compass Alaska | 756364 | 49,528 |
| CTE Engineering Academy | 756309 | 33,295 |
| | | 82,823 |
| | | |
| Department of Commerce, Community and Economic Development: | | |
| Nutritional Alaskan Foods in Schools | 13-NAFS-025 | - |
| Nutritional Alaskan Foods in Schools | 14-NAFS-025 | |
| Nutritional Alaskan Foods in Schools | 15-NAFS-370 | 18,980 |
| KPB School District - Areawide School Equipment | 15-DC-416 | 117,097 |
| KPB School District-Nikiski Middle/High School Commons Flooring Plan | 15-DC-415 | 50,000 |
| KPB School District-Chapman School Kindergarten iPad Project | 15-DC-414 | 9,775 |
| | | 195,852 |
| | | |
| Total State Financial Assistance | | \$ 235,152,628 |

* State major program

Note 1: Basis of Presentation

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

| <u>Federal Grantor/Pass-Through Grantor</u> | <u>Federal CFDA Number</u> | <u>Pass Through Grantor's Number</u> | <u>Amount Expended</u> |
|-----------------------------------------------------|------------------------------------|--------------------------------------------------|----------------------------|
| U.S. Department of Education - Direct: | | | |
| Gear Up Kenai Peninsula | 84.334A | P334A120121-14 | 125,578 |
| Title VII, Indian Education | 84.060A | S060A140799 | <u>388,872</u> |
| Total U.S. Department of Education - Direct | | | <u>514,450</u> |
| Passed through Alaska Department of Education: | | | |
| Education of Homeless Children and Youth Cluster: | | | |
| McKinney - Vento Homeless | 84.196A | FR 15.024.01 | <u>14,909</u> |
| Title 1, Part A Cluster: | | | |
| NCLB - Title I-A Basic | 84.010 | IP 15.024.01 | 759,685 |
| NCLB - Title I-A 1% Parent Involvement | 84.010 | IP 15.024.01 | 21,248 |
| NCLB - Title I-A Pre-K | 84.010 | IP 15.024.01 | <u>878,311</u> |
| Total CFDA 84.010 | | | <u>1,659,244</u> |
| Passed through Alaska Department of Education: | | | |
| Higher Ed /Library Assessment Literacy | 84.367B | HE 15.024.01 | <u>86,758</u> |
| Passed through Alaska Department of Education: | | | |
| Special Education Cluster: | | | |
| Title VI-B | 84.027 | SE 15.024.01 | 2,306,402 |
| Preschool Disabled | 84.173 | SE 15.024.01 | <u>60,159</u> |
| Total Special Education Cluster | | | <u>2,366,561</u> |
| Migrant Education, Book | 84.011A | MB 15.024.01 | 10,307 |
| Migrant Education, Parent Advisory Council | 84.011 | MP 15.024.01 | 876 |
| NCLB - Title I-C Migrant | 84.011 | IP 15.024.01 | <u>164,055</u> |
| Total CFDA 84.011 | | | <u>175,238</u> |
| Title I-D, Delinquent (Transitional) | 84.013 | IP 15.024.02 | <u>3,456</u> |
| Carl Perkins Basic | 84.048 | EK 15.024.01 | <u>220,236</u> |
| NCLB - Title III-A English Language Acquisition | 84.365 | IP 15.024.01 | <u>8,285</u> |
| NCLB - Title II-A, Training & Recruiting | 84.367 | IP 15.024.01 | <u>648,366</u> |
| Total passed through Alaska Department of Education | | | <u>5,183,053</u> |
| Passed through University of Alaska Fairbanks | | | |
| UAF-Upward Bound - Seward | 84.047A | P047A121760 | 12,997 |
| UAF-Upward Bound - Nikiski | 84.047A | P047A121760 | <u>11,409</u> |
| Total CFDA 84.047 | | | <u>24,406</u> |

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

| <u>Federal Grantor/Pass-Through Grantor</u> | <u>Federal CFDA Number</u> | <u>Pass Through Grantor's Number</u> | <u>Amount Expended</u> |
|-------------------------------------------------------------------------------|------------------------------------|--------------------------------------------------|----------------------------|
| UAF-Alaska Statewide Mentor Project- i3 Innovations in Education | 84.411 | U411B110072 | <u>296,279</u> |
| Total University of Alaska Fairbanks | | | <u>320,685</u> |
| Total U.S. Department of Education | | | <u>6,018,188</u> |
| U.S. Department of Health and Human Services: | | | |
| Passed through Alaska Department of Education: | | | |
| Project AWARE - Youth Mental Health First Aid Training | 93.243 | AW 15.024.01 | 3,657 |
| Project AWARE | 93.243 | AW 15.024.01 | <u>2,457</u> |
| Total CFDA 93.243 | | | <u>6,114</u> |
| U.S. Department of Commerce: | | | |
| Sub Award from National Telecommunications and Internet Administration (NTIA) | | | |
| through Connected Nation, through Connect Alaska, a sub entity | | | |
| AASB - Consortium for Digital Learning | 11.558 | 02-50-M09071 | <u>11,121</u> |
| National Endowment for the Arts - | | | |
| Passed through Alaska State Council on the Arts - | | | |
| Artist in Schools | 45.025 | AIS0006 | <u>765</u> |
| U.S. Department of Agriculture: | | | |
| Child Nutrition Cluster - | | | |
| Passed Through Alaska Department of Education: | | | |
| National School Lunch Program - After School Snack | 10.553 | MA 15.024.01 | 1,756 |
| National School Lunch Program - Breakfast Program | 10.553 | MA 15.024.01 | <u>476,706</u> |
| Total CFDA 10.553 | | | <u>478,462</u> |
| Commodities | 10.555 | | 141,450 |
| National School Lunch Program - Lunch Program | 10.555 | MA 15.024.01 | <u>1,734,002</u> |
| Total CFDA 10.555 | | | 1,875,452 |
| Total Child Nutrition Cluster | | | <u>2,353,914</u> |
| Passed Through Alaska Department of Education: | | | |
| NSLP - Equipment Assistance | 10.579 | NS 15.024.01 | <u>20,000</u> |
| Fresh Fruit & Vegetable Program | 10.582 | FF 15.024.01 | 31,825 |
| Fresh Fruit & Vegetable Program | 10.582 | FF 15.024.02 | <u>102,159</u> |
| Total CFDA 10.582 | | | 133,984 |
| Total U.S. Department of Agriculture | | | <u>2,507,898</u> |
| Total Expenditures of Federal Awards | | | \$ <u>8,544,086</u> |

Note 1. Basis of Presentation

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

STATISTICAL SECTION

STATISTICAL INFORMATION

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

Net Position by Component

Net Expenses, General Revenues, and Change in Net Position

Total Change in Net Position

General Fund Balances, Special Revenue Fund Balances, Total Fund Balance

Governmental Funds Revenues

Governmental Funds Expenditures

Other Financing Sources and Uses and Net Change in Fund Balance

Assessed Value and Estimated Actual of Taxable Property

Property Tax Rates and Tax Levies; Direct and Overlapping Governments

Principal Property Taxpayers

Principal Employers

Property Tax Levies and Collections

Legal Debt Margin Information

Ratio of Net Area Wide General Bonded Debt to Assessed Value
and Net Bonded Debt per Capita and Student Capita

Computation of Direct and Overlapping Debt

Demographic and Economic Statistics

General Fund Full-Time Equivalent District Employees by Function

All Funds Full-Time Equivalent District Employees by Function

Average Per Pupil General Fund Operating Expenditures

Average Daily Membership as Compared to Assessed Valuation

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Statistical Section Overview

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

Contents

Financial Trends

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

| | |
|-----------|--------------------------------------------------------------------------|
| Table I | Net Position by Component |
| Table II | Net Expenses, General Revenues, and Change in Net Position |
| Table III | Total Change in Net Position |
| Table IV | General Fund Balances, Special Revenue Fund Balances, Total Fund Balance |
| Table V | Governmental Funds Revenues |
| Table VI | Governmental Funds Expenditures |
| Table VII | Other Financing Sources and Uses and Net Change in Fund Balance |

Revenue Capacity

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

| | |
|------------|-----------------------------------------------------------------------|
| Table VIII | Assessed Value and Estimated Actual Value of Taxable Property |
| Table IX | Property Tax Rates and Tax Levies, Direct and Overlapping Governments |
| Table X | Principal Property Taxpayers |
| Table XI | Principal Employers |
| Table XII | Property Tax Levies and Collections |

Debt Capacity

These schedules present information to help the reader assess the affordability of the Borough's current level of outstanding debt and the District's ability to issue additional debt in the future.

| | |
|------------|----------------------------------------------------------------------------------------------------------------|
| Table XIII | Legal Debt Margin Information |
| Table XIV | Ratio of Net Area Wide General Bonded Debt to Assessed Value and Net Bonded Debt per Capita and Student Capita |
| Table XV | Computation of Direct and Overlapping Debt |

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

| | |
|-------------|------------------------------------------------------------------|
| Table XVI | Demographic and Economic Statistics |
| Table XVII | General Fund Full-Time Equivalent District Employees by Function |
| Table XVIII | All Funds Full-Time Equivalent District Employees by Function |
| Table XIX | Average Per Pupil General Fund Operating Expenditures |
| Table XX | Average Daily Membership as Compared to Assessed Valuation |

Operating Information

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

This data not available at date of printing

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)

| | FISCAL YEAR | | | | | | | | | |
|----------------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 |
| Invested in Capital Assets | \$ 1,128,957 | \$ 2,788,379 | \$ 2,481,217 | \$ 2,598,361 | \$ 2,407,561 | \$ 2,774,938 | \$ 3,088,378 | \$ 3,054,829 | \$ 3,604,976 | \$ 3,516,215 |
| Net Pension Liability | - | - | - | - | - | - | - | - | - | (51,223,699) |
| Restricted | | | | | | | | | | |
| Charter Schools | 1,010,775 | 1,641,086 | 2,394,188 | 570,373 | 675,350 | 507,663 | 645,261 | 556,395 | 625,619 | 664,091 |
| Facilities Maintenance | - | - | - | - | - | - | - | - | 1,845,512 | 2,042,930 |
| Homeschool Allotment | - | - | - | - | - | - | - | - | - | 281,972 |
| Special Revenue Funds | 29,926 | - | - | - | - | - | - | - | - | - |
| Total Restricted | 1,040,701 | 1,641,086 | 2,394,188 | 570,373 | 675,350 | 507,663 | 645,261 | 556,395 | 2,471,131 | 2,988,993 |
| Unrestricted | 4,863,722 | 9,576,795 | 17,409,088 | 29,588,884 | 28,489,644 | 30,878,045 | 27,921,811 | 27,516,245 | 23,662,678 | 20,662,000 |
| Total Net Position | \$ 7,033,380 | \$ 14,006,260 | \$ 22,284,493 | \$ 32,757,618 | \$ 31,572,555 | \$ 34,160,646 | \$ 31,655,450 | \$ 31,127,469 | \$ 29,738,785 | \$ (24,056,491) |

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

| | FISCAL YEAR | | | | | | | | | |
|---------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 |
| Expenses | | | | | | | | | | |
| Government Activities: | | | | | | | | | | |
| Instruction | \$ 49,522,478 | \$ 52,582,325 | \$ 63,518,566 | \$ 61,820,342 | \$ 68,715,631 | \$ 68,158,156 | \$ 70,671,418 | \$ 73,207,376 | \$ 75,266,303 | \$ 87,002,086 |
| Special Education - Instruction | 8,862,570 | 9,735,531 | 12,695,426 | 15,047,686 | 16,673,739 | 18,495,855 | 19,939,292 | 21,592,288 | 21,809,338 | 25,120,274 |
| Special Education Support Services - Student | 3,225,301 | 3,550,817 | 4,361,409 | 4,568,803 | 4,712,605 | 5,016,857 | 5,606,638 | 6,090,491 | 5,958,859 | 6,985,692 |
| Support Services - Student | 2,600,385 | 2,871,350 | 3,653,689 | 3,569,636 | 3,817,779 | 3,898,385 | 4,307,528 | 4,769,002 | 4,961,996 | 5,139,495 |
| Support Services - Instruction | 2,044,711 | 2,194,911 | 2,433,644 | 2,382,071 | 2,612,624 | 2,358,838 | 3,432,382 | 3,476,192 | 3,780,721 | 4,025,162 |
| School Administration | 4,468,581 | 4,965,544 | 6,065,999 | 5,903,499 | 6,414,684 | 6,673,392 | 6,666,723 | 7,261,568 | 7,846,925 | 9,185,386 |
| School Administration Support Services | 3,318,375 | 3,579,108 | 3,836,494 | 4,011,390 | 4,140,290 | 4,178,505 | 4,585,996 | 4,805,263 | 4,969,562 | 5,197,826 |
| District Administration | 824,772 | 824,354 | 951,922 | 839,511 | 861,516 | 957,877 | 1,065,732 | 1,134,698 | 1,253,600 | 1,020,470 |
| District Administration Support Services | 3,567,003 | 3,907,855 | 4,842,365 | 4,831,610 | 6,323,003 | 5,628,931 | 6,658,848 | 6,210,335 | 6,219,036 | 6,349,127 |
| Operations and Maintenance of Plant | 16,197,981 | 16,470,683 | 18,031,850 | 18,537,698 | 19,048,197 | 20,646,201 | 22,639,419 | 21,254,202 | 23,096,259 | 23,453,558 |
| Student Activities | 1,196,254 | 1,282,403 | 1,953,371 | 1,509,638 | 2,262,698 | 2,306,828 | 2,344,153 | 2,364,058 | 2,452,215 | 2,684,455 |
| Community Service | 291,539 | 60,417 | 56,027 | 55,605 | 58,130 | 64,559 | 64,408 | 48,657 | 40,583 | 39,110 |
| Student Transportation | 4,737,416 | 5,209,957 | 5,455,201 | 5,636,018 | 5,500,984 | 5,514,495 | 6,116,707 | 7,459,992 | 7,334,939 | 7,932,255 |
| Food Service | 3,292,881 | 3,079,177 | 2,975,193 | 3,190,105 | 3,262,858 | 3,283,102 | 3,814,960 | 4,226,732 | 4,479,711 | 4,490,808 |
| Total expenses | \$ 104,150,247 | \$ 110,314,432 | \$ 130,831,156 | \$ 131,903,612 | \$ 144,404,738 | \$ 147,181,981 | \$ 157,914,204 | \$ 163,900,854 | \$ 169,470,047 | \$ 188,625,704 |
| Program Revenues | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Food Service /Community Theater | 1,216,514 | 1,006,322 | 1,000,689 | 994,849 | 950,232 | 896,109 | 825,329 | 745,201 | 683,135 | 669,280 |
| Operating Grants and Contributions | 15,528,173 | 14,944,233 | 14,181,235 | 14,967,746 | 20,631,827 | 21,116,546 | 18,381,570 | 18,134,117 | 19,290,617 | 18,719,908 |
| Total Program Revenues | 16,744,687 | 15,950,555 | 15,181,924 | 15,962,595 | 21,582,059 | 22,012,655 | 19,206,899 | 18,879,318 | 19,973,752 | 19,389,188 |
| Total Net(Expense)/Governmental Activities | (87,405,560) | (94,363,877) | (115,649,232) | (115,941,017) | (122,822,679) | (125,169,326) | (138,707,305) | (145,021,536) | (149,496,295) | (169,236,516) |
| General Revenues: | | | | | | | | | | |
| Government Activities: | | | | | | | | | | |
| Borough Direct Appropriation | \$ 34,973,682 | \$ 37,941,676 | \$ 37,701,117 | \$ 41,146,945 | \$ 42,983,376 | \$ 42,588,135 | \$ 43,251,135 | \$ 43,000,000 | \$ 43,500,000 | \$ 44,013,525 |
| Public School Funding Program | 50,003,179 | 59,959,314 | 60,523,098 | 62,317,926 | 64,062,960 | 69,123,351 | 71,912,349 | 75,563,384 | 74,891,748 | 79,159,764 |
| Retirement: On-behalf Payments | - | - | 19,322,147 | 15,227,995 | 11,901,565 | 13,615,283 | 17,803,814 | 22,907,953 | 24,234,519 | 39,377,047 |
| Other State Revenue | 110,355 | 1,116,108 | 3,135,060 | 245,599 | 250,195 | 263,359 | 1,658,523 | 2,010,671 | 3,456,964 | 3,290,897 |
| Earnings on Investment | 494,410 | 1,067,126 | 1,746,569 | 1,563,679 | 1,351,985 | 837,735 | 898,439 | 55,918 | 475,548 | 326,758 |
| E-Rate Program | 508,938 | 657,616 | 722,223 | 426,290 | 575,663 | 591,046 | 118,707 | 590,640 | 1,219,637 | 287,658 |
| Medicaid Reimbursement | 526,918 | 492,697 | 549,024 | 288,038 | 408,492 | 593,496 | 343,617 | 164,384 | 200,451 | 211,375 |
| Other | 143,758 | 102,220 | 228,227 | 173,326 | 103,380 | 145,012 | 215,525 | 200,605 | 128,744 | 399,614 |
| Total General Revenues | \$ 86,761,240 | \$ 101,336,757 | \$ 123,927,465 | \$ 121,389,798 | \$ 121,637,616 | \$ 127,757,417 | \$ 136,202,109 | \$ 144,493,555 | \$ 148,107,611 | \$ 167,066,638 |
| Special Item - writeoff NPO/OPEB | - | - | - | 5,024,344 | - | - | - | - | - | - |
| Change in Net Position | \$ (644,320) | \$ 6,972,880 | \$ 8,278,233 | \$ 10,473,125 | \$ (1,185,063) | \$ 2,588,091 | \$ (2,505,196) | \$ (527,981) | \$ (1,388,684) | \$ (2,169,878) |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

| | FISCAL YEAR | | | | | | | | | |
|--------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009* | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015** |
| Change in Net Position | \$ (644,320) | \$ 6,972,880 | \$ 8,278,233 | \$ 10,473,125 | \$ (1,185,063) | \$ 2,588,091 | \$ (2,505,196) | \$ (527,981) | \$ (1,388,684) | \$ (2,169,878) |
| Net Position - Beginning | 7,677,700 | 7,033,380 | 14,006,260 | 22,284,493 | 32,757,618 | 31,572,555 | 34,160,646 | 31,655,450 | 31,127,469 | (21,886,613) |
| Net Position - Ending | <u>\$ 7,033,380</u> | <u>\$ 14,006,260</u> | <u>\$ 22,284,493</u> | <u>\$ 32,757,618</u> | <u>\$ 31,572,555</u> | <u>\$ 34,160,646</u> | <u>\$ 31,655,450</u> | <u>\$ 31,127,469</u> | <u>\$ 29,738,785</u> | <u>\$ (24,056,491)</u> |

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

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

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

| | FISCAL YEAR | | | | | | | | | |
|------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 | 2009-2010 | 2010-2011* | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 |
| General Fund | | | | | | | | | | |
| Reserved | \$ 2,773,182 | \$ 4,308,511 | \$ 9,058,171 | \$ 9,645,680 | \$ 9,071,018 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | 5,894,990 | 9,183,137 | 7,615,732 | 6,833,310 | 6,192,633 | - | - | - | - | - |
| Undesignated | - | - | 2,720,208 | 4,683,677 | 5,737,714 | - | - | - | - | - |
| Total General Fund | \$ 8,668,172 | \$ 13,491,648 | \$ 19,394,111 | \$ 21,162,667 | \$ 21,001,365 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special Revenue Funds | | | | | | | | | | |
| Reserved | \$ 15,642 | \$ 288,282 | \$ 254,471 | \$ 267,430 | \$ 393,526 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | 656,776 | 2,112,873 | - | - | - | - | - | - | - | - |
| Undesignated | - | - | 5,179,038 | 8,729,160 | 7,770,103 | - | - | - | - | - |
| Total Special Revenue Funds | \$ 672,418 | \$ 2,401,155 | \$ 5,433,509 | \$ 8,996,590 | \$ 8,163,629 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Fund Balance | \$ 9,340,590 | \$ 15,892,803 | \$ 24,827,620 | \$ 30,159,257 | \$ 29,164,994 | \$ - | \$ - | \$ - | \$ - | \$ - |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,160,675 | \$ 1,978,610 | \$ 1,715,712 | \$ 1,687,933 | \$ 707,220 |
| Restricted | - | - | - | - | - | 892,467 | 983,984 | 1,485,931 | 2,471,131 | 2,988,996 |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | 14,513,862 | 10,593,166 | 10,131,139 | 8,120,850 | 5,655,347 |
| Unassigned | - | - | - | - | - | 5,792,038 | 6,808,518 | 6,290,517 | 6,116,952 | 7,897,978 |
| Total General Fund | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 23,359,042 | \$ 20,364,278 | \$ 19,623,299 | \$ 18,396,866 | \$ 17,249,541 |
| Special Revenue Funds | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 284,397 | \$ 366,559 | \$ 218,298 | \$ 467,256 | \$ 271,235 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | 7,787,245 | 6,783,452 | 6,744,505 | 5,623,019 | 5,389,396 |
| Unassigned | - | - | - | - | - | (44,976) | (44,976) | (44,976) | (44,976) | (44,976) |
| Total Special Revenue Funds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,026,666 | \$ 7,105,035 | \$ 6,917,827 | \$ 6,045,299 | \$ 5,615,655 |
| Total Fund Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 31,385,708 | \$ 27,469,313 | \$ 26,541,126 | \$ 24,442,165 | \$ 22,865,196 |

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Unaudited)

| | FISCAL YEAR | | | | | | | | | |
|-----------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 |
| Federal Sources: | | | | | | | | | | |
| Federal - Direct | \$ 270,719 | \$ 290,474 | \$ 287,390 | \$ 306,186 | \$ 401,153 | \$ 377,756 | \$ 424,110 | \$ 455,577 | \$ 498,606 | \$ 514,450 |
| Federal - Through the State | 9,743,914 | 8,059,469 | 8,267,768 | 7,856,624 | 13,617,440 | 14,547,490 | 10,999,132 | 8,291,671 | 9,130,871 | 8,251,490 |
| Federal - Through other Agencies | - | - | - | 3,305 | - | - | - | 2,500 | - | - |
| Total Federal Sources | \$ 10,014,633 | \$ 8,349,943 | \$ 8,555,158 | \$ 8,166,115 | \$ 14,018,593 | \$ 14,925,246 | \$ 11,423,242 | \$ 8,749,748 | \$ 9,629,477 | \$ 8,765,940 |
| State Sources: | | | | | | | | | | |
| Public School Funding Program | \$ 50,113,534 | \$ 61,075,422 | \$ 63,658,158 | \$ 62,563,525 | \$ 64,313,155 | \$ 69,386,710 | \$ 72,182,738 | \$ 75,839,317 | \$ 75,166,711 | \$ 79,442,023 |
| Retirement: On-behalf Payments | - | - | 19,322,147 | 15,227,995 | 11,901,565 | 13,615,283 | 17,803,814 | 22,907,953 | 24,234,519 | 143,894,553 |
| One Time State Funding | - | - | - | - | - | - | 1,388,134 | 1,734,738 | 3,182,001 | 3,008,638 |
| Other State Revenue | 5,243,702 | 5,604,033 | 6,001,393 | 6,622,333 | 6,769,831 | 6,542,513 | 7,076,188 | 9,278,661 | 9,443,778 | 9,822,601 |
| Total All Other Government Funds | \$ 55,357,236 | \$ 66,679,455 | \$ 88,981,698 | \$ 84,413,853 | \$ 82,984,551 | \$ 89,544,506 | \$ 98,450,874 | \$ 109,760,669 | \$ 112,027,009 | \$ 236,167,815 |
| Local Sources: | | | | | | | | | | |
| Borough Direct Appropriation | \$ 34,973,682 | \$ 37,941,676 | \$ 37,701,117 | \$ 41,146,945 | \$ 42,983,376 | \$ 42,588,135 | \$ 43,251,135 | \$ 43,000,000 | \$ 43,500,000 | \$ 44,013,525 |
| Corporate Grants and User Fees | 241,800 | 103,246 | 123,135 | 163,808 | 106,591 | 84,059 | 117,033 | 98,285 | 121,502 | 89,114 |
| Food Sales | 989,802 | 965,162 | 955,879 | 952,018 | 905,767 | 853,654 | 781,299 | 703,256 | 657,295 | 637,595 |
| Earnings on Investments | 494,410 | 1,067,126 | 1,746,569 | 1,563,679 | 1,351,985 | 837,735 | 898,439 | 78,701 | 614,272 | 421,928 |
| Other Local Revenue | 1,393,248 | 759,836 | 1,045,833 | 945,975 | 868,812 | 936,737 | 486,986 | 982,214 | 1,531,808 | 877,415 |
| Total All Other Government Funds | \$ 38,092,942 | \$ 40,837,046 | \$ 41,572,533 | \$ 44,772,425 | \$ 46,216,531 | \$ 45,300,320 | \$ 45,534,892 | \$ 44,862,456 | \$ 46,424,877 | \$ 46,039,577 |
| Total Revenue | \$ 103,464,811 | \$ 115,866,444 | \$ 139,109,389 | \$ 137,352,393 | \$ 143,219,675 | \$ 149,770,072 | \$ 155,409,008 | \$ 163,372,873 | \$ 168,081,363 | \$ 290,973,332 |

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

| | FISCAL YEAR | | | | | | | | | |
|--------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 |
| Expenditures: | | | | | | | | | | |
| Instruction | \$ 49,422,945 | \$ 52,407,303 | \$ 63,488,942 | \$ 62,067,541 | \$ 68,929,841 | \$ 68,248,693 | \$ 70,705,651 | \$ 73,540,692 | \$ 75,303,404 | \$ 153,282,907 |
| Special Education - Instruction | 8,584,176 | 9,513,798 | 12,667,079 | 15,047,687 | 16,687,607 | 18,493,550 | 19,969,419 | 21,697,320 | 21,824,017 | 39,901,135 |
| Special Education Support Services - Stude | 3,208,595 | 3,528,292 | 4,357,397 | 4,567,626 | 4,709,847 | 5,016,857 | 5,614,026 | 6,106,612 | 5,964,489 | 12,031,526 |
| Support Services - Student | 2,592,299 | 2,871,350 | 3,649,437 | 3,569,636 | 3,828,379 | 3,898,385 | 4,313,204 | 4,741,625 | 4,966,685 | 8,417,273 |
| Support Services - Instruction | 1,939,417 | 2,061,766 | 2,391,393 | 2,374,251 | 2,608,450 | 2,354,134 | 3,503,879 | 3,495,584 | 3,771,683 | 6,436,525 |
| School Administration | 4,450,469 | 4,949,959 | 6,051,927 | 5,894,424 | 6,414,515 | 6,672,373 | 6,674,487 | 7,279,767 | 7,853,319 | 16,635,574 |
| School Administration Support Services | 3,192,316 | 3,415,962 | 3,813,704 | 4,026,857 | 4,141,233 | 4,162,807 | 4,579,314 | 4,804,920 | 4,961,926 | 6,000,353 |
| District Administration | 806,948 | 826,561 | 950,172 | 834,584 | 855,280 | 977,921 | 1,060,774 | 1,132,748 | 1,261,255 | 1,673,515 |
| District Administration Support Services | 3,393,748 | 3,765,948 | 4,815,586 | 4,837,284 | 6,312,937 | 5,873,132 | 6,954,273 | 6,121,508 | 6,241,343 | 7,198,837 |
| Operations and Maintenance of Plant | 15,719,257 | 16,187,789 | 17,783,290 | 18,579,831 | 19,112,022 | 20,693,008 | 22,839,229 | 21,442,833 | 23,177,075 | 24,591,509 |
| Student Activities | 1,199,233 | 1,606,325 | 1,770,301 | 1,334,903 | 1,831,912 | 2,161,214 | 2,194,608 | 2,211,478 | 3,020,149 | 3,983,318 |
| Community Services | 278,567 | 56,971 | 56,027 | 55,605 | 58,130 | 64,559 | 64,493 | 48,786 | 40,621 | 38,992 |
| Student Transportation | 4,674,831 | 5,147,858 | 5,405,975 | 5,586,792 | 5,492,429 | 5,498,915 | 6,092,404 | 7,473,969 | 7,343,482 | 7,908,357 |
| Food Service | 3,182,705 | 2,974,349 | 2,973,342 | 3,243,735 | 3,231,356 | 3,433,810 | 3,870,392 | 4,203,218 | 4,450,876 | 4,450,480 |
| Total Expenditures | <u>\$ 102,645,506</u> | <u>\$ 109,314,231</u> | <u>\$ 130,174,572</u> | <u>\$ 132,020,756</u> | <u>\$ 144,213,938</u> | <u>\$ 147,549,358</u> | <u>\$ 158,436,153</u> | <u>\$ 164,301,060</u> | <u>\$ 170,180,324</u> | <u>\$ 292,550,301</u> |

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

| | FISCAL YEAR | | | | | | | | | |
|----------------------------------------------|-------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|----------------|----------------|
| | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 |
| Excess of revenues over (under) expenditures | \$ 819,305 | \$ 6,552,213 | \$ 8,934,817 | \$ 5,331,637 | \$ (994,263) | \$ 2,220,714 | \$ (3,027,145) | \$ (928,187) | \$ (2,098,961) | \$ (1,576,969) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Capitalized Leases | - | - | - | - | - | - | - | - | - | - |
| Transfers In | 385,948 | 2,722,720 | 4,293,736 | 4,451,076 | 830,279 | 362,104 | 675,000 | 816,836 | 1,424,759 | 1,300,000 |
| Transfers Out | (385,948) | (2,722,720) | (4,293,736) | (4,451,076) | (830,279) | (362,104) | (1,564,250) | (816,836) | (1,424,759) | (1,300,000) |
| Total other financing sources (Uses) | - | - | - | - | - | - | (889,250) | - | - | - |
| Net Change in fund balances | \$ 819,305 | \$ 6,552,213 | \$ 8,934,817 | \$ 5,331,637 | \$ (994,263) | \$ 2,220,714 | \$ (3,916,395) | \$ (928,187) | \$ (2,098,961) | \$ (1,576,969) |

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 | | | |
| 2005-06 | 4,009,648 | 561,689 | 285,351 | 304,702 | 44,210 | 4,507,776 | 6.50 | 92.82% |
| 2006-07 | 4,402,946 | 558,190 | 295,431 | 340,356 | 28,161 | 4,888,050 | 6.50 | 92.99% |
| 2007-08 | 4,940,180 | 607,052 | 224,479 | 374,395 | 27,938 | 5,369,378 | 5.50 | 93.03% |
| 2008-09 | 5,533,794 | 635,272 | 220,272 | 394,457 | 28,124 | 5,966,757 | 4.50 | 93.39% |
| 2009-10 | 5,883,881 | 703,063 | 245,915 | 434,556 | 29,205 | 6,369,098 | 4.50 | 93.21% |
| 2010-11 | 5,901,904 | 713,954 | 259,714 | 451,127 | 30,914 | 6,393,531 | 4.50 | 92.99% |
| 2011-12 | 6,180,464 | 698,991 | 257,619 | 472,878 | 30,955 | 6,633,241 | 4.50 | 92.94% |
| 2012-13 | 6,172,547 | 810,065 | 286,399 | 520,490 | 32,511 | 6,716,010 | 4.50 | 92.39% |
| 2013-14 | 6,202,494 | 989,766 | 292,407 | 492,565 | 31,906 | 6,960,196 | 4.50 | 92.99% |
| 2014-15 | 6,330,106 | 1,142,158 | 324,853 | 826,802 | 32,999 | 6,937,316 | 4.50 | 88.97% |

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 |
| 2005-06 | 6.50 | 4.50 | 4.50 | 7.25 | 3.12 | 2.00 | 1.65 |
| 2006-07 | 6.50 | 4.50 | 4.50 | 4.60 | 3.12 | 2.00 | 1.65 |
| 2007-08 | 5.50 | 4.50 | 4.50 | 4.60 | 3.12 | 2.00 | 1.65 |
| 2008-09 | 4.50 | 4.50 | 4.50 | 4.60 | 3.12 | 1.00 | 1.65 |
| 2009-10 | 4.50 | 4.50 | 4.00 | 4.60 | 3.12 | 1.00 | 1.65 |
| 2010-11 | 4.50 | 4.50 | 3.85 | 4.60 | 3.12 | 1.00 | 1.65 |
| 2011-12 | 4.50 | 4.50 | 3.85 | 4.60 | 3.12 | 1.00 | 0.65 |
| 2012-13 | 4.50 | 4.50 | 3.85 | 4.60 | 3.12 | 1.00 | 0.65 |
| 2013-14 | 4.50 | 4.50 | 4.35 | 4.60 | 3.12 | 1.00 | 0.50 |
| 2014-15 | 4.50 | 4.50 | 4.35 | 4.60 | 3.12 | 1.00 | 0.50 |

Taxes are payable when billed. Payment in full is due on or before October 15 and becomes delinquent thereafter. At the option of the taxpayer, taxes may be paid in two equal installments. If the taxpayer elects this option, the first one-half of the taxes payable must be paid on or before September 15. The second one-half taxes then become due on or before November 15 and become delinquent thereafter. If the first one-half of the taxes payable are not paid by September 15, payment of taxes in full becomes due on or before October 15.

This information was obtained from the Kenai Peninsula Borough.

* Real Property Tax

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

TABLE X

PRINCIPAL PROPERTY TAXPAYERS
June 30, 2015
(Unaudited)

| Taxpayer | 2015 | | | 2006 | | |
|-------------------------------|-------------------------|------|--------------------------------------------|----------------------------|------|--------------------------------------------|
| | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value (1) | Rank | Percentage of Total Taxable Assessed Value |
| Hilcorp Alaska, LLC | \$ 460,096,690 | 1 | 6.63% | \$ - | | |
| ConocoPhillips, INC. | 240,642,477 | 2 | 3.47% | 168,304,581 | 3 | 3.73% |
| Tesoro Alaska | 178,222,079 | 3 | 2.57% | 232,415,562 | 1 | 5.16% |
| Marathon Oil Co. | - | | 0.00% | 96,303,157 | 4 | 2.14% |
| CING Storage Alaska, LLC | 116,889,716 | 4 | 1.68% | - | | |
| Alaska Communications Systems | 77,886,637 | 5 | 1.12% | 67,667,803 | 7 | 1.50% |
| XTO Energy, INC. | 61,522,320 | 6 | 0.89% | 41,297,440 | 8 | 0.92% |
| Alaska Pipeline | 58,676,344 | 7 | 0.85% | 19,489,137 | 10 | 0.43% |
| Kenai Offshore Ventures, LLC | 38,246,000 | 8 | 0.55% | - | | |
| Cook Inlet Energy, LLC | 36,446,610 | 9 | 0.53% | - | | |
| Enstar Natural Gass | 36,147,765 | 10 | 0.52% | - | | |
| Kenai Kachemak Pipeline | - | | | 37,435,042 | 9 | 0.83% |
| Agrium, U.S., INC. | - | | | 77,322,261 | 5 | 1.72% |
| BP Exploration Alaska, INC. | - | | | 69,316,173 | 6 | 1.54% |
| Union Oil/Unocal | - | | | 198,945,387 | 2 | 4.41% |
| Totals | \$ 1,304,776,638 | | 18.81% | \$ 1,008,496,543 | | 22.38% |

This information obtained from the Kenai Peninsula Borough.

Total Assessed value based on total

tax levy for FY2015 and FY2006 respectively.

\$ 6,937,316,000

\$ 4,507,776,000

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

TABLE XI

PRINCIPAL EMPLOYERS
June 30, 2015
(Unaudited)

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

This information obtained from the Kenai Peninsula Borough.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

| Fiscal Year | Collected in the Fiscal Year of the Levy | | | Collections in Subsequent Years | Total Collections to Date | |
|-------------|------------------------------------------|------------|--------------------|---------------------------------|---------------------------|--------------------|
| | Total Tax Levy for Fiscal Year | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2005-06 | 29,357,626 | 28,978,909 | 98.710% | 377,088 | 29,355,997 | 99.994% |
| 2006-07 | 31,768,274 | 31,346,983 | 98.674% | 416,128 | 31,763,111 | 99.984% |
| 2007-08 | 30,042,125 | 29,651,635 | 98.700% | 384,223 | 30,035,858 | 99.979% |
| 2008-09 | 26,779,449 | 26,431,968 | 98.702% | 342,092 | 26,774,060 | 99.980% |
| 2009-10 | 28,875,124 | 28,375,677 | 98.270% | 492,221 | 28,867,898 | 99.975% |
| 2010-11 | 29,058,274 | 28,630,610 | 98.528% | 416,838 | 29,047,448 | 99.963% |
| 2011-12 | 30,419,493 | 29,946,804 | 98.446% | 454,696 | 30,401,500 | 99.941% |
| 2012-13 | 30,823,497 | 30,382,636 | 98.570% | 415,972 | 30,798,608 | 99.919% |
| 2013-14 | 31,750,392 | 31,332,596 | 98.684% | 335,880 | 31,668,476 | 99.742% |
| 2014-15 | 31,685,014 | 31,142,025 | 98.286% | - | 31,142,025 | 98.286% |

This information was obtained from the Kenai Peninsula Borough.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

NO DEBT LIMIT IS MANDATED BY LAW

This information was obtained from the Kenai Peninsula Borough.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

| Fiscal Year | Population* | Average Daily Membership | Total Taxable Assessed Value | Net Bonded Debt Total Primary Government | Ratio of Net Bonded Debt To Assessed Value | Net Bonded Debt Per Capita | Net Bonded Debt Per Student Capita |
|-------------|-------------|--------------------------|------------------------------|------------------------------------------|--------------------------------------------|----------------------------|------------------------------------|
| 2005-06 | 51,350 | 9,389 | 4,507,776,000 | 79,019,000 | 1.75% | 1,539 | 8,416 |
| 2006-07 | 52,370 | 9,368 | 4,888,050,000 | 79,069,192 | 1.62% | 1,510 | 8,440 |
| 2007-08 | 52,990 | 9,250 | 5,369,378,000 | 88,828,570 | 1.65% | 1,676 | 9,603 |
| 2008-09 | 52,990 | 9,256 | 5,966,757,000 | 83,438,730 | 1.40% | 1,575 | 9,015 |
| 2009-10 | 53,578 | 9,145 | 6,369,098,000 | 82,674,079 | 1.30% | 1,543 | 9,040 |
| 2010-11 | 55,400 | 8,978 | 6,393,531,000 | 93,491,745 | 1.46% | 1,688 | 10,413 |
| 2011-12 | 56,369 | 8,922 | 6,633,241,000 | 32,705,000 ** | 0.49% | 580 | 3,666 |
| 2012-13 | 56,756 | 8,886 | 6,716,010,000 | 31,232,941 ** | 0.47% | 550 | 3,515 |
| 2013-14 | 56,862 | 8,756 | 6,960,196,000 | 51,231,835 ** | 0.74% | 901 | 5,851 |
| 2014-15 | 57,147 | 8,837 | 6,937,316,000 | 47,491,039 ** | 0.68% | 831 | 5,374 |

This information was obtained from the Kenai Peninsula Borough.

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

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

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

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
YEAR ENDED JUNE 30, 2015
(Unaudited)

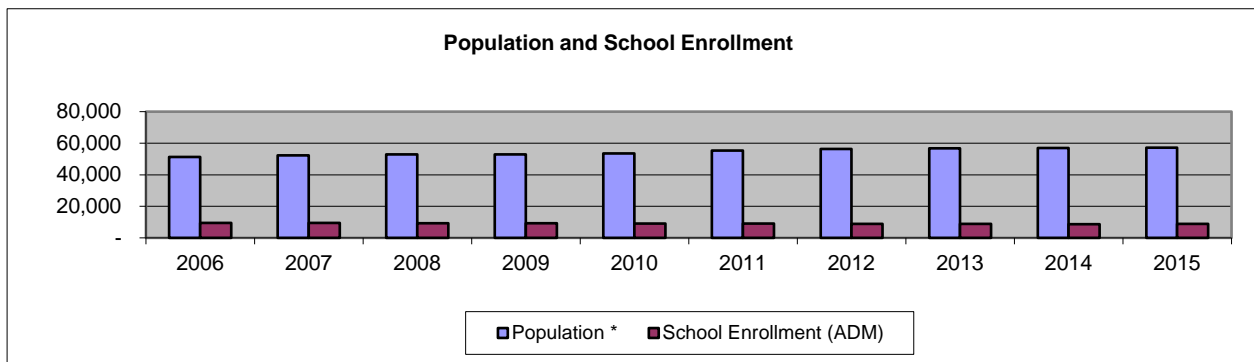
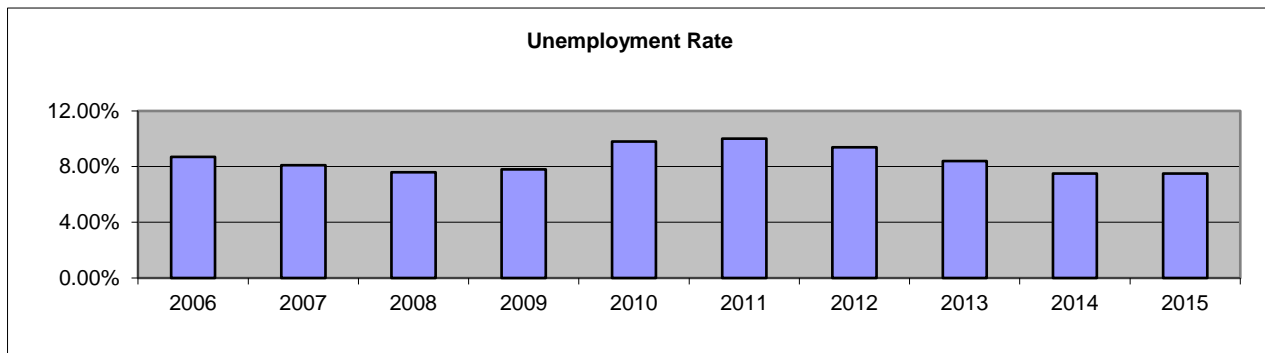
DEMOGRAPHIC DATA

| Fiscal Year | Population * | Median Age ** | School Enrollment (ADM) | Unemployment rate ** |
|-------------|--------------|---------------|-------------------------|----------------------|
| 2006 | 51,350 ** | 39.7 | 9,389 | 8.70% |
| 2007 | 52,370 ** | 39.1 | 9,368 | 8.10% |
| 2008 | 52,990 ** | 39.2 | 9,250 | 7.60% |
| 2009 | 52,990 ** | 39.2 | 9,256 | 7.80% |
| 2010 | 53,578 ** | 39.4 | 9,145 | 9.80% |
| 2011 | 55,400 ** | 40.6 | 8,978 | 10.00% |
| 2012 | 56,369 ** | 40.6 | 8,922 | 9.40% |
| 2013 | 56,756 ** | 41.4 | 8,886 | 8.40% |
| 2014 | 56,862 ** | 40.0 | 8,756 | 7.50% |
| 2015 | 57,147 ** | 40.5 | 8,837 | 7.50% |

This information was obtained from the Kenai Peninsula Borough.
 Personal income information is no longer available.

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

** Data is provided by the State of Alaska Department of Labor & Workforce Development and is the average rate for the previous calendar year. The Department has changed their method of calculating unemployment rates retroactive to 2001.



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**GENERAL FUND FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)**

| Fiscal Year | Instruction | Special Education Instruction | Special Education Support Svcs - Student | Support Services Student | Support Services Instruction | School Administration | School Administration Support Services | District Administration | District Administration Support Services | Operations and Maintenance of Plant | Student Activity | Total FTE |
|-------------|-------------|-------------------------------|------------------------------------------|--------------------------|------------------------------|-----------------------|----------------------------------------|-------------------------|------------------------------------------|-------------------------------------|------------------|-----------|
| 2005-06 | 489.25 | 145.49 | 39.61 | 37.54 | 27.57 | 39.14 | 49.26 | 4.50 | 31.25 | 85.32 | 3.20 | 952.13 |
| 2006-07 | 503.38 | 152.30 | 39.62 | 39.49 | 29.86 | 37.00 | 50.31 | 4.50 | 31.25 | 84.07 | 3.10 | 974.88 |
| 2007-08 | 505.08 | 164.88 | 45.28 | 39.46 | 27.79 | 36.50 | 50.25 | 5.00 | 32.75 | 85.69 | 3.10 | 995.78 |
| 2008-09 | 538.34 | 171.02 | 44.55 | 40.98 | 26.36 | 36.90 | 53.82 | 5.00 | 35.75 | 85.38 | 3.30 | 1041.40 |
| 2009-10 | 555.17 | 172.48 | 45.05 | 45.46 | 25.80 | 39.35 | 57.46 | 5.00 | 36.00 | 86.18 | 2.50 | 1070.45 |
| 2010-11 | 546.82 | 178.06 | 45.08 | 45.34 | 24.61 | 39.80 | 55.32 | 5.00 | 37.50 | 85.57 | 2.93 | 1066.03 |
| 2011-12 | 546.78 | 213.92 | 47.06 | 46.83 | 26.35 | 40.00 | 54.45 | 5.00 | 36.50 | 85.69 | 2.40 | 1104.98 |
| 2012-13 | 544.23 | 216.08 | 45.21 | 47.71 | 31.62 | 41.18 | 54.38 | 5.00 | 36.50 | 84.88 | 2.24 | 1109.03 |
| 2013-14 | 551.63 | 215.77 | 44.57 | 46.31 | 32.68 | 39.43 | 59.36 | 5.00 | 36.50 | 85.66 | 2.80 | 1119.71 |
| 2014-15 | 537.49 | 218.29 | 50.46 | 44.14 | 32.50 | 38.51 | 56.28 | 5.00 | 38.50 | 83.16 | 5.70 | 1110.03 |

This information is obtained yearly from current staffing formula tables.

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

| Fiscal Year | Instruction | Special Education Instruction | Special Education Support Svcs Student | Support Services Student | Support Services Instruction | School Administration | School Administration Support Services | District Administration | District Administration Support Services | Operations and Maintenance of Plant | Student Activity | Food Service | Student Transportation | Total FTE |
|-------------|-------------|-------------------------------|----------------------------------------|--------------------------|------------------------------|-----------------------|----------------------------------------|-------------------------|------------------------------------------|-------------------------------------|------------------|--------------|------------------------|-----------|
| 2004-05* | | | | | | | | | | | | | | |
| 2005-06* | | | | | | | | | | | | | | |
| 2006-07* | | | | | | | | | | | | | | |
| 2008-09 | 582.56 | 204.10 | 44.55 | 40.98 | 26.86 | 36.90 | 54.57 | 5.00 | 38.75 | 85.38 | 3.30 | 39.35 | 2.00 | 1164.30 |
| 2009-10 | 600.95 | 219.53 | 45.05 | 45.46 | 26.30 | 39.35 | 59.21 | 5.00 | 40.00 | 86.18 | 2.50 | 39.82 | 2.00 | 1211.35 |
| 2010-11 | 599.36 | 249.36 | 45.08 | 45.34 | 26.56 | 39.80 | 55.32 | 5.00 | 39.00 | 85.57 | 2.93 | 41.17 | 2.00 | 1236.49 |
| 2011-12 | 600.83 | 261.17 | 47.06 | 46.83 | 26.35 | 40.00 | 54.45 | 5.00 | 39.50 | 85.69 | 2.40 | 43.36 | 2.00 | 1254.64 |
| 2012-13 | 577.07 | 265.03 | 45.21 | 47.71 | 31.62 | 41.18 | 54.38 | 5.00 | 37.75 | 84.88 | 2.24 | 47.45 | 2.00 | 1241.52 |
| 2013-14 | 594.98 | 256.11 | 44.57 | 46.31 | 32.68 | 39.43 | 59.36 | 5.00 | 36.50 | 85.66 | 2.80 | 46.69 | 2.00 | 1252.09 |
| 2014-15 | 582.64 | 258.63 | 50.46 | 44.14 | 32.50 | 38.51 | 56.28 | 5.00 | 38.50 | 83.16 | 5.70 | 49.09 | 2.00 | 1246.61 |

* Data not available at this time

This information is obtained yearly from current staffing formula tables.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

| Fiscal Year | Total Operating Expenditures | Operating Expenditures Percentage Increase Over Previous Year | Average Daily Membership Grades K-12 | Operating Expenditures Per Student Capita | Operating Expenditures Per Student Capita Percentage Increase Over Previous Year |
|-------------|------------------------------|---------------------------------------------------------------|--------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------|
| 2005-06 | 85,821,922 | 0.09 | 9,389 | 9,141 | 0.10 |
| 2006-07 | 94,363,370 | 0.10 | 9,368 | 10,073 | 0.10 |
| 2007-08 | 118,025,002 | 0.25 | 9,250 | 12,760 | 0.27 |
| 2008-09 | 119,621,242 | 0.01 | 9,256 | 12,924 | 0.01 |
| 2009-10 | 121,798,918 | 0.02 | 9,145 | 13,319 | 0.03 |
| 2010-11 | 124,940,921 | 0.03 | 8,978 | 13,916 | 0.04 |
| 2011-12 | 138,995,990 | 0.11 | 8,922 | 15,579 | 0.12 |
| 2012-13 | 145,234,534 | 0.04 | 8,886 | 16,345 | 0.05 |
| 2013-14 | 149,334,044 | 0.03 | 8,756 | 17,054 | 0.04 |
| 2014-15 | 272,760,819 | 0.83 | 8,837 | 30,867 | 0.81 |

This information is obtained from the State of Alaska Department of Education & Early Development from the Annual Final Foundation report.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
AVERAGE DAILY MEMBERSHIP AS COMPARED TO ASSESSED VALUATION
SHOWING ASSESSED VALUATION SUPPORT PER STUDENT
LAST TEN FISCAL YEARS
(Unaudited)

| <u>Fiscal Year</u> | <u>Average Daily Membership Grades K-12</u> | <u>Percentage Average Daily Membership Increase (Decrease) Over Previous Year</u> | <u>Total Taxable Assessed Valuation</u> | <u>Assessed Valuation Percentage Increase (Decrease) Over Previous Year</u> | <u>Assessed Valuation Support Per Student Capita</u> |
|--------------------|---------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------------------------------------------|------------------------------------------------------|
| 2005-06 | 9,389 | -1.40% | 4,507,776,000 | 6.3 | 480,112 |
| 2006-07 | 9,368 | -0.22% | 4,888,049,897 | 7.8 | 521,782 |
| 2007-08 | 9,250 | -1.26% | 5,369,378,000 | 9.1 | 580,473 |
| 2008-09 | 9,256 | 0.06% | 5,966,757,000 | 11.1 | 644,637 |
| 2009-10 | 9,145 | -1.20% | 6,369,098,000 | 6.7 | 696,457 |
| 2010-11 | 8,978 | -1.83% | 6,393,531,000 | 0.4 | 712,133 |
| 2011-12 | 8,922 | -0.62% | 6,633,241,000 | 3.8 | 743,470 |
| 2012-13 | 8,886 | -0.40% | 6,716,010,000 | 0.2 | 755,797 |
| 2013-14 | 8,756 | -1.46% | 6,960,196,000 | 0.4 | 794,906 |
| 2014-15 | 8,837 | 0.93% | 6,937,316,000 | (0.3) | 785,031 |

This information is obtained from the State of Alaska Department of Education & Early Development from the Annual Final Foundation report.

DATE OF INCORPORATION ~ January 1, 1964

AUTHORITY OF INCORPORATION ~ State of Alaska Borough Act of 1961

AREA ~ Approximately 25,600 square miles

| <u>Type of School</u> | <u>Number of Schools</u> | <u>ADM Enrollment</u> |
|---------------------------|--------------------------|-----------------------|
| High Schools | 6 | 2,259 |
| Middle Schools | 4 | 982 |
| Elementary Schools | 13 | 3,296 |
| Combined Elem/High School | 11 | 677 |
| Charter Schools | 4 | 717 |
| Alternative Schools | 4 | 199 |
| Correspondence Schools | 1 | 802 |
| Total | <u>43</u> | <u>8,932</u> |