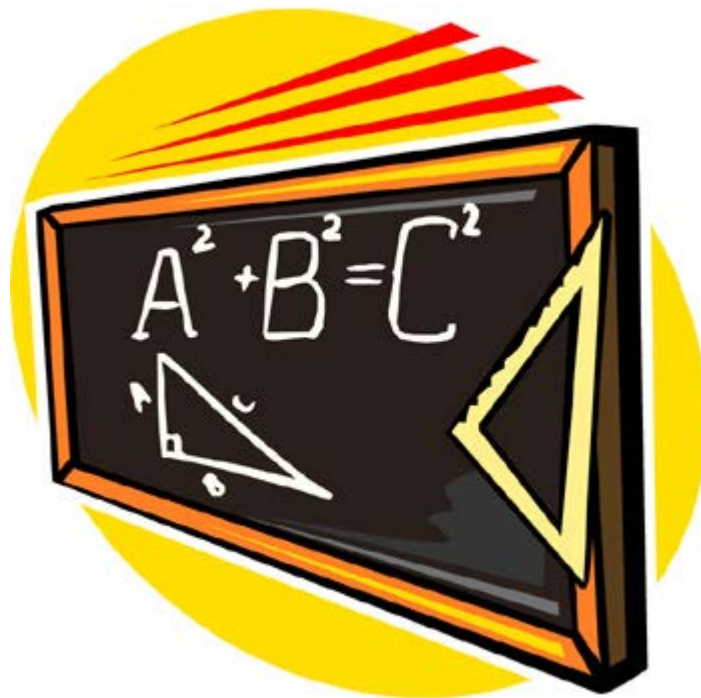


KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Comprehensive Annual Financial Report for the

Fiscal Year Ended

June 30, 2016



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, 2016**

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

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INTRODUCTORY SECTION

INTRODUCTORY SECTION

School District Map

Letter of Transmittal

Certificate of Excellence, ASBO

Organizational Chart

Kenai Peninsula Borough School Board and Administration

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The Kenai Peninsula Borough School District Map



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

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Assistant Superintendent

Dave Jones

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November 21, 2016

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, 2016 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.

However, there were issues at the state level in providing information to districts in Alaska about the allocation of the net pension liability to each employer, due to a large one-time contribution to the Public Employees Retirement System (PERS) and Teachers Retirement System (TRS) funds in FY15. The changes in the methodology of reporting the pension allocation as required by GASB 68 resulted in a delay in reporting to employers, which is described in an October 21, 2016 letter from Kevin Worley, Chief Financial Officer of the State of Alaska Division of Retirement and Benefits.

This is a link to the letter explaining the reason for the delay in providing the information:
<http://doa.alaska.gov/drb/employer/resources/gasb/GASB%2068%20letter%20to%20employers%20for%20June%2030%202016%20NPL%20allocation%2010182016.pdf>

Due to the delay from the state, the district was not able to complete our audit within the required 90 day window.

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

The District's financial statements have been audited by BDO USA, LLP, a firm of licensed certified public accountants; field work was completed September 2, 2016. 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, 2016 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 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 component unit; therefore, the financial data is required to be reported in the Comprehensive Annual Financial Report (CAFR) of the Kenai Peninsula Borough. Audited financial statements for the Borough are available upon request from its administrative offices. The District CAFR provides greater detail as a special report in accordance with State regulations.

Relationship with Kenai Peninsula Borough

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

Therefore, such physical plant, bonded debt, capital improvement funds, for tax levies, tax collection, maintenance of buildings and insurance for buildings are accounted for by the Kenai Peninsula Borough and are reflected in their report. The maintenance of buildings and insurance of buildings is also required by the State of Alaska to be shown in the School District report as "in-kind revenue and expenditures." These amounts are shown in the report in the General Fund Schedules. In FY11, voters of the borough approved a bond for upgrades to roofs on school buildings. During FY12, roof replacement work began at eight schools and as of the end of FY13, 18 schools had received total or partial roof replacement. No roof work was performed during FY15. In FY16 work continued on the roofing project and is anticipated to be completed in summer 2017.

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

Board of Education – Governance of the School District

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

Profile of the District

The District encompasses 25,600 square miles. Approximately 8,900 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.

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. In the spring of 2016, the State required Summative Assessment, AMP, was cancelled by the Department of Education due to numerous technical issues. Therefore, there is no State Summative Assessment data to report in FY16.

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

Internal Control

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

Budgetary Controls

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

appropriation) is the fund level. All other transfers are authorized by the superintendent and reported quarterly to the Board of Education.

Factors Affecting Financial Condition

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

After experiencing consistent, gradual growth since the late 1980s, the borough's economy has experienced setbacks over the last several years with the closure of Agrium, ConocoPhillips LNG plant and Lowe's. In recent years, taxable property values have increased at a rate faster than Borough expenditures. As a result, the Borough's tax rate has decreased.

Borough wide, the general government tax rate has decreased from 8.59 mills in FY96 to 6.5 mills in FY07, 5.5 mills in FY08, and 4.5 mills from FY09 through FY16. The Borough's FY17 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 FY17 budgeted sales tax revenue represents about 39% of general fund revenues. The oil and gas property is subject to significant fluctuations in value. Short-term, the Borough's property tax base will continue to be impacted. Recent activity would tend to indicate that Cook Inlet oil and gas exploration is on the upswing.

The FY16 base student allocation (BSA) used in the Public School Funding Program was \$5,880 per student, which was an increase of \$50 from FY15. 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, 2015.

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

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

Acknowledgments

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the District's Business Office and the cooperation of the Borough Finance Department. We would like to express our appreciation to all the people who assisted and contributed to the preparation of this report. We would also like to thank the members of the Board of Education for their 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, 2015.**

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



Brenda Burkett

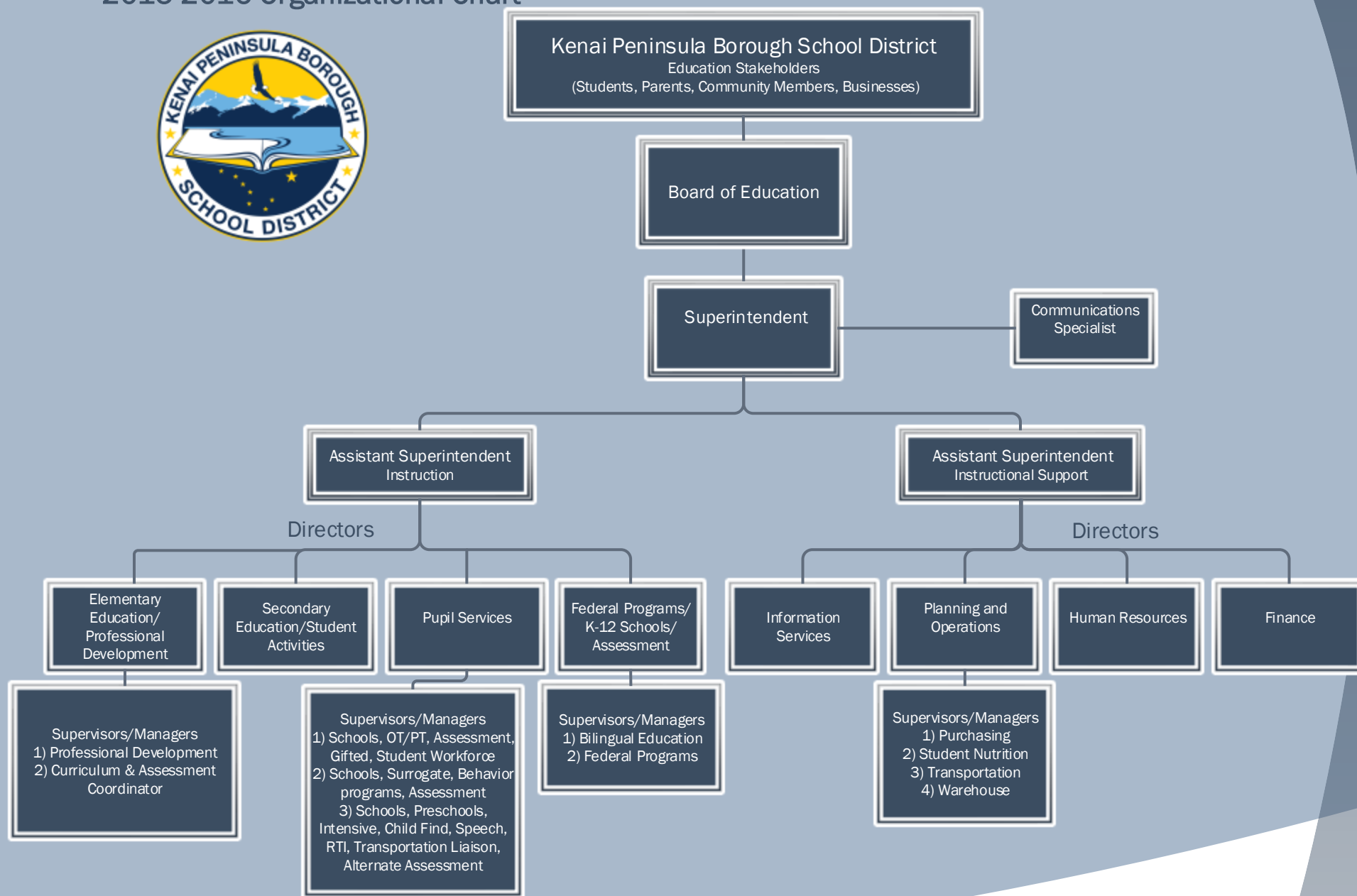
Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

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Kenai Peninsula Borough School District 2015-2016 Organizational Chart



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KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

SCHOOL BOARD

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

ADMINISTRATION

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

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FINANCIAL SECTION

FINANCIAL SECTION

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

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3601 C Street, Suite 600
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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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Kenai Peninsula Borough School District, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior-Year Comparative Information

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Kenai Peninsula Borough School District's financial statements for the year ended June 30, 2015, from which such summarized information was derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the schedules of net pension liability and net pension contributions on pages 25—32, 71—73 and 74—77, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit for the year ended June 30, 2016 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, 2016 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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, 2016 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, 2016.

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, 2015 (not presented herein), and have issued our report thereon dated December 14, 2015, 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, 2015 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 2015 financial statements. The 2015 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 2015 totals were fairly stated in all material respects in relation to the basic financial statements as a whole, for the year ended June 30, 2015.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2016 on our consideration of Kenai Peninsula Borough School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kenai Peninsula Borough School District's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
November 21, 2016

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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, 2016. 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 (\$45,112,140) as of June 30, 2016. This dramatic change in the district's net position is a result of District's calculated share of net pension liability of (\$70,943,221).
- The District's share of the liability to employees for defined benefit pensions was calculated by the State of Alaska Department of Administration using actuarial valuations of the total pension liability and projections of benefit payments, including adjustments to pensions for various reasons, such as cost-of-living-adjustments.
- As of June 30, 2016, the District's governmental funds reported combined ending fund balances of \$21,627,450, a decrease of \$1,237,746 in comparison to the prior year.
- For the fourth year in a row, the District used a substantial amount of Fund Balance. Part of the amount of fund balance usage includes the remainder of the Fund Balance designated for Health Care, which was \$814,978. While the district has planned the gradual draw-down of Fund Balance, the plan also includes cutting back on expenditures to balance the budget.
- At the end of the current fiscal year, nonexempt fund balance for the General Fund was \$12,278,428 which is 8.71% of current year expenditures, as compared to 5.53% at the end of FY15. 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 \$12,278,428 non-exempt fund balance, about 17% or \$2,671,214 is unassigned fund balance and available for spending.
- A portion of the fund balance is restricted for Facilities Maintenance and available for use by the Kenai Peninsula Borough Maintenance Department as a portion of In-Kind Services. This Restricted Fund Balance has increased each year for the past several years. The balance at the end of FY16 is now \$2,288,499.

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 32 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 29 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 47-67 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 102-149.

Governmental-wide Financial Analysis

In FY16, the District planned for and used a significant amount of fund balance and plans to use more in FY17. Two factors affecting the District that will continue to be an issue are 1. The rising cost of healthcare and 2. Reduction in oil prices, which affect state revenues and levels of funding to the District. Information at this time indicates that the state will continue to contribute payments on behalf of the District to the Public Employee Retirement System (PERS) and the Teachers Retirement System (TRS) to help pay down the unfunded liabilities in those retirement accounts.

As noted earlier, the increase or decrease in net position over time may serve as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets by \$45,112,140, on June 30, 2016 compared to \$24,056,491 on June 30, 2015 which was a decrease in total net position of \$21,055,649. This dramatic shift was a direct result of the implementation of GASB 68. Use of fund balance is part of the District's strategy to sustain current programs and staffing levels and provide the best possible educational experience for District students.

Net Position
Governmental Activities

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Current and Other Assets	\$ 40,562,482	\$ 41,384,143
Capital Assets	<u>3,491,363</u>	<u>3,516,215</u>
Total Assets	44,053,845	44,900,358
Deferred Outflows - Pension related	<u>21,572,426</u>	<u>4,929,036</u>
Total Assets and Deferred Outflows	65,626,271	49,829,394
Current and Other Liabilities	15,105,529	14,228,183
Long-term Liabilities	<u>94,008,657</u>	<u>54,240,689</u>
Total Liabilities	109,114,186	68,468,872
Deferred Inflows - Pension related	<u>1,624,225</u>	<u>5,417,013</u>
Total Liabilities and Deferred Inflows	110,738,411	73,885,885
Net Position		
Net Investment in Capital Assets	3,491,363	3,516,215
Restricted	3,307,934	2,988,996
Unrestricted	<u>(51,911,437)</u>	<u>(30,561,702)</u>
Total Net Poistion	\$ (45,112,140)	\$ (24,056,491)

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, 2016</u>	<u>June 30, 2015</u>
Revenues:		
Program revenues		
Charges for Services	\$686,127	\$669,280
Operating Grants and Contributions	18,531,943	18,719,908
General Revenues		
Public School Funding Program	80,573,648	82,450,661
Retirement: On-Behalf Payments	14,492,689	39,377,047
Medicaid Reimbursement	287,646	211,375
E-Rate Program	1,088,548	287,658
Borough Appropriation	48,238,432	44,013,525
Earnings on Investments	623,325	326,758
Other Local Revenue	139,324	399,614
Total Revenues	<u>164,661,682</u>	<u>167,066,638</u>
Expenses:		
Instruction	78,317,961	87,002,086
Special Education - Instruction	27,315,525	25,120,274
Special Education Support Services - Student	6,345,150	6,985,692
Support Services – Student	7,037,564	5,139,495
Support Services - Instruction	4,002,804	4,025,162
School Administration	7,219,494	9,185,386
School Administration Support Services	6,849,331	5,197,826
District Administration	1,466,633	1,020,470
District Administration Support Services	8,191,709	6,349,127
Operations and Maintenance of Plant	24,178,696	23,453,558
Student Activities	2,499,171	2,684,455
Student Transportation Services	7,998,559	7,932,255
Community Services	39,979	39,110
Food Services	4,254,755	4,490,808
Total Expenses	<u>185,717,331</u>	<u>188,625,704</u>
Change in Net Position	<u>(21,055,649)</u>	<u>(2,169,878)</u>
Beginning Net Position as of July 1	<u>(24,056,491)</u>	<u>-</u>
Beginning Net Position as of July 1 as restated	<u>-</u>	<u>(21,886,613)</u>
Ending Net Position as of June 30	<u><u>(\$45,112,140)</u></u>	<u><u>(\$24,056,491)</u></u>

Prior to FY15, the change in total net position varied from year to year, but by relatively small amounts. For example, the change from FY14 to FY15 was about 4%. The change in total net position from FY14 to FY16 is close to \$75M, 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 \$15,869,941. Of that amount, nonspendable fund balance totaled \$2,064,255, committed fund balance total \$4,200,580, restricted fund balance was \$3,307,934, assigned fund balance totaled \$3,625,958 and unassigned was \$2,671,214. The fund balance in the general fund decreased \$1,379,600 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 and FY15, 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 FY16 for purposes of consistency and information. Over \$2.4 million, or 82% 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 20.5 FTE for certified employees and about 5 FTE for support employees paid from Title I grant funds. Equipment Fund expenditures in the amount of \$260,651 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 FY16 original budget and final amended budget can be summarized as follows:

- Increase in PTR at secondary level from 1:24.5 to 1:25.
- A shift in small elementary schools to a new K-6 small elementary formula.
- 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 \$1,200,000 to cover costs of the implementation of new Federal regulations, increased salary and benefit costs and increased food costs.

FY16 Budget Revisions approved by the Board of Education included:

- Changes to revenue include the loss of the Governor's One-Time funding in the amount of \$2,262,989, and an increase in the Kenai Peninsula Borough (KPB) funding of \$4,238,432 for a total change in revenue of \$1,975,443.
- Changes in the expenditure budget to revise In-Kind services, the Operations budget to account for the portion allocated to the Charter Schools by the new legislation regarding distribution of Additional Allowable local contributions to Charter Schools.
- Additional changes to the expenditure budget include an increase in salaries and benefits for offers made during collective bargaining agreement negotiations, reduction of utility budgets, district office staff reductions and an increased transfer to food service.
- Increase in revenue from the State of Alaska due to the final FY16 Average Daily Membership (ADM) or student count. Along with the additional revenue, changes to the expenditure budget were made. An increase to the Charter Schools' budget to update their share of the additional allowable from KPB. Decreases in salaries and benefits based on the actual employees hired in each position and unfilled positions.

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, 2016 amounts to \$3,491,363 (net of accumulated depreciation) compared to \$3,516,215 as of June 30, 2015. 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 FY17, 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 FY17 was eliminated.
- With declining oil revenue and no forward funding mechanism currently in place, there are serious concerns about the future of education funding in the state. Therefore, the District continues to maintain a conservative approach to all budget matters, including a structured and planned use of a limited amount of fund balance to maintain current staffing formulas as long as possible.
- Borough residents provided the highest level of local educational funding allowed through the funding formula for many years. That changed in FY10 when the district was first funded at less than the maximum allowed. A change in the local support calculation of the state foundation formula from 4 mills to 2.65 mills has resulted in a shift, with a large portion previously provided by the borough now provided by the state. The borough provided the maximum allowable funding for the district for FY16. In FY17 the borough funding remained at the same level as FY16, which is below the maximum allowed.

- Concerns about reduced enrollment and the associated reduction in revenue is a major concern for FY17. Since enrollment 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 \$ 1,967,428 is budgeted for FY17 operations. Continued use of fund balance is expected in the next few years to maintain current staffing formulas. The District's goal is to mitigate increased class sizes for as long as financially possible.
- Increasing Teachers Retirement System (TRS) and Public Employee Retirement System (PERS) required fund obligations are currently being partially funded for the District by the Alaska Legislature on a year by year basis. Payments made on-behalf of the district to the PERS and the TRS are estimated at around \$8.2M for FY17.
- All district programs were evaluated for continuation and all vacant positions were reviewed based on need before they were advertised.
- Health care costs continue to increase and the impact of the Affordable Care Act will affect future year costs.
- Continued reduction in the historical variance between budget and actual revenues and expenditures is actively pursued.
- A high quality operational maintenance program that ensures the continued use and economic value of borough facilities.

Request for information

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

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:

Statement of Net Position

Statement of Activities

Fund Financial Statements:

Balance Sheet, Governmental Funds

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

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

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

Statement of Net Position – Internal Service Fund

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

Statement of Cash Flows – Internal Service Fund

Student Activity Agency Fund, Statement of Fiduciary Assets and Liabilities

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2016

ASSETS AND DEFERRED OUTFLOWS

Current Assets:	
Cash	\$ 15,530
Equity in Central Treasury	31,778,802
Equity in Central Treasury - Restricted for Health Care	3,318,306
Accounts Receivable	137,302
Due from Other Governments	3,014,460
Prepays	1,262,500
Inventories	1,035,582
	<u>40,562,482</u>
Total Current Assets	
Capital Assets:	
Furniture and Equipment	9,467,216
Less Accumulated Depreciation	(5,975,853)
	<u>3,491,363</u>
Capital Assets - Net of Accumulated Depreciation	
Total Assets	<u>44,053,845</u>
Deferred Outflows - pension related	<u>21,572,426</u>
Total Assets and Deferred Outflows	<u>65,626,271</u>

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:	
Accounts Payable	2,466,092
Accrued Liabilities	7,687,421
Health Claims payable - IBNR	4,338,094
Other Health Care Liabilities	578,048
Compensated Absences	35,874
	<u>15,105,529</u>
Total Current Liabilities	
Noncurrent Liabilities:	
Due in more than one year:	
Compensated Absences Payable	3,117,235
Net Pension Liability	90,891,422
	<u>94,008,657</u>
Total Noncurrent Liabilities	
Total Liabilities	<u>109,114,186</u>
Deferred Inflows - pension related	<u>1,624,225</u>
Total Liabilities and Deferred Inflows	<u>110,738,411</u>

NET POSITION

Net Investment in Capital Assets	3,491,363
Restricted:	
Charter Schools	626,097
Facilities Maintenance	2,288,499
Homeschool Carry Over	393,338
Unrestricted	<u>(51,911,437)</u>
Total Net Position	<u>\$ (45,112,140)</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	78,317,961	\$ -	\$ 4,631,205	\$ (73,686,756)
Special Education - Instruction	27,315,525	-	2,266,966	(25,048,559)
Special Education Support Services - Student	6,345,150	-	-	(6,345,150)
Support Services - Student	7,037,564	-	236,228	(6,801,336)
Support Services - Instruction	4,002,804	-	45,356	(3,957,448)
School Administration	7,219,494	-	-	(7,219,494)
School Administration Support Services	6,849,331	-	23,421	(6,825,910)
District Administration	1,466,633	-	-	(1,466,633)
District Administration Support Services	8,191,709	-	222,977	(7,968,732)
Operations and Maintenance of Plant	24,178,696	-	455,499	(23,723,197)
Student Activities	2,499,171	-	49,876	(2,449,295)
Community Services	39,979	37,585	-	(2,394)
Student Transportation	7,998,559	-	8,119,611	121,052
Food Service	4,254,755	648,542	2,480,804	(1,125,409)
Total governmental activities	<u>\$ 185,717,331</u>	<u>\$ 686,127</u>	<u>\$ 18,531,943</u>	<u>\$ (166,499,261)</u>

General revenues:

Grants and contributions not restricted to specific programs:

Borough direct appropriation	48,238,432
Public School Funding Program	80,573,648
Retirement: On-behalf Payments	14,492,689
Earnings on Investments	623,325
E-Rate Program	1,088,548
Medicaid Reimbursement	287,646
Other Local Revenue	139,324
Total general revenues	<u>145,443,612</u>
Change in net position	<u>(21,055,649)</u>
Net position, beginning of year	<u>(24,056,491)</u>
Net position, end of year	<u>\$ (45,112,140)</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	General	Equipment	Title I	Other Governmental	Total Governmental Funds
<u>ASSETS</u>					
Assets:					
Cash	\$ 15,530	\$ -	\$ -	\$ -	\$ 15,530
Equity in Central Treasury	20,836,641	3,808,649	-	1,670,299	26,315,589
Accounts Receivable	131,282	-	-	6,020	137,302
Prepaid Items	1,262,500	-	-	-	1,262,500
Due from Other Governments	-	-	1,094,502	1,919,958	3,014,460
Due from Special Revenue Funds	2,896,165	-	-	-	2,896,165
Inventories	801,755	-	-	233,827	1,035,582
Total Assets	<u>\$ 25,943,873</u>	<u>\$ 3,808,649</u>	<u>\$ 1,094,502</u>	<u>\$ 3,830,104</u>	<u>\$ 34,677,128</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	\$ 2,386,511	\$ -	\$ 597	\$ 78,984	\$ 2,466,092
Accrued Liabilities	7,687,421	-	-	-	7,687,421
Due to General Fund	-	-	1,093,905	1,802,260	2,896,165
Total Liabilities	<u>10,073,932</u>	<u>-</u>	<u>1,094,502</u>	<u>1,881,244</u>	<u>13,049,678</u>
Fund Balances:					
Nonspendable:					
Inventories	801,755	-	-	233,827	1,035,582
Prepaid Items	1,262,500	-	-	-	1,262,500
Restricted for:					
Charter Schools	626,097	-	-	-	626,097
Home School Carry-over	393,338	-	-	-	393,338
Facilities Maintenance	2,288,499	-	-	-	2,288,499
Committed:					
Minimum Fund Balance Policy	4,200,580	-	-	-	4,200,580
Assigned to:					
School Incentive Purchases	524,610	-	-	-	524,610
Professional - Technical Services	927,451	-	-	-	927,451
Staff Travel	18,195	-	-	-	18,195
Purchased Services	7,245	-	-	34,533	41,778
Supplies	137,147	11,664	-	760	149,571
Equipment	43,882	23,497	-	16,435	83,814
Subsequent Year Operations	1,967,428	3,773,488	-	1,708,281	7,449,197
Unassigned	<u>2,671,214</u>	<u>-</u>	<u>-</u>	<u>(44,976)</u>	<u>2,626,238</u>
Total Fund Balances	<u>15,869,941</u>	<u>3,808,649</u>	<u>-</u>	<u>1,948,860</u>	<u>21,627,450</u>
Total Liabilities and Fund Balances	<u>\$ 25,943,873</u>	<u>\$ 3,808,649</u>	<u>\$ 1,094,502</u>	<u>\$ 3,830,104</u>	<u>\$ 34,677,128</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2016

Fund balances – total governmental funds		\$ 21,627,450
Amounts reported for governmental activities in the statement of net position are different because:		
The cost of capital assets (furniture and equipment) purchased is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the School District as a whole. The cost of those capital assets is allocated over their useful lives (as depreciation expense) to the various functions reported as governmental activities in the statement of activities.		
Cost of capital assets	9,467,216	
Accumulated depreciation to date	<u>(5,975,853)</u>	
		3,491,363
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.		
		712,268
Long-term liabilities.		
Due in more than one year:		
Net Pension Liability		(90,891,422)
Certain changes in net pension liabilities are deferred rather than recognized immediately. These items are amortized over time.		
Deferred outflows for pensions		21,572,426
Deferred inflows for pensions		(1,624,225)
Net position		<u>(\$45,112,140)</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	General	Equipment	Title I	Other Governmental	Total Governmental Funds
Revenues:					
Local	\$ 48,238,432	\$ -	\$ -	\$ -	\$ 48,238,432
State	90,440,989	-	-	8,906,803	99,347,792
Federal-Direct	-	-	-	723,255	723,255
Federal-Through the State	287,646	-	2,956,948	5,578,191	8,822,785
Earnings on Investments	623,325	182,892	-	-	806,217
E-Rate	1,088,548	-	-	-	1,088,548
Food Sales	-	-	-	648,542	648,542
Corporate Grants and User Fees	-	-	-	101,594	101,594
Other Local Revenues	139,324	-	-	119,845	259,169
Total Revenues	140,818,264	182,892	2,956,948	16,078,230	160,036,334
Expenditures - Current:					
Instruction	64,270,148	46,739	2,880,116	1,757,021	68,954,024
Special Education - Instruction	20,210,405	-	-	2,266,966	22,477,371
Special Education Support Services - Student	5,523,880	-	-	-	5,523,880
Support Services - Student	4,593,706	-	-	236,228	4,829,934
Support Services - Instruction	3,309,975	-	-	45,356	3,355,331
School Administration	6,318,127	1,589	-	-	6,319,716
School Administration Support Services	5,625,356	-	-	23,421	5,648,777
District Administration	1,266,201	-	-	-	1,266,201
District Administration Support Services	6,144,561	-	76,832	146,145	6,367,538
Operations and Maintenance of Plant	21,736,957	212,323	-	272,607	22,221,887
Student Activities	1,998,548	-	-	49,876	2,048,424
Community Services	-	-	-	39,961	39,961
Student Transportation	-	-	-	7,994,914	7,994,914
Food Service	-	-	-	4,226,122	4,226,122
Total Expenditures	140,997,864	260,651	2,956,948	17,058,617	161,274,080
Excess (Deficiency) of Revenues Over Expenditures	(179,600)	(77,759)	-	(980,387)	(1,237,746)
Other Financing Sources (Uses):					
Transfers In	-	-	-	1,200,000	1,200,000
Transfers Out	(1,200,000)	-	-	-	(1,200,000)
Total Other Financing Sources (Uses)	(1,200,000)	-	-	1,200,000	-
Net Change in Fund Balances	(1,379,600)	(77,759)	-	219,613	(1,237,746)
Fund Balances, Beginning of Year	17,249,541	3,886,408	-	1,729,247	22,865,196
Fund Balances, End of Year	\$ 15,869,941	\$ 3,808,649	\$ -	\$ 1,948,860	\$ 21,627,450

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

Net change in fund balances – total governmental funds	\$ (1,237,746)
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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	\$ 838,193	
Current depreciation expense	<u>(841,335)</u>	
		(3,142)

Loss on retirement of assets	(21,710)
------------------------------	----------

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.	(73,529)
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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.	(19,719,522)
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Change in net position	<u>(\$21,055,649)</u>
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The notes to the basic financial statements are an integral part of this statement.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF NET POSITION
June 30, 2016

	Internal Service Funds
<u>ASSETS</u>	
Equity in Central Treasury	\$ 5,463,213
Equity in Central Treasury - Restricted for Healthcare	<u>3,318,306</u>
Total assets	<u><u>\$ 8,781,519</u></u>
<u>LIABILITIES</u>	
Current Liabilities	
Health Claims Payable (IBNR)	\$ 4,338,094
Contributions Collected from Employees in Excess of Negotiated Agreement	578,048
Compensated Absences	<u>35,874</u>
Total Current Liabilities	4,952,016
Noncurrent Liabilities	
Compensated Absences, net of current portion	<u>3,117,235</u>
Total Liabilities	<u><u>\$ 8,069,251</u></u>
<u>NET POSITION</u>	
Net Position - Unrestricted	<u>712,268</u>
Total Net Position	<u><u>\$ 712,268</u></u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
For the Year Ended June 30, 2016

	Internal Service Funds
Operating Revenues:	
Charges to Other Funds	\$ 2,387,854
Employer Contributions	24,404,734
Employee Contributions, Net of adjustment per negotiated agreement	<u>4,293,823</u>
Total Operating Revenues	<u>31,086,411</u>
Operating Expenses:	
Administrative services	2,387,854
Healthcare Claims and Administrative Fees, Net of Decrease in IBNR of \$108,264	<u>28,815,102</u>
Total operating expenses	<u>31,202,956</u>
Operating income (loss)	<u>(116,545)</u>
Nonoperating Revenues - Interest Income	<u>43,016</u>
Decrease in net position	(73,529)
Total net position, beginning of year	<u>785,797</u>
Total net position, end of year	<u><u>\$ 712,268</u></u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS
Year Ended June 30, 2016

	Internal Service Funds
Cash flows from operating activities:	
Payments for interfund services provided	\$ 2,387,854
Payments to employees	(2,817,976)
Receipts from employer - current year contributions	24,404,734
Receipts from employees - current year contributions	4,082,521
Payments for claims and services	(28,711,452)
Net cash flow from operating activities	<u>(654,319)</u>
Cash flows from investing activities - interest income earned	<u>43,016</u>
Net decrease in cash and cash equivalents	<u>(611,303)</u>
Cash and cash equivalents, beginning of year	<u>9,392,821</u>
Cash and cash equivalents, end of year	<u><u>\$ 8,781,518</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ (116,545)
Decrease in compensated absences payable	(430,122)
Increase in Health care payable	103,650
Contributions used from employees health care reserve per negotiated agreement	<u>(211,302)</u>
Net cash (used) provided by operating activities	<u><u>\$ (654,319)</u></u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2016

	<u>Student Activity Agency Fund</u>
Assets:	
Equity in Central Treasury	\$ 2,741,899
Cash	<u>18,038</u>
Total Assets	<u>\$ 2,759,937</u>
Liabilities:	
Accounts Payable	\$ -
Amounts Due to Student Groups	<u>2,759,937</u>
Total Liabilities	<u>\$ 2,759,937</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Complete financial statements of the Borough may be obtained from the Borough Clerk's Office at 144 N. Binkley Street, Soldotna, Alaska 99669; phone number 907-714-2160 or <http://www.kpb.us/finance-dept/about-finance>

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

During the year ended June 30, 2016, the School District recorded in-kind services provided by the Borough for school operations as follows:

Custodial	\$ 112,607
Utilities	85,200
Maintenance	7,509,321
Insurance	2,314,612
Audit	<u>62,561</u>
	<u>\$10,084,301</u>

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, health care reserve and claims and judgments, are recorded only when payment is due. Prepaid expenditures are reported on the consumption method, meaning an expenditure is reported during the period it is consumed.

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

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

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

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

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

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

Additionally, the School District reports the following fund types:

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

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

Fund Accounting

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

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

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

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

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

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

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

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

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

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

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

Government-wide Financial Statements

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

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

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

Budgets

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

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

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

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

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

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

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

Due to the low price of oil in the past 2 years, the State of Alaska revenues have dropped dramatically. Layoffs and budget cuts at the State level have begun. In FY16, the anticipated one-time funding of \$2.2 million was not provided to school districts. The Legislature also threatened to reduce the Base Student Allocation (BSA) for the FY17 budget, but ultimately didn't make the reduction. However, the governor vetoed an amount of funding approximately the same as the anticipated BSA reduction. The fact that the BSA was not reduced means that the Borough's ability to fund the district was not reduced. However, the amount of funding by the Borough for FY17 was \$48,238,432, which is \$782,622 less than the maximum allowed.

The FY16 budget was developed and approved with an estimated enrollment of 8,820 students.

The FY16 General Fund budget amendments are detailed as follows:

Kenai Peninsula Borough School District
FY16 Revenue Budget and Planned Use of Fund Balance Change - General Fund

Revenue Source	7/1/2015	4/4/2016	
	KPBSD Original Budget	KPBSD Budget Revision	KPBSD Final Budget
Borough In-Kind	\$ 10,329,871	\$ -	\$ 10,329,871
Borough Appropriation	37,908,561	-	37,908,561
Earnings on Investments	300,000	-	300,000
E-Rate	725,000	-	725,000
Miscellaneous	180,000	-	180,000
Total Local Revenue	49,443,432	-	49,443,432
Foundation Program	79,262,094	1,026,802	80,288,896
TRS On-Behalf Payment	8,580,066	-	8,580,066
PERS On-Behalf Payment	979,528	-	979,528
Quality Schools	281,922	2,831	284,753
Total State Revenue	89,103,610	1,029,633	90,133,243
Medicaid	200,000	-	200,000
Total Federal Revenue	200,000	-	200,000
Total General Fund Revenue	138,747,042	1,029,633	139,776,675
Planned Use of Fund Balance	3,427,959	(2,640,408)	787,551
Total General Fund Revenue and Planned Use of Fund Balance	\$ 142,175,001	\$ (1,610,775)	\$ 140,564,226

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, 2015, from which the summarized information was derived.

Cash and Investments

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

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

level of investment by type. School District investments are insured or registered or are securities which are held by the Borough or its agent in the Borough's name.

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

Investments are stated at fair market value.

Short Term Interfund Receivables/Payables

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

Inventories

Inventories are recorded at average cost on a first-in, first-out basis. General fund inventory consists of expendable supplies held at the central warehouse for issuance to schools or other School District locations. Food Service Fund inventory consists primarily of foodstuffs. The cost of inventory items in the School Operating Fund and Food Service Fund is included in expenditures when issued to schools from the central warehouse or issued for consumption. Land acquired for the Building Trades Project (see Note 9) is recorded at cost. Inventory is reported as Nonspendable to indicate that inventory does not represent available, spendable resources, even though it is a component of assets.

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

Capital Assets

The Borough owns and accounts for all land, school buildings, and improvements other than buildings, which are provided to School District schools without charge. General capital assets, which consist of furniture and equipment, are reported in the governmental activities column in the district-wide financial statements. General capital assets are defined by the School District as assets with an initial, individual cost of \$5,000 or more, and an estimated useful life in excess of one year. Additional information may be found in Note 4. General capital assets are valued at cost or estimated historical cost when the original cost is not available and depreciated/amortized over their estimated useful lives. Donated capital assets are valued at their estimated fair market value on the date received. The District owns land to be used for furthering vocational instruction. Additional information may be found in Note 9. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on estimated useful lives of 5 to 20 years for furniture and equipment.

Compensated Absences

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

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

Health Care

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

Deferred Outflows/Inflows of Resources

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

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

Pensions

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

Fund Balance

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

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

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

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

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

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

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

Encumbrances

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

Grants

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

In-Kind Contributions

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

Interfund Transactions

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

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

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, 2016 is as follows:

	Carrying Value of Equity in Central Treasury	Due to (from) other funds	Reported Equity in Central Treasury
General Fund	\$ 20,836,641	\$ (2,896,165)	\$ 17,940,476
Equipment Fund	3,808,649	-	3,808,649
Title I Fund	-	1,093,905	1,093,905
Other Governmental Funds	1,667,902	1,802,260	3,470,162
Internal Service Fund	<u>8,781,519</u>	<u>-</u>	<u>8,781,519</u>
Governmental Fund Total	<u>\$ 35,094,711</u>	<u>\$ -</u>	<u>\$ 35,094,711</u>
Agency Fund	<u>\$ 2,741,899</u>	<u>\$ -</u>	<u>\$ 2,741,899</u>

NOTE 3 - RECEIVABLES

Receivables at June 30, 2016, consist of the following:

	General Fund	Special Revenue Funds	Total
Accounts Receivable	\$ 131,282	\$ 6,020	\$ 137,302
Intergovernmental:			
Major Special Revenue:			
Federal – Through the State – Title I	-	1,094,502	1,094,502
Non-Major Special Revenue:			
Local	-	37,878	37,878
State	-	318,978	318,978
Federal – Through the State	-	1,107,127	1,107,127
Federal – Direct	-	455,975	455,975
Total Receivables	<u>\$ 131,282</u>	<u>\$ 3,020,480</u>	<u>\$ 3,151,762</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, 2016, were as follows:

	July 1, 2015 Balance	Additions	Deletions	June 30, 2016 Balance
Governmental activities:				
Furniture and equipment	\$ 9,185,581	\$ 838,193	\$ (556,558)	\$ 9,467,216
Less accumulated depreciation for furniture and equipment	<u>(5,669,366)</u>	<u>(841,335)</u>	<u>534,848</u>	<u>(5,975,853)</u>
Governmental activities capital assets, net	<u>\$ 3,516,215</u>	<u>\$ (3,142)</u>	<u>\$ (21,710)</u>	<u>\$ 3,491,363</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 260,513
Special education instruction	5,497
Support services instruction	16,023
School administration	1,020
School administration support services	3,924
District administration	4,528
District administration support services	151,699
Operations and maintenance of plant	116,334
Student activities	255,091
Student transportation	-
Food services	<u>26,706</u>
Total depreciation expense	<u>841,335</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, 2016 is comprised of the following:

Long-term contracts payable

The district currently has no long-term contracts payable.

Compensated absences payable

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

	<u>Total June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Total June 30, 2016</u>	<u>Amount due in one year</u>
Compensated Absences	\$3,583,231	\$ 2,387,854	\$(2,817,976)	\$ 3,153,109	\$ 35,874
Total Long -Term Debt	<u>\$ 3,583,231</u>	<u>\$ 2,387,854</u>	<u>\$(2,817,976)</u>	<u>\$ 3,153,109</u>	<u>\$ 35,874</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.

Each Plan is included in a comprehensive annual financial report that includes financial statements and other required supplemental information. Those reports are available via the internet at <http://doa.alaska.gov/drb>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

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

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

Historical Context and Special Funding Situation

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

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

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

Employee Contribution Rates

District PERS employees are required to contribute 6.75% of their annual covered salary or 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. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2039. This change results in lower ARM Board rates than previously adopted.

On-behalf Contribution Rate: This is the rate normally paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In 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 were significantly higher than the statutory amounts. In 2016, the on-behalf contributions have returned to "normal" levels and generally equal the statutory calculation.

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

GASB Rate: This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. Additionally, the GASB rate disregards all future Medicare Part D payments. For FY16, the calculation uses an 8.00% pension discount rate and a 4.55% healthcare discount rate for PERS and 4.31% for TRS. The GASB rate and the ARM Board Adopted Rate differ significantly as a direct result of variances in the actuarial methods and assumptions used.

Contribution rates for the year ended June 30, 2016 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	13.25%	16.38%	3.63%	37.79%
Postemployment healthcare (see Note 8)	8.75%	10.81%	1.56%	58.73%
Total PERS Contribution Rate	22.00%	27.19%	5.19%	96.52%

<i>TRS</i>	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
Pension	7.01%	16.34%	11.63%	66.52%
Postemployment healthcare (see Note 8)	5.55%	12.93%	5.08%	70.97%
Total TRS Contribution Rate	12.56%	29.27%	16.71%	137.49%

The District was credited with the following contributions into the pension plans.

<i>PERS</i>	Measurement Period District FY15	District FY16
Employer contributions (including DBUL)	\$ 1,802,254	\$ 1,883,310
Nonemployer contributions (on-behalf)	8,961,478	784,660
Total Contributions	\$ 10,763,732	\$ 2,667,970

In addition, employee contributions to the Plan totaled \$714,047 during the District fiscal year.

<i>TRS</i>	Measurement Period District FY15	District FY16
Employer Contributions (including DBUL)	\$ 2,405,825	\$ 2,256,776
Nonemployer contributions (on-behalf)	110,983,939	5,959,984
Total Contributions	\$ 113,389,764	\$ 8,216,760

In addition, employee contributions to the Plan totaled \$2,687,781 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, 2016, 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>	<i>PERS</i>	<i>TRS</i>
District's proportionate share of NPL	\$ 43,767,462	\$ 47,123,960
State's proportionate share of NPL associated with the District	11,719,024	75,318,635
Total Net Pension Liability	\$ 55,486,486	\$ 122,442,595

The net pension liabilities were measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability for each Plan was determined by an actuarial valuation as of that date. The District's proportion of the net pension liabilities were based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating entities, actuarially

determined. The District's proportion of the net pension liability measured at June 30, 2105 for PERS was 0.92024 percent, which was an increase of 0.48374 from its proportion as of the prior measurement date. For TRS, the District's proportion was 2.53293 percent, representing an increase of 1.52006 from the prior year.

For the year ended June 30, 2016, the District recognized pension expense of \$15,349,504 for PERS and \$19,880,493 for TRS. In addition, the District recognized on-behalf revenue from the State of Alaska in the amounts of \$1,618,360 and \$9,751,629 for PERS and TRS, respectively. At June 30, 2016, 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	\$ 51,016	\$ (75,537)
Changes in assumptions	4,640,226	-
Net difference between projected and actual earnings on pension plan investments	-	(1,467,236)
Changes in proportion and differences between District contributions and proportionate share of contributions	12,741,098	(81,452)
District contributions subsequent to the measurement date	4,140,086	-
Total	\$ 21,572,426	\$ (1,624,225)

The \$4,140,086 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30,

2017	\$ 14,617,990
2018	468,171
2019	(1,094,595)
2020	1,816,548
2021	-
Thereafter	-

Actuarial Assumptions

The total pension liability for the measurement period ended June 30, 2015 (reported District fiscal year 2016) was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2015. The actuarial assumptions used in the June 30, 2014 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management (ARM) Board to better reflect expected future experience. Generally, both PERS and TRS follow the same assumptions, except as noted:

Actuarial Cost Method	Entry Age Normal – Level Percentage of Payroll
Asset Valuation Method	Invested assets are reported at fair value
Allocation Methodology	Amounts for FY14 and FY13 were allocated to employers based on actual contributions made in FY14 and FY13, respectively Amounts for FY15 were allocated to employers based on the projected present value of contributions for FY17-FY39. The liability is expected to go to zero at 2039
Investment Return / Discount Rate	8.00% per year (geometric), compounded annually, net of expenses for pension; and 4.55% for healthcare

Salary Scale	Inflation – 3.12% per year Productivity – 0.50% per year Peace Officer/Firefighter – graded by years of services from 9.66% to 4.92% All others – graded by age and years of service from 8.55% to 4.34%
Total Inflation	Measured by the consumer price index (CPI) for urban and clerical workers for Anchorage and is assumed to increase 3.12% annually
Mortality	Pre-termination – Based on the 2010-2013 actual mortality experience Post-termination – 96% of all rates of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The Actuarial Value of Assets after June 30, 2014 reflects the deferred gains and losses generated by the smoothing method. The current deferred amount is recognized in the first four years of the projections.

Discount Rate Sensitivity

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

	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
PERS				
District's proportionate share of the net pension liability	0.92024%	\$ 58,185,136	\$ 43,767,462	\$ 31,629,273
TRS				
District's proportionate share of the net pension liability	2.53293%	\$ 68,013,506	\$ 47,123,960	\$ 29,618,790

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 or TRS Tier III, defined contribution (DC) retirement plans. These Plans are administered by the State of Alaska, Department of Administration in conjunction with the defined benefit (DB) 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, a retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. 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, 2016 were \$485,377 and \$76,601, respectively. The District and employee contributions for TRS for pensions for the year ended June 30, 2016 were \$1,412,372 and \$1,614,137, respectively.

District contributions are recognized as pension expense/expenditures when paid.

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

Defined Benefit OPEB

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

Employer Contribution Rates

The District is required to contribute 8.75% of covered payroll into the PERS OPEB plan and 5.55% of covered payroll into the TRS OPEB plan. In addition, during 2015, the State on-behalf contribution rate for OPEB was 1.56% of covered payroll for PERS and 5.08% for TRS.

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> <i>Year Ended June 30,</i>	Annual OPEB Costs	District Contributions	% of Costs Contributed
2016	\$1,245,653	\$1,245,653	100 %
2015	\$1,359,472	\$1,359,472	100 %
2014	\$1,637,684	\$1,637,684	100 %

On-behalf contributions for PERS OPEB were \$336,010, \$-0-, and \$1,187,015 for 2016, 2015, and 2014, respectively. Those amounts are not reflected in the OPEB costs in the table above.

<i>TRS</i> <i>Year Ended June 30,</i>	Annual OPEB Costs	District Contributions	% of Costs Contributed
2016	\$1,787,402	\$1,787,402	100 %
2015	\$1,782,249	\$1,782,249	100 %
2014	\$2,133,100	\$2,133,100	100 %

On-behalf contributions for TRS OPEB were \$2,600,077, \$22,514,468, and \$7,173,899 for 2016, 2015, and 2014, 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, 2016:

	PERS Tier IV	TRS Tier III
Retiree medical plan	1.68%	2.04%
Occupational death and disability benefits	0.22%	-%
	1.90%	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, 2015, for actual remittance, this amount is calculated as a flat rate for each full time or part-time employee per pay period and approximates \$2,005 per year for each full-time employee, and \$1.28 per hour for part-time employees for both PERS and TRS.

Annual Postemployment Healthcare Cost

In FY16, the District contributed \$664,643 in DC OPEB costs to PERS and \$959,747 in DC OPEB costs to TRS. These amounts have been recognized as expense/expenditures.

NOTE 9 – BUILDING TRADES PROJECT

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

NOTE 10 - FOOD SERVICE SPECIAL REVENUE FUND

The United States Department of Agriculture provided \$120,207 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, 2016 are as follows:

	<u>Receivable</u>	<u>Payable</u>
Major Fund - General Fund	\$ 2,896,165	\$ -
Major Fund – Title IA	-	1,093,905
Non-major governmental funds	-	1,802,260
	<u>\$ 2,896,165</u>	<u>\$ 2,896,165</u>

Interfund Transfers

Transfers between funds for the year ended June 30, 2016 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>\$1,200,000</u>	<u>\$1,200,000</u>
subsidies		

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

NOTE 12 - RISK MANAGEMENT

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

The greatest exposure to financial loss confronting the Kenai Peninsula Borough and School District would be in the areas of property loss, auto liability and general liability due to the number of properties and the fleet of vehicles owned and operated by the Borough and School District. The Borough also purchases aviation non-owned liability coverage which attaches excess of any other valid and collectible insurance. The Borough is self-insured for pollution liability for incidents arising from Borough owned landfills.

Insurers provide annual aggregate limits in excess of our retention level for the exposures of general liability, auto liability, public officials' liability, educational errors and omissions and ambulance attendants' professional liability. Insurance coverage for these various liability exposures are written on a combined policy form. Self-insured retention/deductible amounts and upper coverage limits of excess insurance for major coverages are as follows:

	<u>Self-Insured Retention/ Deductible</u>	<u>Upper Coverage Limits of Excess Insurance</u>
Auto and general liability	\$ 250,000	\$ 30,000,000
Employers liability	250,000	2,500,000
Workers' compensation	250,000	Statutory benefits

Property:

Buildings	100,000	1,000,000,000
Fire & EMS apparatus	-0-	Cash value
Other vehicles	20,000	Cash value
Crime coverage	1,000	500,000

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

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

	<u>2016</u>	<u>2015</u>
Beginning of fiscal year liability	\$ 2,934,860	\$ 2,933,760
Current year claims incurred and changes in estimates for claims incurred in prior years	1,119,534	1,756,180
Claims and expenses paid	(1,782,192)	(1,755,080)
End of fiscal year liability	\$ <u>2,272,202</u>	\$ <u>2,934,860</u>

Included above is a liability for incurred but not reported (IBNR) claims of \$846,312. Experience indicates those losses or claims do not go unreported for any significant length of time, therefore, the exposure to IBNR losses or claims is minimal.

The School District maintains a health and medical benefit program which covers permanent employees working more than half time. The School District retains a major portion of the risk of this plan, and, accordingly, is liable for any employee health claims that are approved for payment. Stop-loss limits are \$200,000 for individual claims and 125% above projected annual cost for aggregate claims. Health and medical claims totaled approximately \$28,815,102 for the year ended June 30, 2016 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, 2014, 2015 and 2016 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>
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
2015 – 2016	4,234,444	29,311,201	(29,207,551)	4,338,094

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, 2016.

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, 2016, 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, 2016, will not have a material effect on the financial statements as of and for the year ended June 30, 2016.

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 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, with earlier application encouraged.

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 78 – Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans – Effective for year-end June 30, 2017 – This statement amends the scope and applicability of GASB 68 to exclude pensions provided to employees through a cost-sharing multiple-employer defined benefit pension plan that is (1) not a state or local government pension plan, (2) used to provide defined benefit pensions to employees of both government and non-government employers, and (3) has no predominant state or local government employer, either individually or collectively with other governmental employers providing pensions in the plan.

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

GASB 82 – *Pension-Issues* – an amendment of GASB Statements No. 67, No. 68, and No. 73 – Effective for year-end June 30, 2017, with earlier application encouraged – This statement further amends prior pension reporting to redefine “covered payroll” for required supplementary information, clarifies deviations from Actuarial standards, and clarifies the classification of employer-paid member contributions.

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REQUIRED SUPPLEMENTARY INFORMATION

MAJOR FUNDS:

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

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

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

BUDGETARY COMPARISON SCHEDULES:

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

Schedule of District Contributions – Public Employees Retirement System - PERS

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

Schedule of District Contributions – Teachers Retirement System - TRS

OTHER INFORMATION

GENERAL FUND:

General Fund Balance Sheet

General Fund Schedule of Changes in Fund Balance

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

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

Schedule of Compliance – AS 14.17.505

Schedule of Compliance – AS 14.17.520

EQUIPMENT FUND – SPECIAL REVENUE:

Balance Sheet – Major Fund – Equipment

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

TITLE I FUND – SPECIAL REVENUE:

Balance Sheet – Major Fund – Title I

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

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MAJOR GOVERNMENTAL FUNDS - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Local	\$ 48,238,432	\$ 48,238,432	\$ 48,238,432	\$ -
State	89,103,610	90,133,243	90,440,989	307,746
Federal-Through the State	200,000	200,000	287,646	87,646
Earnings on Investments	300,000	300,000	623,325	323,325
E-Rate	725,000	725,000	1,088,548	363,548
Other Local Revenues	180,000	180,000	139,324	(40,676)
Total Revenues	138,747,042	139,776,675	140,818,264	1,041,589
Expenditures:				
Instruction	67,063,110	64,557,352	64,270,148	287,204
Special Education - Instruction	19,511,037	19,967,967	20,210,405	(242,438)
Special Education Support Services - Student	5,877,762	5,957,326	5,523,880	433,446
Support Services - Student	4,632,879	4,540,832	4,593,706	(52,874)
Support Services - Instruction	3,440,299	3,379,360	3,309,975	69,385
School Administration	6,208,114	6,269,126	6,318,127	(49,001)
School Administration Support Services	5,151,687	5,465,085	5,625,356	(160,271)
District Administration	1,138,687	1,262,027	1,266,201	(4,174)
District Administration Support Services	5,742,090	5,930,263	6,144,561	(214,298)
Operations and Maintenance of Plant	20,016,797	21,444,343	21,736,957	(292,614)
Student Activities	2,095,539	2,091,122	1,998,548	92,574
Total Expenditures	140,878,001	140,864,803	140,997,864	(133,061)
Excess (Deficiency) of Revenues over Expenditures	(2,130,959)	(1,088,128)	(179,600)	908,528
Other Financing Uses:				
Transfers Out - Special Revenue Fund	(1,300,000)	(1,300,000)	(1,200,000)	100,000
Total Other Financing Uses:	(1,300,000)	(1,300,000)	(1,200,000)	100,000
Net Changes in Fund Balances	\$ (3,430,959)	\$ (2,388,128)	(1,379,600)	\$ 1,008,528
Fund Balance, Beginning of Year			17,249,541	
Fund Balance, End of Year			\$ 15,869,941	

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, 2016

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Earnings on Investment	\$ 75,000	\$ 75,000	\$ 182,892	\$ 107,892
Expenditures:				
Instruction	3,834,153	3,878,593	46,739	3,831,854
School Administration	-	590	1,589	(999)
Operations and Maintenance of Plant	-	7,225	212,323	(205,098)
Total Expenditures	3,834,153	3,886,408	260,651	3,625,757
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (3,759,153)</u>	<u>\$ (3,811,408)</u>	\$ (77,759)	<u>\$ 3,733,649</u>
Fund Balances, Beginning of Year			3,886,408	
Fund Balances, End of Year			<u>\$ 3,808,649</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, 2016

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Federal-Through the State	3,735,431	3,679,177	2,956,948	(722,229)
Expenditures:				
Instruction	3,630,961	3,577,948	2,880,116	697,832
District Administration Support Services	104,470	101,229	76,832	24,397
Total Expenditures	3,735,431	3,679,177	2,956,948	722,229
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 Two Fiscal Years

	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability (asset)	0.43650%	0.92024%
District's proportionate share of the net pension liability (asset)	\$ 20,359,190	\$ 43,767,462
State of Alaska proportionate share of the net pension liability (asset)	<u>18,808,964</u>	<u>11,719,024</u>
Total net pension liability	<u>\$ 39,168,154</u>	<u>\$ 55,486,486</u>
District's covered employee payroll	\$ 18,773,897	\$ 19,473,427
District's proportionate share of the net pension liability (asset) as a percentage of covered employee payroll	108.44%	224.75%
Plan fiduciary net position as a percentage of the total pension liability	62.37%	63.96%

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

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

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

	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 1,802,254	\$ 1,883,310
Contributions in relation to the contractually required contribution	<u>1,802,254</u>	<u>1,883,310</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 19,473,427	\$ 19,434,112
Contributions as a percentage of covered employee payroll	9.25%	9.690%

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 Two Fiscal Years

	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability (asset)	1.01287%	2.53293%
District's proportionate share of the net pension liability (asset)	\$ 30,376,532	\$ 47,123,960
State of Alaska proportionate share of the net pension liability (asset)	<u>168,912,841</u>	<u>75,318,635</u>
Total net pension liability	<u>\$ 199,289,373</u>	<u>\$ 122,442,595</u>
District's covered employee payroll	\$ 50,739,168	\$ 51,226,585
District's proportionate share of the net pension liability (asset) as a percentage of covered employee payroll	59.87%	91.99%
Plan fiduciary net position as a percentage of the total pension liability	55.70%	73.82%

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 Two Fiscal Years**

	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 2,405,825	\$ 2,256,776
Contributions in relation to the contractually required contribution	<u>2,405,825</u>	<u>2,256,776</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 51,226,585	\$ 50,808,163
Contributions as a percentage of covered employee payroll	4.70%	4.44%

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, 2016 and 2015

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
Cash on hand	\$ 15,530	\$ 20,340
Equity in Central Treasury	20,836,641	22,260,201
Accounts receivable	131,282	455,848
Prepaid Items	1,262,500	-
Due from Special Revenue Funds	2,896,165	2,930,075
Inventory	<u>801,755</u>	<u>707,220</u>
Total Assets	<u>\$ 25,943,873</u>	<u>\$ 26,373,684</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	<u>\$ 2,386,511</u>	<u>\$ 1,200,253</u>
Accrued liabilities:		
Payroll	5,558,128	5,484,594
Retirement	63,477	365,662
Payroll taxes	2,029,629	2,038,683
Payroll deductions	<u>36,187</u>	<u>34,951</u>
Total Accrued Liabilities	<u>7,687,421</u>	<u>7,923,890</u>
Total Liabilities	<u>10,073,932</u>	<u>9,124,143</u>
Fund Balance:		
Nonspendable	2,064,255	707,220
Comitted	4,200,580	
Restricted	3,307,934	2,988,996
Assigned	3,625,958	5,655,347
Unassigned	<u>2,671,214</u>	<u>7,897,978</u>
Total Fund Balance	<u>15,869,941</u>	<u>17,249,541</u>
Total Liabilities and Fund Balance	<u>\$ 25,943,873</u>	<u>\$ 26,373,684</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF CHANGES IN FUND BALANCE
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Fund Balance, Beginning of Year	\$ 17,249,541	\$ 18,396,866
Add Revenues and Other Financing Sources	140,818,264	271,584,144
Deduct Expenditures and Other Financing Uses	<u>(142,197,864)</u>	<u>(272,731,469)</u>
Fund Balance, End of Year	<u><u>\$ 15,869,941</u></u>	<u><u>\$ 17,249,541</u></u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				2015
	Original Budget	Current Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Local:					
Kenai Peninsula Borough - Direct Appropriation	\$ 37,908,561	\$ 37,908,561	\$ 37,908,561	\$ -	\$ 34,330,654
Kenai Peninsula Borough - In-Kind Services	10,329,871	10,329,871	10,329,871	-	9,682,871
Total Local	<u>\$ 48,238,432</u>	<u>48,238,432</u>	<u>48,238,432</u>	<u>-</u>	<u>44,013,525</u>
State:					
Public School Funding	79,262,094	80,288,896	80,288,271	(625)	79,159,764
One-Time State Funding	-	-	-	-	3,008,638
One-Time State Funding - Safety	-	-	-	-	-
LOG/Quality Schools	281,922	284,753	285,377	624	282,259
Retirement: TRS On-Behalf	8,580,066	8,580,066	8,560,061	(20,005)	133,498,407
Retirement: PERS On-Behalf	979,528	979,528	1,120,670	141,142	8,961,478
Retirement: PERS On-Behalf Passed Through KPB	-	-	186,610	186,610	1,434,668
Total State	<u>89,103,610</u>	<u>90,133,243</u>	<u>90,440,989</u>	<u>307,746</u>	<u>226,345,214</u>
Federal - Through the State:					
Medicaid - Direct Reimbursement	200,000	200,000	287,646	87,646	211,375
Total Federal - Through the State	<u>200,000</u>	<u>200,000</u>	<u>287,646</u>	<u>87,646</u>	<u>211,375</u>
Earnings on Investments	<u>300,000</u>	<u>300,000</u>	<u>623,325</u>	<u>323,325</u>	<u>326,758</u>
E-Rate	<u>725,000</u>	<u>725,000</u>	<u>1,088,548</u>	<u>363,548</u>	<u>287,658</u>
Other Local Revenues:					
Facilities Rental	30,000	30,000	28,750	(1,250)	32,700
Miscellaneous	150,000	150,000	110,574	(39,426)	366,914
Total Other Local Revenues:	<u>180,000</u>	<u>180,000</u>	<u>139,324</u>	<u>(40,676)</u>	<u>399,614</u>
Total Revenues	<u>138,747,042</u>	<u>139,776,675</u>	<u>140,818,264</u>	<u>1,041,589</u>	<u>271,584,144</u>
Other Financing Sources:					
Fund Balance Appropriation	<u>3,427,959</u>	<u>787,551</u>	<u>-</u>	<u>(787,551)</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>\$ 142,175,001</u>	<u>\$ 140,564,226</u>	<u>\$ 140,818,264</u>	<u>\$ 254,038</u>	<u>\$ 271,584,144</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				2015
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	Actual
Instruction:					
Certificated Salaries	\$ 34,844,457	\$ 33,516,147	\$ 33,471,379	\$ 44,768	\$ 33,711,007
Non-Certificated Salaries	2,521,996	2,763,304	2,769,670	(6,366)	2,621,815
Employee Benefits	22,678,330	22,254,527	22,850,592	(596,065)	106,137,987
Professional and Technical Services	213,850	189,457	135,603	53,854	139,567
Staff Travel	146,750	216,053	189,527	26,526	207,572
Student Travel	14,100	38,681	38,444	237	58,783
Utility Services	381,750	357,810	356,523	1,287	309,077
Other Purchased Services	467,964	539,181	498,802	40,379	463,895
Supplies, Materials, and Media	2,868,844	2,630,487	2,433,974	196,513	3,458,748
Other Expenses	1,888,974	678,320	78,580	599,740	74,258
Equipment	1,036,095	1,373,385	1,447,054	(73,669)	1,540,839
	<u>67,063,110</u>	<u>64,557,352</u>	<u>64,270,148</u>	<u>287,204</u>	<u>148,723,548</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Special Education Instruction:					
Certificated Salaries	\$ 7,052,313	\$ 6,950,793	\$ 6,924,038	\$ 26,755	\$ 6,670,177
Non-Certificated Salaries	4,254,110	4,446,460	4,443,096	3,364	4,253,547
Employee Benefits	7,998,652	8,112,973	8,486,645	(373,672)	26,306,529
Professional and Technical Services	45,000	111,472	58,596	52,876	88,111
Staff Travel	46,970	72,934	67,168	5,766	58,168
Student Travel	1,700	1,788	1,734	54	1,447
Utility Services	-	294	385	(91)	635
Other Purchased Services	3,400	1,993	1,410	583	8,101
Supplies, Materials, and Media	87,392	232,681	191,864	40,817	202,008
Other Expenses	11,500	21,301	21,299	2	23,166
Equipment	10,000	15,278	14,170	1,108	25,273
	<u>19,511,037</u>	<u>19,967,967</u>	<u>20,210,405</u>	<u>(242,438)</u>	<u>37,637,162</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Special Education Support Services - Student:					
Certificated Salaries	\$ 2,839,242	\$ 2,445,741	\$ 2,464,307	\$ (18,566)	\$ 2,652,356
Non-Certificated Salaries	358,820	422,651	421,183	1,468	343,832
Employee Benefits	1,882,140	1,777,702	1,749,974	27,728	8,153,176
Professional and Technical Services	649,150	1,126,571	711,401	415,170	687,735
Staff Travel	87,200	66,383	72,177	(5,794)	95,765
Student Travel	-	183	-	183	172
Utility Services	5,000	2,500	1,298	1,202	1,157
Other Purchased Services	3,210	2,355	2,072	283	3,398
Supplies, Materials, and Media	48,565	108,254	96,184	12,070	69,644
Other Expenses	1,000	1,000	1,845	(845)	230
Equipment	3,435	3,986	3,439	547	24,061
	<u>5,877,762</u>	<u>5,957,326</u>	<u>5,523,880</u>	<u>433,446</u>	<u>12,031,526</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Support Services - Student:					
Certificated Salaries	\$ 1,167,719	\$ 1,148,172	\$ 1,163,784	\$ (15,612)	\$ 1,159,093
Non-Certificated Salaries	1,502,300	1,472,095	1,450,575	21,520	1,399,678
Employee Benefits	1,833,669	1,784,215	1,864,701	(80,486)	5,717,869
Staff Travel	63,000	61,990	52,961	9,029	59,859
Student Travel	2,500	2,300	664	1,636	716
Utility Services	750	175	122	53	268
Other Purchased Services	4,386	5,313	3,384	1,929	4,509
Supplies, Materials, and Media	52,057	59,728	45,841	13,887	48,492
Other Expenses	5,598	1,868	1,115	753	5,048
Equipment	900	4,976	10,559	(5,583)	1,102
	<u>4,632,879</u>	<u>4,540,832</u>	<u>4,593,706</u>	<u>(52,874)</u>	<u>8,396,634</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				2015
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	Actual
Support Services - Instruction:					
Certificated Salaries	\$ 1,163,293	\$ 1,112,312	\$ 1,143,876	\$ (31,564)	\$ 1,220,258
Non-Certificated Salaries	583,773	610,748	601,396	9,352	605,447
Employee Benefits	1,112,910	1,097,015	1,013,147	83,868	4,047,348
Professional and Technical Services	75,000	62,392	-	62,392	21,800
Staff Travel	102,500	119,804	98,184	21,620	79,088
Student Travel	500	-	-	-	992
Utility Services	11,100	12,741	13,504	(763)	10,921
Other Purchased Services	58,032	41,677	55,630	(13,953)	61,262
Supplies, Materials, and Media	326,172	301,866	364,450	(62,584)	324,443
Other Expenses	2,495	7,035	7,598	(563)	6,900
Equipment	4,524	13,770	12,190	1,580	9,501
	<u>3,440,299</u>	<u>3,379,360</u>	<u>3,309,975</u>	<u>69,385</u>	<u>6,387,960</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
School Administration:					
Certificated Salaries	\$ 4,092,331	\$ 4,133,468	\$ 4,150,301	\$ (16,833)	\$ 4,150,359
Non-Certificated Salaries	15,498	8,255	8,491	(236)	11,932
Employee Benefits	1,976,006	1,985,966	2,029,209	(43,243)	11,489,242
Professional and Technical Services	83	83	-	83	-
Staff Travel	83,900	101,296	86,088	15,208	81,755
Other Purchased Services	-	-	-	-	83
Supplies, Materials, and Media	10,655	10,140	8,142	1,998	8,021
Other Expenses	29,641	29,918	30,280	(362)	31,024
Equipment	-	-	5,616	(5,616)	2,668
	<u>6,208,114</u>	<u>6,269,126</u>	<u>6,318,127</u>	<u>(49,001)</u>	<u>15,775,084</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
School Administration Support Services:					
Certificated Salaries	\$ 150,000	\$ 145,546	\$ 145,546	-	\$ 139,540
Non-Certificated Salaries	2,276,911	2,313,770	2,385,033	(71,263)	2,309,728
Employee Benefits	1,952,545	1,961,374	2,060,467	(99,093)	2,737,205
Professional and Technical Services	-	1,330	1,326	4	2,040
Staff Travel	6,700	11,264	6,752	4,512	9,358
Utility Services	672,300	693,718	700,679	(6,961)	638,617
Other Purchased Services	8,710	13,997	11,025	2,972	8,099
Supplies, Materials, and Media	53,871	75,347	72,668	2,679	95,110
Other Expenses	30,650	25,507	17,314	8,193	15,419
Equipment	-	223,232	224,546	(1,314)	3,187
	<u>5,151,687</u>	<u>5,465,085</u>	<u>5,625,356</u>	<u>(160,271)</u>	<u>5,958,303</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				2015
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	Actual
District Administration:					
Certificated Salaries	\$ 285,821	\$ 286,928	\$ 287,031	\$ (103)	\$ 294,228
Non-Certificated Salaries	198,420	209,669	217,636	(7,967)	156,772
Employee Benefits	325,046	332,626	346,817	(14,191)	913,454
Professional and Technical Services	123,150	206,090	217,950	(11,860)	115,472
Staff Travel	86,900	74,290	63,103	11,187	59,272
Utility Services	14,700	23,141	24,346	(1,205)	21,715
Other Purchased Services	12,450	27,451	22,752	4,699	17,849
Supplies, Materials, and Media	23,200	25,869	19,370	6,499	27,591
Tuition and Stipends	33,600	33,600	33,300	300	33,600
Other Expenses	35,400	35,070	31,997	3,073	30,165
Equipment	-	7,293	1,899	5,394	3,397
	<u>1,138,687</u>	<u>1,262,027</u>	<u>1,266,201</u>	<u>(4,174)</u>	<u>1,673,515</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				2015
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	Actual
District Administrative Support Services:					
Certificated Salaries	\$ 3,500	\$ 19,544	\$ 47,730	\$ (28,186)	\$ 39,859
Non-Certificated Salaries	2,727,111	2,738,187	2,732,495	5,692	2,821,624
Employee Benefits	1,657,417	1,693,873	1,734,297	(40,424)	2,692,105
Professional and Technical Services	186,485	174,191	161,620	12,571	158,987
Staff Travel	107,900	82,786	73,761	9,025	99,896
Utility Services	33,150	40,912	41,186	(274)	39,316
Other Purchased Services	307,875	458,602	450,038	8,564	306,562
Insurance and Bond Premiums	765,970	765,970	765,970	-	573,090
Supplies, Materials, and Media	233,400	268,655	283,243	(14,588)	265,334
Other Expenses	51,437	47,007	41,538	5,469	35,350
Indirect Costs	(396,655)	(401,241)	(222,976)	(178,265)	(283,032)
Equipment	64,500	41,777	35,659	6,118	166,713
	<u>5,742,090</u>	<u>5,930,263</u>	<u>6,144,561</u>	<u>(214,298)</u>	<u>6,915,804</u>

Continued

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Operations and Maintenance of Plant:					
Certificated Salaries	\$ 1,736	\$ -	\$ -	\$ -	\$ -
Non-Certificated Salaries	3,650,012	3,498,517	3,335,439	\$ 163,078	3,246,300
Employee Benefits	2,907,967	2,870,418	3,082,782	(212,364)	5,297,153
Staff Travel	8,300	8,117	5,053	3,064	5,039
Utility Services	380,350	399,419	410,794	(11,375)	379,094
Energy	5,232,322	5,121,523	5,371,584	(250,061)	5,707,467
Other Purchased Services	6,956,968	8,471,416	8,161,189	310,227	8,042,317
Insurance and Bond Premiums	575,120	575,120	575,120	-	557,309
Supplies, Materials, and Media	303,822	334,397	389,691	(55,294)	482,863
Other Expenses	200	200	-	200	-
Equipment	-	165,216	405,305	(240,089)	292,040
	<u>20,016,797</u>	<u>21,444,343</u>	<u>21,736,957</u>	<u>(292,614)</u>	<u>24,009,582</u>

Concluded

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				2015
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	Actual
Student Activities:					
Certificated Salaries	\$ 902,159	\$ 816,554	\$ 772,608	\$ 43,946	\$ 817,958
Non-Certificated Salaries	414,899	480,513	475,233	5,280	423,934
Employee Benefits	348,724	345,657	317,677	27,980	2,233,082
Staff Travel	7,750	11,542	9,392	2,150	12,356
Student Travel	282,762	278,012	260,114	17,898	300,767
Utility Services	100	100	-	100	-
Other Purchased Services	92,000	35,842	35,263	579	24,699
Supplies, Materials, and Media	12,453	62,924	57,331	5,593	62,861
Other Expenses	34,692	35,804	46,757	(10,953)	44,949
Equipment	-	24,174	24,173	1	1,745
	<u>2,095,539</u>	<u>2,091,122</u>	<u>1,998,548</u>	<u>92,574</u>	<u>3,922,351</u>
Total Expenditures	<u>140,878,001</u>	<u>140,864,803</u>	<u>140,997,864</u>	<u>(133,061)</u>	<u>271,431,469</u>
Other Financing Uses:					
Transfer To Food Service Fund	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,200,000</u>	<u>100,000</u>	<u>1,300,000</u>
Total Other Financing Uses	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,200,000</u>	<u>100,000</u>	<u>1,300,000</u>
Total Expenditures and Other Financing Uses	<u>\$ 142,178,001</u>	<u>\$ 142,164,803</u>	<u>\$ 142,197,864</u>	<u>\$ (33,061)</u>	<u>\$ 272,731,469</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SCHEDULE OF COMPLIANCE - AS 14.17.505
Year Ended June 30, 2016

Total fund balance - School Operating Fund	\$ 15,869,941
less exemptions per 4 ACC 09.160(a)	
Encumbrances	1,133,920
Home School allotment	393,338
Inventory	801,755
Prepaid Items	<u>1,262,500</u>
Total exemptions	3,591,513
 Fund balance subject to 10% limitation	 <u><u>\$ 12,278,428</u></u>

Nonexempt fund balance as a percentage of current year expenditures:

Fund balance subject to limitation		12,278,428		=		=	
Current year expenditures	=	140,997,864	=			=	<u>8.71%</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SCHEDULE OF COMPLIANCE - AS 14.17.520
For the Year Ended June 30, 2016

Instruction:

Regular Instruction	\$ 64,270,148	
Special Education Instruction	20,210,405	
Special Education Support Services - Student	5,523,880	
Support Services - Student	4,593,706	
Support Services - Instruction	3,309,975	
School Administration	<u>6,318,127</u>	
Total Instruction	<u>104,226,241</u>	73.92%

Non-Instruction:

School Administration Support Services	5,625,356	
District Administration	1,266,201	
District Administration Support Services	6,144,561	
Operations and Maintenance of Plant	21,736,957	
Student Activities	<u>1,998,548</u>	
Total Non-Instruction	<u>36,771,623</u>	26.08%
Total Expenditures	<u>140,997,864</u>	

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
BALANCE SHEET - MAJOR FUND - EQUIPMENT
June 30, 2016

With Comparative Totals as of June 30, 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Equity in Central Treasury	\$ 3,808,649	\$ 3,886,408
Total Assets	<u>\$ 3,808,649</u>	<u>\$ 3,886,408</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ -	\$ -
Due to General Fund	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
Assigned	<u>3,808,649</u>	<u>3,886,408</u>
Total Fund Balance:	<u>3,808,649</u>	<u>3,886,408</u>
Total Liabilities and Fund Balances	<u>\$ 3,808,649</u>	<u>\$ 3,886,408</u>

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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				2015
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	Actual
Revenues:					
Earnings on Investments	\$ 75,000	\$ 75,000	\$ 182,892	\$ 107,892	\$ 95,170
Expenditures					
Instruction:					
Supplies, Materials, and Media	-	17,374	21,923	(4,549)	2,952
Equipment	3,834,153	3,861,219	24,816	3,836,403	300,417
Total Instruction	3,834,153	3,878,593	46,739	3,831,854	303,369
School Administration:					
Supplies, Materials, and Media	-	-	(298)	298	-
Equipment	-	590	1,887	(1,297)	9,889
Total School Administration	-	590	1,589	(999)	9,889
Operations and Maintenance of Plant:					
Supplies, Materials, and Media	-	3,228	37,840	(34,612)	90
Equipment	-	3,997	174,483	(170,486)	436,888
Total Operations and Maintenance of Plant	-	7,225	212,323	(205,098)	436,978
Total Expenditures	3,834,153	3,886,408	260,651	3,625,757	750,236
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,759,153)	\$ (3,811,408)	(77,759)	\$ (3,517,865)	(655,066)
Fund Balance, Beginning of Year			3,886,408		4,541,474
Fund Balance, End of Year			\$ 3,808,649		\$ 3,886,408

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
BALANCE SHEET - MAJOR FUND - TITLE I
June 30, 2016

With Comparative Totals as of June 30, 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Assets:		
Due from other Governments	\$ 1,094,502	\$ 914,640
Total Assets	<u>\$ 1,094,502</u>	<u>\$ 914,640</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 597	\$ 383
Due to General Fund	<u>1,093,905</u>	<u>914,257</u>
Total Liabilities	<u>1,094,502</u>	<u>914,640</u>
Fund Balance:	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 1,094,502</u>	<u>\$ 914,640</u>

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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				2015
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	Actual
Revenues:					
Federal-Through the State	\$ 3,735,431	\$ 3,679,177	\$ 2,956,948	\$ (722,229)	\$ 2,566,708
Expenditures:					
Instruction					
Certificated Salaries	1,764,013	1,721,726	1,454,125	267,601	1,266,921
Non-Certificated Salaries	248,875	266,611	227,187	39,424	211,578
Employee Benefits	784,224	785,635	734,306	51,329	610,231
Professional and Technical Service	163,100	160,035	152,544	7,491	128,860
Staff Travel	195,390	211,459	133,951	77,508	178,377
Student Travel	7,000	11,534	11,034	500	1,443
Utility Services	6,000	9,569	3,891	5,678	3,465
Other Purchased Services	58,440	16,242	9,965	6,277	13,466
Supplies, Materials, and Media	164,842	203,959	110,425	93,534	60,514
Other Expenses	211,077	152,278	13,495	138,783	19,248
Equipment	28,000	38,900	29,193	9,707	419
Total Regular Instruction	3,630,961	3,577,948	2,880,116	697,832	2,494,522
District Administration Support Services					
Indirect Costs	104,470	101,229	76,832	24,397	72,186
Total Expenditures	3,735,431	3,679,177	2,956,948	722,229	2,566,708
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

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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
Artist in Schools
Association of Alaska School Boards
Broadband Assistance
Building Trades
Carl Perkins – Basic
Community Theater
Corporate and Miscellaneous Grants
Digital Teaching
Distance Learning and Telemedicine
Food Service
Food Service – FFVP
Food Service – Nutritional Alaskan Foods
Food Service – NSLP Equipment

Fourth R Training
Gear Up Kenai Peninsula
Governor's Alternative Schools
Legislative Equipment Fund
McKinney – Vento Homeless
Mentor Project
Migrant Education
Project Aware
Staff Development Mini - Grants
Student Transportation
Title I-D, Delinquent
Title VI-B, IDEA
Title VII, Indian Education
Upward Bound
Youth in Detention

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.

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

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

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

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

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

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

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

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

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

Fourth R Training program is designed to reduce violence and risk behaviors. It focuses on healthy relationships and decision making relevant to adolescents.

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.

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.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2016
With Comparative Totals as of June 30, 2015

	Alaska Works CEF	Association AK School Boards	Broadband Assistance	Building Trades
ASSETS				
Equity in Central Treasury	\$ -	\$ 2,397	\$ 520	\$ -
Accounts receivable	-	-	-	-
Due from other Governments	37,878	-	-	-
Inventory	-	-	-	60,618
Total Assets	<u>\$ 37,878</u>	<u>\$ 2,397</u>	<u>\$ 520</u>	<u>\$ 60,618</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ 520	\$ -
Due to General Fund	37,878	-	-	44,976
Total Liabilities	<u>37,878</u>	<u>-</u>	<u>520</u>	<u>44,976</u>
Fund Balances:				
Nonspendable	-	-	-	60,618
Assigned	-	2,397	-	-
Unassigned	-	-	-	(44,976)
Total Fund Balances	<u>-</u>	<u>2,397</u>	<u>-</u>	<u>15,642</u>
Total Liabilities and Fund Balances	<u>\$ 37,878</u>	<u>\$ 2,397</u>	<u>\$ 520</u>	<u>\$ 60,618</u>

Continued

	Carl Perkins Basic	Community Theater	Corporate & Miscellaneous Grants	Digital Teaching
ASSETS				
Equity in Central Treasury	\$ -	\$ 42,318	\$ 21,562	.
Accounts receivable	-	6,020	-	-
Due from other Governments	90,381	-	-	96,637
Inventory	-	-	-	-
Total Assets	<u>\$ 90,381</u>	<u>\$ 48,338</u>	<u>\$ 21,562</u>	<u>\$ 96,637</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ 106	\$ -	\$ -
Due to General Fund	90,381	-	-	96,637
Total Liabilities	<u>90,381</u>	<u>106</u>	<u>-</u>	<u>96,637</u>
Fund Balances:				
Nonspendable	-	-	-	-
Assigned	-	48,232	21,562	-
Unassigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>48,232</u>	<u>21,562</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 90,381</u>	<u>\$ 48,338</u>	<u>\$ 21,562</u>	<u>\$ 96,637</u>

Continued

	Distance Learning & Telemedicine	Food Service	Gear - Up Kenai	Governor's Alt. Schools
ASSETS				
Equity in Central Treasury	.	\$ 409,137	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other Governments	170,397	162,346	59,043	10,606
Inventory	-	173,209	-	-
Total Assets	<u>\$ 170,397</u>	<u>\$ 744,692</u>	<u>\$ 59,043</u>	<u>\$ 10,606</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ 47,454	\$ -	\$ -
Due to General Fund	170,397	-	59,043	10,606
Total Liabilities	<u>170,397</u>	<u>47,454</u>	<u>59,043</u>	<u>10,606</u>
Fund Balances:				
Nonspendable	-	173,209	-	-
Assigned	-	524,029	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>697,238</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 170,397</u>	<u>\$ 744,692</u>	<u>\$ 59,043</u>	<u>\$ 10,606</u>

Continued

	Legislative Equipment	McKinney-Vento Homeless	Mentor Project	Migrant Education
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other Governments	211,735	1,059	78,372	5,269
Inventory	-	-	-	-
Total Assets	<u>\$ 211,735</u>	<u>\$ 1,059</u>	<u>\$ 78,372</u>	<u>\$ 5,269</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to General Fund	211,735	1,059	78,372	5,269
Total Liabilities	<u>211,735</u>	<u>1,059</u>	<u>78,372</u>	<u>5,269</u>
Fund Balances:				
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 211,735</u>	<u>\$ 1,059</u>	<u>\$ 78,372</u>	<u>\$ 5,269</u>

Continued

	Project Aware	Staff Development Mini-Grants	Student Transportaion	Title I-D Delinquent
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ 1,194,365	\$ -
Accounts receivable	-	-	-	-
Due from other Governments	118,644	9,738	-	5,120
Inventory	-	-	-	-
Total Assets	<u>\$ 118,644</u>	<u>\$ 9,738</u>	<u>\$ 1,194,365</u>	<u>\$ 5,120</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ 30,576	\$ 328
Due to General Fund	118,644	9,738	-	4,792
Total Liabilities	<u>118,644</u>	<u>9,738</u>	<u>30,576</u>	<u>5,120</u>
Fund Balances:				
Nonspendable	-	-	-	-
Assigned	-	-	1,163,789	-
Unassigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>1,163,789</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 118,644</u>	<u>\$ 9,738</u>	<u>\$ 1,194,365</u>	<u>\$ 5,120</u>

Concluded

	Title VI-B IDEA	Title VII Indian Education	Upward Bound	Total June 30, 2016	Total June 30, 2015
ASSETS					
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ 1,670,299	\$ 1,488,444
Accounts receivable	-	-	-	6,020	2,435
Due from other Governments	617,979	226,535	18,219	1,919,958	1,984,550
Inventory	-	-	-	233,827	271,235
Total Assets	<u>\$ 617,979</u>	<u>\$ 226,535</u>	<u>\$ 18,219</u>	<u>\$ 3,830,104</u>	<u>\$ 3,746,664</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ 78,984	\$ 1,599
Due to General Fund	617,979	226,535	18,219	1,802,260	2,015,818
Total Liabilities	<u>617,979</u>	<u>226,535</u>	<u>18,219</u>	<u>1,881,244</u>	<u>2,017,417</u>
Fund Balances:					
Nonspendable	-	-	-	233,827	271,235
Assigned	-	-	-	1,760,009	1,502,988
Unassigned	-	-	-	(44,976)	(44,976)
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,948,860</u>	<u>1,729,247</u>
Total Liabilities and Fund Balances	<u>\$ 617,979</u>	<u>\$ 226,535</u>	<u>\$ 18,219</u>	<u>\$ 3,830,104</u>	<u>\$ 3,746,664</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016
 With Comparative Totals for the Year Ended June 30, 2015

	Alaska Works CEF	Artist in Schools	Association AK School Boards	Broadband Assistance
Revenues:				
State	\$ -	\$ 500	\$ -	\$ 23,421
Federal-Direct	-	-	-	-
Federal-Through the State	-	500	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	114,667	1,810	-	-
Total Revenues	114,667	2,810	-	23,421
Expenditures:				
Current:				
Instruction	110,527	2,810	8,083	-
Special Education - Instruction	-	-	-	-
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
School Administration	-	-	-	-
School Administration Support Services	-	-	-	23,421
Operations and Maintenance of Plant	-	-	-	-
Student Activities	-	-	-	-
Community Services	-	-	-	-
District Administration Support Services	4,140	-	-	-
Student Transportation	-	-	-	-
Food Services	-	-	-	-
Total Expenditures	114,667	2,810	8,083	23,421
Excess (Deficiency) of Revenues over Expenditures	-	-	(8,083)	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes In Fund Balances	-	-	(8,083)	-
Fund Balances, Beginning of Year	-	-	10,479	-
Fund Balances, End of Year	\$ -	\$ -	\$ 2,396	\$ -

Continued

	Building Trades	Carl Perkins - Basic	Community Theater	Corporate & Miscellaneous Grants
Revenues:				
State	\$ -	\$ -	\$ -	\$ -
Federal-Direct	-	-	-	-
Federal-Through the State	-	217,131	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	37,585	64,009
Other Local	-	-	-	-
Total Revenues	-	217,131	37,585	64,009
Expenditures:				
Current:				
Instruction	-	210,762	-	42,276
Special Education - Instruction	-	-	-	-
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
School Administration	-	-	-	-
School Administration Support Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	322
Student Activities	-	-	-	19,260
Community Services	-	-	39,961	-
District Administration Support Services	-	6,369	-	-
Student Transportation	-	-	-	-
Food Services	-	-	-	-
Total Expenditures	-	217,131	39,961	61,858
Excess (Deficiency) of Revenues over Expenditures	-	-	(2,376)	2,151
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes In Fund Balances	-	-	(2,376)	2,151
Fund Balances, Beginning of Year	15,642	-	50,608	19,411
Fund Balances, End of Year	\$ 15,642	\$ -	\$ 48,232	\$ 21,562

Continued

	Digital Teaching	Distance Learning & Telemedicine	Food Service	Food Service FFVP
Revenues:				
State	\$ 200,443	\$ -	\$ -	\$ -
Federal-Direct	-	170,397	-	-
Federal-Through the State	-	-	2,318,833	95,585
Food sales	-	-	648,542	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	3,368	-
Total Revenues	200,443	170,397	2,970,743	95,585
Expenditures:				
Current:				
Instruction	193,212	170,397	-	-
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	7,231	-	-	-
Student Transportation	-	-	-	-
Food Services	-	-	4,125,637	95,585
Total Expenditures	200,443	170,397	4,125,637	95,585
Excess (Deficiency) of Revenues over Expenditures	-	-	(1,154,894)	-
Other Financing Sources (Uses):				
Transfers in	-	-	1,200,000	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	-	-	1,200,000	-
Net Changes In Fund Balances	-	-	45,106	-
Fund Balances, Beginning of Year	-	-	422,316	-
Fund Balances, End of Year	\$ -	\$ -	\$ 467,422	\$ -

Continued

	Food Service Nutritional Alaskan Foods	Food Service NSLP Equipment	Fourth R Training	Gear Up Kenai Peninsula
Revenues:				
State	\$ 58,118	\$ -	\$ -	\$ -
Federal-Direct	-	-	-	120,315
Federal-Through the State	-	4,900	6,600	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	-	-
Total Revenues	58,118	4,900	6,600	120,315
Expenditures:				
Current:				
Instruction	-	-	6,600	115,854
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	-	-	-	4,461
Student Transportation	-	-	-	-
Food Services	-	4,900	-	-
Total Expenditures	-	4,900	6,600	120,315
Excess (Deficiency) of Revenues over Expenditures	58,118	-	-	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes In Fund Balances	58,118	-	-	-
Fund Balances, Beginning of Year	171,699	-	-	-
Fund Balances, End of Year	\$ 229,817	\$ -	\$ -	\$ -

Continued

	Governor's Alternative Schools	Legislative Equipment	McKinney - Vento Homeless	Mentor Project
Revenues:				
State	\$ 18,535	\$ 383,128	\$ -	\$ -
Federal-Direct	-	-	-	-
Federal-Through the State	-	-	14,381	203,457
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	-	-
Total Revenues	18,535	383,128	14,381	203,457
Expenditures:				
Current:				
Instruction	18,535	110,843	13,848	195,914
Special Education - Instruction	-	-	-	-
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
School Administration	-	-	-	-
School Administration Support Services	-	-	-	-
Operations and Maintenance of Plant	-	272,285	-	-
Student Activities	-	-	-	-
Community Services	-	-	-	-
District Administration Support Services	-	-	533	7,543
Student Transportation	-	-	-	-
Food Services	-	-	-	-
Total Expenditures	18,535	383,128	14,381	203,457
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes In Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -

Continued

	Migrant Education	Project Aware	Staff Development Mini-Grants	Student Transportation
Revenues:				
State	\$ -	\$ -	\$ 3,288	\$ 8,150,227
Federal-Direct	-	-	-	-
Federal-Through the State	9,578	291,418	19,931	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	-	-
Total Revenues	9,578	291,418	23,219	8,150,227
Expenditures:				
Current:				
Instruction	9,578	-	23,219	-
Special Education - Instruction	-	-	-	-
Support Services - Students	-	236,228	-	-
Support Services - Instruction	-	45,356	-	-
School Administration	-	-	-	-
School Administration Support Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Activities	-	-	-	30,616
Community Services	-	-	-	-
District Administration Support Services	-	9,834	-	-
Student Transportation	-	-	-	7,994,914
Food Services	-	-	-	-
Total Expenditures	9,578	291,418	23,219	8,025,530
Excess (Deficiency) of Revenues over Expenditures	-	-	-	124,697
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Changes In Fund Balances	-	-	-	124,697
Fund Balances, Beginning of Year	-	-	-	1,039,092
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ 1,163,789

Continued

	Title I-D Delinquent	Title VI-B IDEA	Title VII Indian Education	Upward Bound
Revenues:				
State	\$ -	\$ -	\$ -	\$ -
Federal-Direct	-	-	432,543	-
Federal-Through the State	15,846	2,354,094	-	25,937
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other Local	-	-	-	-
Total Revenues	15,846	2,354,094	432,543	25,937
Expenditures:				
Current:				
Instruction	15,538	-	416,508	25,937
Special Education - Instruction	-	2,266,966	-	-
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	308	87,128	16,035	-
Student Transportation	-	-	-	-
Food Services	-	-	-	-
Total Expenditures	15,846	2,354,094	432,543	25,937
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	\$ -	\$ -	\$ -	\$ -

Concluded

	Youth In Detention	Total June 30, 2016	Total June 30, 2015
Revenues:			
State	\$ 69,143	\$ 8,906,803	\$ 9,822,601
Federal-Direct	-	723,255	514,450
Federal-Through the State	-	5,578,191	5,473,407
Food sales	-	648,542	637,595
Corporate grants and user fees	-	101,594	89,114
Other Local	-	119,845	190,143
Total Revenues	69,143	16,078,230	16,727,310
Expenditures:			
Current:			
Instruction	66,580	1,757,021	1,761,468
Special Education - Instruction	-	2,266,966	2,263,973
Support Services - Students	-	236,228	20,639
Support Services - Instruction	-	45,356	48,565
School Administration	-	-	850,601
School Administration Support Services	-	23,421	42,050
Operations and Maintenance of Plant	-	272,607	144,949
Student Activities	-	49,876	60,967
Community Services	-	39,961	38,992
District Administration Support Services	2,563	146,145	210,847
Student Transportation	-	7,994,914	7,908,357
Food Services	-	4,226,122	4,450,480
Total Expenditures	69,143	17,058,617	17,801,888
Excess (Deficiency) of Revenues over Expenditures	-	(980,387)	(1,074,578)
Other Financing Sources (Uses):			
Transfers in	-	1,200,000	1,300,000
Transfers Out	-	-	-
Total Other Financing Sources (Uses):	-	1,200,000	1,300,000
Net Changes In Fund Balances	-	219,613	225,422
Fund Balances, Beginning of Year	-	1,729,247	1,503,825
Fund Balances, End of Year	\$ -	\$ 1,948,860	\$ 1,729,247

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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
Other Local	\$ 120,000	\$ 120,000	\$ 114,667	\$ (5,333)	\$ 184,415
Expenditures:					
Instruction					
Certificated Salaries	32,500	18,500	18,500	-	24,025
Non-Certificated Salaries	1,625	6,625	5,000	1,625	5,600
Employee Benefits	4,678	3,098	2,928	170	3,758
Professional and Technical Services	-	16,000	16,000	-	10,095
Staff Travel	1,000	1,000	-	1,000	1,628
Other Purchased Services	-	2,500	2,040	460	2,970
Supplies, Materials, and Media	72,960	64,403	63,061	1,342	78,222
Equipment	2,896	3,557	2,998	559	1,613
Total Instruction	115,659	115,683	110,527	5,156	127,911
Expenditures:					
Support Services - Instruction					
Non-Certificated Salaries	-	-	-	-	26,487
Employee Benefits	-	-	-	-	22,004
Staff Travel	-	-	-	-	74
Total Support Services - Instruction	-	-	-	-	48,565
District Administration Support Services					
Indirect Costs	4,341	4,317	4,140	177	7,939
Total Expenditures	120,000	120,000	114,667	5,333	184,415
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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
State	\$ -	\$ 500	\$ 500	\$ -	\$ 700
Federal - Through the State	-	500	500	-	765
Other Local	984	1,810	1,810	-	4,043
Total Revenues	984	2,810	2,810	-	5,508
Expenditures:					
Instruction					
Certificated Salaries	-	140	140	-	-
Employee Benefits	-	11	11	-	-
Professional and Technical Services	984	2,000	2,000	-	4,300
Supplies, Materials, and Media	-	659	659	-	1,208
Total Expenditures	984	2,810	2,810	-	5,508
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
Federal - Through the State	\$ -	\$ -	\$ -	\$ -	\$ 21,600
Expenditures:					
Instruction					
Certificated Salaries	-	-	-	-	3,510
Non-Certificated Salaries	-	-	-	-	1,755
Employee Benefits	-	-	-	-	600
Supplies, Materials, and Media	10,479	4,603	2,268	2,335	-
Equipment	-	5,876	5,815	61	5,256
Total Expenditures	10,479	10,479	8,083	2,396	11,121
Excess (Deficiency) of Revenues Over Expenditures	\$ (10,479)	\$ (10,479)	(8,083)	\$ -	10,479
Fund Balance, Beginning of Year			10,479		-
Fund Balance, End of Year			\$ 2,396		\$ 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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016			
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)
Revenues:				
State	\$ 23,421	\$ 23,421	\$ 23,421	\$ -
Expenditures:				
School Administration Support Services				
Utility Services	23,421	23,421	23,421	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -
Fund Balance, Beginning of Year			-	-
Fund Balance, End of Year			\$ -	\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
BUILDING TRADES
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016			
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)
Revenue:	\$ -	\$ -	\$ -	\$ -
Expenditures:	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -
Fund Balance, Beginning of Year			15,642	15,642
Fund Balance, End of Year			\$ 15,642	\$ 15,642

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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
State	\$ -	\$ -	\$ -	\$ -	\$ 33,295
Expenditures:					
Instruction					
Professional and Technical Services	-	-	-	-	4,025
Supplies, Materials, and Media	-	-	-	-	1,851
Equipment	-	-	-	-	27,419
Total Expenditures	-	-	-	-	33,295
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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
Federal - Through the State	\$ 199,816	\$ 252,388	\$ 217,131	\$ (35,257)	\$ 231,982
Expenditures:					
Instruction					
Certificated Salaries	66,750	45,810	42,227	3,583	70,426
Non-Certificated Salaries	14,570	17,706	16,366	1,340	20,178
Employee Benefits	21,712	16,907	16,425	482	18,843
Professional and Technical Services	9,000	17,700	17,700	-	8,998
Staff Travel	27,100	26,985	17,540	9,445	25,739
Student Travel	4,000	7,014	2,718	4,296	4,436
Other Purchased Services	7,457	7,279	3,496	3,783	5,964
Supplies, Materials, and Media	23,231	51,523	48,961	2,562	44,944
Other Expenses	205	205	-	205	125
Equipment	19,091	53,901	45,329	8,572	11,519
Total Instruction	193,116	245,030	210,762	34,268	211,172
District Administration Support Services					
Indirect Costs	6,700	7,358	6,369	989	9,064
Total Expenditures	199,816	252,388	217,131	35,257	220,236
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
COMMUNITY THEATER
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
Corporate Grants and User Fees	\$ 35,000	\$ 35,000	\$ 37,585	\$ 2,585	\$ 31,685
Expenditures:					
Community Services:					
Non-Certificated Salaries	32,500	32,500	26,933	5,567	23,272
Employee Benefits	8,500	8,500	7,416	1,084	6,382
Staff Travel	2,000	2,000	1,798	202	2,103
Utility Services	1,000	1,000	-	1,000	-
Other Purchased Services	-	-	789	(789)	2,292
Supplies, Materials, and Media	2,500	2,500	3,025	(525)	4,943
Total Expenditures	46,500	46,500	39,961	6,539	38,992
Excess (Deficiency) of Revenue over Expenditures	(11,500)	(11,500)	(2,376)	9,124	(7,307)
Other Financing Sources:					
Transfers In	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			50,608		57,915
Fund Balance, End of Year			\$ 48,232		\$ 50,608

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, 2016
 With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
State	\$ -	\$ -	\$ -	\$ -	\$ 49,528
Expenditures:					
Instruction					
Certificated Salaries	-	-	-	-	338
Employee Benefits	-	-	-	-	48
Professional and Technical Services	-	-	-	-	30,749
Staff Travel	-	-	-	-	1,491
Student Travel	-	-	-	-	2,450
Other Purchased Services	-	-	-	-	5,932
Supplies, Materials, and Media	-	-	-	-	6,369
Total Instruction	-	-	-	-	47,377
District Administration Support Services					
Indirect Costs	-	-	-	-	2,151
Total Expenditures	-	-	-	-	49,528
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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
Corporate Grants and User Fees	<u>1,000</u>	<u>64,009</u>	<u>64,009</u>	<u>-</u>	<u>57,429</u>
Expenditures:					
Instruction:					
Certificated Salaries	-	70	70	-	-
Non-Certificated Salaries	-	-	1,756	(1,756)	846
Employee Benefits	-	5	140	(135)	65
Professional and Technical Service	-	750	750	-	4,400
Student Travel	-	16,879	8,211	8,668	4,136
Other Purchased Services	-	1,024	1,024	-	-
Supplies, Materials, and Media	1,000	11,987	9,222	2,765	10,589
Equipment	-	23,400	21,103	2,297	18,209
Total Instruction	<u>1,000</u>	<u>54,115</u>	<u>42,276</u>	<u>11,839</u>	<u>38,245</u>
Special Education - Instruction:					
Supplies, Materials, and Media	-	500	-	500	-
Special Education Support Services - Student					
Supplies, Materials, and Media	-	500	-	500	-
Operations and Maintenance of Plant:					
Other Purchased Services	-	-	-	-	-
Supplies, Materials, and Media	-	2,869	322	2,547	13,135
Equipment	-	427	-	427	1,968
Total Operations and Maintenance of Plant	<u>-</u>	<u>3,296</u>	<u>322</u>	<u>2,974</u>	<u>15,103</u>
Student Activities:					
Non-Certificated Salaries	-	393	797	(404)	234
Employee Benefits	-	-	61	(61)	18
Professional and Technical Service	-	346	-	346	-
Student Travel	-	9,447	6,213	3,234	3,148
Other Purchased Services	-	1,820	1,820	-	4,020
Supplies, Materials, and Media	-	12,623	10,239	2,384	9,047
Other Expenses	-	-	-	-	500
Equipment	-	380	130	250	9,540
Total Student Activities	<u>-</u>	<u>25,009</u>	<u>19,260</u>	<u>5,749</u>	<u>26,507</u>
Total Expenditures	<u>1,000</u>	<u>83,420</u>	<u>61,858</u>	<u>21,562</u>	<u>79,855</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ (19,411)</u>	<u>2,151</u>	<u>\$ 21,562</u>	<u>(22,426)</u>
Fund Balance, Beginning of Year			<u>19,411</u>		<u>41,837</u>
Fund Balance, End of Year			<u>\$ 21,562</u>		<u>\$ 19,411</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
DIGITAL TEACHING
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
State	\$ 210,138	\$ 252,117	\$ 200,443	\$ (51,674)	\$ 313,963
Expenditures:					
Instruction					
Certificated Salaries	93,594	90,094	56,692	33,402	37,019
Non-Certificated Salaries	-	3,500	3,270	230	3,630
Employee Benefits	16,492	16,814	12,671	4,143	9,545
Staff Travel	52,478	58,381	48,085	10,296	59,016
Other Purchased Services	2,450	9,300	9,154	146	40,561
Supplies, Materials, and Media	37,334	59,435	57,939	1,496	111,317
Equipment	-	5,448	5,401	47	41,022
Total Instruction	202,348	242,972	193,212	49,760	302,110
District Administration Support Services					
Indirect Costs	7,790	9,145	7,231	1,914	11,853
Total Expenditures	210,138	252,117	200,443	51,674	313,963
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
DISTANCE LEARNING AND TELEMEDICINE
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
Federal	\$ 354,647	\$ 354,647	\$ 170,397	\$ (184,250)	\$ -
Expenditures:					
Instruction					
Other Purchased Services	34,533	34,533	-	34,533	-
Supplies, Materials, and Media	172,428	172,428	57,267	115,161	-
Equipment	147,686	147,686	113,130	34,556	-
Total Expenditures	354,647	354,647	170,397	184,250	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

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, 2016
 With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
State	\$ -	\$ -	\$ -	\$ -	\$ 20,639
Expenditures:					
Support Services - Student Supplies, Materials, and Media	-	-	-	-	20,639
Total Expenditures	-	-	-	-	20,639
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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
Federal-Through the State	\$ 2,450,000	\$ 2,450,000	\$ 2,198,626	\$ (251,374)	\$ 2,212,464
Food Sales	750,000	750,000	648,542	(101,458)	637,595
Commodities	140,000	140,000	120,207	(19,793)	141,450
Other Local Revenues	-	-	3,368	3,368	1,685
Total Revenues	<u>3,340,000</u>	<u>3,340,000</u>	<u>2,970,743</u>	<u>(369,257)</u>	<u>2,993,194</u>
Expenditures:					
Food Services					
Non-Certificated Salaries	1,548,430	1,548,430	1,536,174	12,256	1,550,949
Employee Benefits	1,228,821	1,228,821	1,152,720	76,101	1,086,113
Professional and Technical Services	-	-	-	-	2,120
Staff Travel	20,000	20,000	11,010	8,990	20,731
Utility Services	2,500	2,500	2,018	482	2,486
Other Purchased Services	44,700	44,700	45,829	(1,129)	45,443
Supplies, Materials, and Media	1,543,713	1,539,306	1,368,912	170,394	1,552,015
Other Expenses	4,950	4,950	4,259	691	4,732
Equipment	-	4,717	4,715	2	12,927
Total Expenditures	<u>4,393,114</u>	<u>4,393,424</u>	<u>4,125,637</u>	<u>267,787</u>	<u>4,277,516</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(1,053,114)</u>	<u>(1,053,424)</u>	<u>(1,154,894)</u>	<u>(101,470)</u>	<u>(1,284,322)</u>
Other Financing Sources:					
Transfers In	\$ <u>1,300,000</u>	\$ <u>1,300,000</u>	1,200,000	\$ <u>(100,000)</u>	1,300,000
Fund Balance, Beginning of Year			<u>422,316</u>		<u>406,638</u>
Fund Balance, End of Year			<u>\$ 467,422</u>		<u>\$ 422,316</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
FOOD SERVICE - FRESH FRUIT & VEGETABLE PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016			
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)
Revenues:				
Federal-Through the State	\$ 19,192	\$ 106,620	\$ 95,585	\$ (11,035)
Expenditures:				
Food Service				
Non-Certificated Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Supplies, Materials, and Media	19,192	106,620	95,585	11,035
Total Expenditures	19,192	106,620	95,585	11,035
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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
State	\$ -	\$ 58,118	\$ 58,118	\$ -	\$ 98,579
Expenditures:					
Food Service					
Supplies, Materials, and Media	171,699	229,817	-	229,817	18,980
Total Expenditures	171,699	229,817	-	229,817	18,980
Excess (Deficiency) of Revenues Over Expenditures	\$ (171,699)	\$ (171,699)	58,118	\$ 229,817	79,599
Fund Balance, Beginning of Year			171,699		92,100
Fund Balance, End of Year			\$ 229,817		\$ 171,699

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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
Federal-Through the State	\$ 5,000	\$ 5,000	\$ 4,900	\$ (100)	\$ 20,000
Expenditures:					
Food Service					
Supplies, Materials, and Media	-	-	-	-	994
Equipment	5,000	5,000	4,900	100	19,006
Total Expenditures	5,000	5,000	4,900	100	20,000
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
FOURTH R TRAINING
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
Federal-Through the State	\$ 6,600	\$ 6,600	\$ 6,600	\$ -	\$ -
Expenditures:					
Support Services - Instruction					
Certificated Salaries	4,800	3,117	3,116	1	-
Non-Certificated Salaries	-	132	132	-	-
Employee Benefits	582	448	449	(1)	
Staff Travel	900	1,174	1,173	1	
Supplies	73	1,729	1,730	(1)	-
Total Instruction	6,355	6,600	6,600	-	-
District Administration Support Services					
Indirect Costs	245	-	-	-	-
Total Expenditures	6,600	6,600	6,600	-	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GEAR UP KENAI PENINSULA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
Federal-Direct	\$ 173,067	\$ 173,067	\$ 120,315	\$ (52,752)	\$ 125,578
Expenditures:					
Instruction					
Professional and Technical Service	166,404	166,404	115,854	50,550	120,124
District Administration Support Services					
Indirect Costs	6,663	6,663	4,461	2,202	5,454
Total Expenditures	173,067	173,067	120,315	52,752	125,578
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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016			
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)
Revenues:				
State	\$ 20,000	\$ 19,188	\$ 18,535	\$ (653)
Expenditures:				
Instruction:				
Non-Certificated Salaries	-	449	448	1
Employee Benefits	-	34	34	-
Staff Travel	-	1,106	1,106	-
Student Travel	-	799	325	474
Supplies, Materials, and Media	-	16,800	16,622	178
Other Expenses	20,000	-	-	-
Total Instruction	20,000	19,188	18,535	653
Total Expenditures	20,000	19,188	18,535	653
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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
State	\$ 383,129	\$ 383,129	\$ 383,128	\$ (1)	\$ 176,872
Expenditures:					
Instruction:					
Supplies, Materials, and Media	225	50,898	50,896	2	16,391
Equipment	-	59,947	59,947	-	29,684
Total Instruction	225	110,845	110,843	2	46,075
School Administration Support Services					
Equipment	-	-	-	-	951
Operations and Maintenance of Plant:					
Other Purchased Services	-	-	-	-	3,200
Supplies, Materials, and Media	-	28,689	28,690	(1)	28,438
Equipment	382,904	243,595	243,595	-	98,208
Total Operations and Maintenance of Plant	382,904	272,284	272,285	(1)	129,846
Total Expenditures	383,129	383,129	383,128	1	176,872
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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016			
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)
Revenues:				
Federal-Through the State	\$ 14,290	\$ 14,381	\$ 14,381	\$ -
Expenditures:				
Instruction				
Staff Travel	5,000	2,550	2,550	-
Student Travel	3,000	2,214	2,214	-
Other Purchased Services	500	1,435	1,435	-
Supplies, Materials, and Media	5,260	7,649	7,649	-
Total Instruction	13,760	13,848	13,848	-
District Administration Support Services				
Indirect Costs	530	533	533	-
Total Expenditures	14,290	14,381	14,381	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -
Fund Balance, Beginning of Year			-	-
Fund Balance, End of Year			\$ -	\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MENTOR PROJECT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
Federal-Through the State	<u>\$ 98,457</u>	<u>\$ 205,613</u>	<u>\$ 203,457</u>	<u>\$ (2,156)</u>	<u>\$ 296,279</u>
Expenditures:					
Instruction					
Certificated Salaries	28,166	139,261	139,261	-	199,328
Employee Benefits	11,885	48,556	48,472	84	68,904
Staff Travel	49,139	9,511	7,736	1,775	15,395
Utility Services	23	50	9	41	27
Supplies, Materials and Media	5,443	612	436	176	865
Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>379</u>
Total Instruction	<u>94,656</u>	<u>197,990</u>	<u>195,914</u>	<u>2,076</u>	<u>284,898</u>
District Administration Support Services					
Indirect Costs	<u>3,801</u>	<u>7,623</u>	<u>7,543</u>	<u>80</u>	<u>11,381</u>
Total Expenditures	<u>98,457</u>	<u>205,613</u>	<u>203,457</u>	<u>2,156</u>	<u>296,279</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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016			
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)
Revenues:				
Federal-Through the State	\$ 11,090	\$ 11,090	\$ 9,578	\$ (1,512)
Expenditures:				
Instruction				
Certificated Salaries	-	600	-	600
Non-Certificated Salaries	-	600	480	120
Employee Benefits	-	64	37	27
Staff Travel	5,000	3,736	2,980	756
Supplies, Materials, and Media	6,090	6,090	6,081	9
Total Expenditures	11,090	11,090	9,578	1,512
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, 2016
 With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
State	\$ -	\$ -	\$ -	\$ -	\$ 909,512
Expenditures:					
School Administration					
Professional and Technical Services	-	-	-	-	632,505
Staff Travel	-	-	-	-	201,283
Utility Services	-	-	-	-	1,090
Other Purchases Services	-	-	-	-	5,329
Supplies, Materials, and Media	-	-	-	-	5,714
Other Expenses	-	-	-	-	4,680
Total School Administration	-	-	-	-	850,601
School Administration Support Services					
Non-Certificated Salaries	-	-	-	-	11,180
Employee Benefits	-	-	-	-	8,232
Total School Administration Support Services	-	-	-	-	19,412
District Administration Support Services					
Indirect Costs	-	-	-	-	39,499
Total Expenditures	-	-	-	-	909,512
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
PROJECT AWARE
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
Federal - Through the State	\$ 314,961	\$ 350,863	\$ 291,418	\$ (59,445)	\$ 6,114
Expenditures:					
Support Services - Student					
Certificated Salaries	-	156,398	173,371	(16,973)	-
Employee Benefits		33,929	62,407	(28,478)	-
Supplies, Materials, and Media	-	-	450	(450)	-
Total Support Services - Student	-	190,327	236,228	(45,901)	-
Support Services - Instruction					
Certificated Salaries	-	80,232	24,485	55,747	1,087
Non-Certificated Salaries	-	4,575	2,034	2,541	2,702
Employee Benefits	-	39,110	8,742	30,368	477
Staff Travel	-	7,035	1,418	5,617	1,572
Utility Services	-	-	-	-	10
Supplies, Materials, and Media	300,576	12,317	6,497	5,820	-
Other Expenses	-	1,550	-	1,550	-
Equipment	-	-	2,180	(2,180)	-
Total Support Services - Instruction	300,576	144,819	45,356	99,463	5,848
District Administration Support Services					
Indirect Costs	14,385	15,717	9,834	5,883	266
Total Expenditures	314,961	350,863	291,418	105,346	6,114
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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
State	\$ -	\$ 8,257	\$ 3,288	\$ (4,969)	\$ 26,076
Federal-Through the State	2,660	25,272	19,931	(5,341)	-
Total Revenues	2,660	33,529	23,219	(10,310)	26,076
Expenditures:					
Instruction					
Certificated Salaries	-	420	-	420	1,120
Non-Certificated Salaries	-	164	77	87	387
Employee Benefits	-	44	6	38	115
Staff Travel	4,926	32,901	23,136	9,765	24,454
Total Expenditures	4,926	33,529	23,219	10,310	26,076
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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenue:					
State	\$ 8,071,440	\$ 8,071,440	\$ 8,150,227	\$ 78,787	\$ 8,092,216
Expenditures:					
Student Activities					
Non-Certificated Salaries	3,000	3,000	16,816	(13,816)	4,638
Employee Benefits	230	230	6,946	(6,716)	352
Staff Travel	2,500	2,500	190	2,310	1,160
Utility Services	1,000	1,000	512	488	4,252
Other Purchased Services	1,300	1,300	2,510	(1,210)	7,433
Supplies, Materials, and Media	27,000	25,550	1,369	24,181	13,879
Other Expenses	1,500	1,500	823	677	2,746
Equipment	-	1,450	1,450	-	-
Total Student Activities	36,530	36,530	30,616	5,914	34,460
Student Transportation					
Non-Certificated Salaries	132,093	132,093	60,836	71,257	149,314
Employee Benefits	75,481	75,481	47,098	28,383	72,982
Staff Travel	9,500	9,500	894	8,606	6,625
Utility Services	1,100	1,100	468	632	532
Other Purchased Services	7,808,036	7,809,036	7,880,836	(71,800)	7,671,832
Supplies, Materials, and Media	7,400	6,400	4,750	1,650	6,435
Other Expenses	1,300	1,300	32	1,268	193
Equipment	-	-	-	-	444
Total Student Transportation	8,034,910	8,034,910	7,994,914	39,996	7,908,357
Total Expenditures	8,071,440	8,071,440	8,025,530	45,910	7,942,817
Excess (Deficiency) of Revenue over Expenditures	-	-	124,697	124,697	149,399
Fund Balance, Beginning of Year			1,039,092		889,693
Fund Balance, End of Year			\$ 1,163,789		\$ 1,039,092

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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
Federal-Through the State	\$ 19,149	\$ 19,149	\$ 15,846	\$ (3,303)	\$ 3,456
Expenditures:					
Instruction					
Certificated Salaries	2,500	1,600	1,175	425	-
Employee Benefits	350	224	164	60	-
Supplies, Materials, and Media	11,737	9,354	6,658	2,696	2,497
Equipment	4,000	7,541	7,541	-	846
Total Instruction	18,587	18,719	15,538	3,181	3,343
District Administration Support Services					
Indirect Costs	562	430	308	122	113
Total Expenditures	19,149	19,149	15,846	3,303	3,456
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
TITLE VI-B, IDEA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
Federal-Through the State	\$ 3,308,322	\$ 3,308,322	\$ 2,354,094	\$ (954,228)	\$ 2,366,561
Expenditures:					
Special Education - Instruction					
Certificated Salaries	338,138	482,947	405,988	76,959	354,605
Non-Certificated Salaries	988,253	1,155,883	842,218	313,665	911,124
Employee Benefits	904,925	1,195,544	881,224	314,320	837,000
Professional and Technical Services	-	137,000	12,236	124,764	33,366
Staff Travel	-	110,000	93,843	16,157	103,881
Other Purchased Services	-	10,000	6,384	3,616	3,155
Supplies, Materials, and Media	-	88,811	21,165	67,646	16,522
Other Expenses	991,101	-	-	-	-
Equipment	-	5,700	3,908	1,792	4,320
Total Special Education - Instruction	3,222,417	3,185,885	2,266,966	918,919	2,263,973
District Administration Support Services					
Indirect Costs	85,905	122,437	87,128	35,309	102,588
Total Expenditures	3,308,322	3,308,322	2,354,094	954,228	2,366,561
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
TITLE VII - INDIAN EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
Federal-Direct	\$ 446,670	\$ 446,670	\$ 432,543	\$ (14,127)	\$ 388,872
Expenditures:					
Instruction					
Certificated Salaries	99,093	78,187	74,605	3,582	100,162
Non-Certificated Salaries	129,640	74,874	74,909	(35)	97,677
Employee Benefits	108,876	89,134	85,872	3,262	96,510
Professional and Technical Services	76,961	173,500	168,232	5,268	54,847
Staff Travel	1,006	7,622	7,301	321	3,576
Student Travel	12,000	2,922	2,922	-	6,785
Utilities	-	325	325	-	-
Supplies, Materials, and Media	2,011	1,410	730	680	10,827
Other Expenses	-	1,613	1,612	1	1,600
Total Instruction	429,587	429,587	416,508	13,079	371,984
District Administration Support Services					
Indirect Costs	17,083	17,083	16,035	1,048	16,888
Total Expenditures	446,670	446,670	432,543	14,127	388,872
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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
Federal-Through the State	\$ 30,000	\$ 30,000	\$ 25,937	\$ (4,063)	\$ 24,406
Expenditures:					
Instruction					
Certificated Salaries	11,842	11,842	11,842	-	11,842
Non-Certificated Salaries	-	1,029	1,043	(14)	363
Employee Benefits	1,658	1,737	1,733	4	1,478
Student Travel	3,000	1,746	1,338	408	1,208
Supplies, Materials, and Media	2,700	2,846	2,411	435	3,594
Other Expenses	10,800	10,800	7,570	3,230	5,709
Equipment	-	-	-	-	212
Total Expenditures	30,000	30,000	25,937	4,063	24,406
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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
State	\$ 69,143	\$ 69,143	\$ 69,143	\$ -	\$ 69,143
Expenditures:					
Instruction:					
Certificated Salaries	49,520	49,904	49,905	(1)	50,882
Non-Certificated Salaries	-	-	-	-	985
Employee Benefits	16,620	16,675	16,675	-	14,273
Total Instruction	66,140	66,579	66,580	(1)	66,140
District Administration Support Services					
Indirect Costs	3,003	2,564	2,563	1	3,003
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, 2016
With Comparative Actual Totals for the Year Ended June 30, 2015

	2016				
	Original Budget	Current Budget	Actual	Variance- Positive (Negative)	2015 Actual
Revenues:					
State	\$ -	\$ -	\$ -	\$ -	\$ 9,750
Expenditures:					
Instruction					
Certificated Salaries	-	-	-	-	1,709
Employee Benefits	-	-	-	-	239
Utility Services	-	-	-	-	102
Supplies, Materials, and Media	-	-	-	-	7,700
Total Expenditures	-	-	-	-	9,750
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

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INTERNAL SERVICE FUNDS

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

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

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF NET POSITION
June 30, 2016

	Employee Compensated Leave Fund	Health Care Fund	Total Internal Service Funds
<u>ASSETS</u>			
Equity in Central Treasury	\$ 3,153,109	\$ 2,310,104	\$ 5,463,213
Equity in Central Treasury - Restricted for Healthcare	-	3,318,306	3,318,306
Total assets	<u>\$ 3,153,109</u>	<u>\$ 5,628,410</u>	<u>\$ 8,781,519</u>
<u>LIABILITIES</u>			
Current Liabilities			
Health Claims Payable (IBNR)	\$ -	\$ 4,338,094	\$ 4,338,094
Contributions Collected from Employees in Excess of Negotiated Agreement	-	578,048	578,048
Compensated Absences	35,874		35,874
Total Current Liabilities	35,874	4,916,142	4,952,016
Noncurrent Liabilities		-	
Compensated Absences, net of current portion	3,117,235	-	3,117,235
Total Liabilities	<u>\$ 3,153,109</u>	<u>\$ 4,916,142</u>	<u>\$ 8,069,251</u>
<u>NET POSITION</u>			
Net Position - Unrestricted	-	712,268	712,268
Total Net Position	<u>\$ -</u>	<u>\$ 712,268</u>	<u>\$ 712,268</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, 2016

	Employee Compensated Leave Fund	Health Care Fund	Total Internal Service Funds
Operating Revenues:			
Charges to Other Funds	\$ 2,387,854	\$ -	\$ 2,387,854
Employer Contributions	-	24,404,734	24,404,734
Employee Contributions, Net of adjustment per negotiated agreement.	-	4,293,823	4,293,823
Total Operating Revenues	<u>2,387,854</u>	<u>28,698,557</u>	<u>31,086,411</u>
Operating Expenses:			
Administrative services	2,387,854	-	2,387,854
Healthcare Claims and Administrative Fees	-	28,815,102	28,815,102
Total operating expenses	<u>2,387,854</u>	<u>28,815,102</u>	<u>31,202,956</u>
Operating income (loss)	<u>-</u>	<u>(116,545)</u>	<u>(116,545)</u>
Nonoperating Revenues - Interest Income	<u>-</u>	<u>43,016</u>	<u>43,016</u>
Decrease in net position	-	(73,529)	(73,529)
Total net position, beginning of year	<u>-</u>	<u>785,797</u>	<u>785,797</u>
Total net position, end of year	<u>\$ -</u>	<u>\$ 712,268</u>	<u>\$ 712,268</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2016

	Employee Compensated Leave Fund	Health Care Fund	Total Internal Service Funds
Cash flows from operating activities:			
Payments for interfund services provided	\$ 2,387,854	\$ -	\$ 2,387,854
Payments to employees	(2,817,976)	-	(2,817,976)
Receipts from employer - current year contributions	-	24,404,734	24,404,734
Receipts from employees - current year contributions	-	4,082,521	4,082,521
Payments for claims and services	-	(28,711,452)	(28,711,452)
Net cash flow from operating activities	<u>(430,122)</u>	<u>(224,197)</u>	<u>(654,319)</u>
Cash flows from investing activities - interest income received	-	43,016	43,016
Net increase (decrease) in cash and cash equivalents	<u>(430,122)</u>	<u>(181,181)</u>	<u>(611,303)</u>
Cash and cash equivalents, beginning of year	<u>3,583,231</u>	<u>5,809,590</u>	<u>9,392,821</u>
Cash and cash equivalents, end of year	<u>\$ 3,153,109</u>	<u>\$ 5,628,409</u>	<u>\$ 8,781,518</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ -	\$ (116,545)	\$ (116,545)
Decrease in compensated absences payable	(430,122)	-	(430,122)
Increase in health care payable	-	103,650	103,650
Contributions used from employees health care reserve per negotiated agreement	-	(211,302)	(211,302)
Net cash (used) provided by operating activities	<u>\$ (430,122)</u>	<u>\$ (224,197)</u>	<u>\$ (654,319)</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, 2016

<u>Student Activity</u>	<u>Total June 30, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Total June 30, 2016</u>
Assets:				
Cash	\$ 16,726	\$ 1,312	\$ -	\$ 18,038
Equity in Central Treasury	<u>2,638,739</u>	<u>6,172,233</u>	<u>6,069,073</u>	<u>2,741,899</u>
Total Assets:	<u>\$ 2,655,465</u>	<u>\$ 6,173,545</u>	<u>\$ 6,069,073</u>	<u>\$ 2,759,937</u>
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Amount Due Student Groups	<u>2,655,465</u>	<u>6,173,545</u>	<u>6,069,073</u>	<u>2,759,937</u>
Total Liabilities:	<u>\$ 2,655,465</u>	<u>\$ 6,173,545</u>	<u>\$ 6,069,073</u>	<u>\$ 2,759,937</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, 2016

	General Capital Assets June 30, 2015	Additions	Deletions	Transfers	General Capital Assets June 30, 2016
Administration	\$ 2,810,417	\$ 105,605	\$ (89,920)	\$ (56,210)	\$ 2,769,892
Schools	6,375,164	732,588	(466,638)	56,210	6,697,323
	<u>\$ 9,185,581</u>	<u>\$ 838,193</u>	<u>\$ (556,558)</u>	<u>\$ -</u>	<u>\$ 9,467,215</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SCHEDULE OF GENERAL CAPITAL ASSETS - BY LOCATION
June 30, 2016

	Equipment		Equipment
Administration:		Kenai:	
District Office and Warehouse	\$ 2,769,892	Aurora Borealis High School	196,130
Total Administration	<u>2,769,892</u>	Kaleidoscope	1,149,611
		Kenai Alternative Middle School	77,580
Schools:		Mt. View Elementary	5,721
Outside Cities:		Total Kenai	<u>221,513</u>
Chapman Elementary	60,755		79,947
Cooper Landing	36,596		<u>1,730,502</u>
Hope	49,963	Seldovia:	
Kachemak Selo	22,067	Susan B. English	132,846
K-Beach	66,187	Total Seldovia	<u>132,846</u>
McNeil Canyon	42,508		
Moose Pass	12,401	Seward:	
Nanwalek	44,946	Elementary	44,235
Nikiski High	716,706	High School	534,559
Nikiski North Star	48,999	Middle	53,183
Nikolaevsk	121,273	Total Seward	<u>631,977</u>
Ninilchik	162,162		
Port Graham	25,388	Soldotna:	
Skyview Middle	295,991	Connections	24,048
Sterling	44,636	Elementary	91,076
Tebughna	47,966	High School	861,097
Tustumena	41,295	Peninsula Optional High	6,047
Voznesenka	21,365	Prep School	137,702
Total Outside Cities	<u>1,861,204</u>	Redoubt Elementary	83,527
		Total Soldotna	<u>1,203,497</u>
Homer:			
Fireweed Academy	55,462	Total Schools	<u>6,697,324</u>
High School	840,363		
Homer Flex	19,060	Total General Capital Assets	\$ <u>9,467,216</u>
Middle School	74,888		
Paul Banks	28,430		
Razdolna	61,677		
West Homer	57,418		
Total Homer	<u>1,137,298</u>		

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
COMPARATIVE SCHEDULE OF CAPITAL ASSETS - BY SOURCE
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
General Capital Assets:		
Furniture and Equipment	<u>\$ 9,467,215</u>	<u>\$ 9,185,581</u>
Investments in General Capital Assets from:		
General Obligation Bonds	\$ 4,921,761	\$ 4,542,847
State and Federal Grants	4,124,993	4,152,377
General Fund Revenue	<u>420,461</u>	<u>490,357</u>
Total Investment in General Capital Assets:	<u>\$ 9,467,215</u>	<u>\$ 9,185,581</u>

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SCHEDULES SECTION

SCHEDULES SECTION

Schedule of State Financial Assistance

Schedule of Expenditures of Federal Awards

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KENAI PENINSULA BOROUGH SCHOOL DISTRICT
Schedule of State Financial Assistance
Year Ended June 30, 2016

<u>State Grantor</u>	<u>Program Number</u>	<u>Amount Expended</u>
Department of Administration:		
* TRS On Behalf		\$ 8,560,061
* PERS On Behalf		1,120,671
* PERS On Behalf passed through Kenai Peninsula Borough		<u>186,610</u>
Total Department of Administration		<u>9,867,342</u>
Department of Education and Early Development:		
* Foundation		80,288,271
* Pupil Transportation		8,150,227
Alaska State Council on the Arts	FY16AIS0006	500
Alternative Schools	BH 16.KPSD.01	18,535
Broadband Assistance Grant	SBG 16.024.12	23,421
Digital Teaching Initiative	DT 16.KPSD.01	200,443
Quality Schools		285,377
Youth In Detention - Kenai Youth Facility	EY 16.KPSD.01	69,143
Total Department of Education and Early Development		<u>89,035,917</u>
Department of Commerce, Community and Economic Development:		
Nutritional Alaskan Foods in Schools	13-NAFS-025	92,100
Nutritional Alaskan Foods in Schools	14-NAFS-025	79,599
Nutritional Alaskan Foods in Schools	15-NAFS-370	58,118
KPB School District - Areawide School Equipment	15-DC-416	382,904
KPB School District-Chapman School Kindergarten iPad Project	15-DC-414	<u>225</u>
		612,946
Total State Financial Assistance		\$ <u>99,516,205</u>

* State major program

Note 1: Basis of Presentation

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

<u>Federal Grantor/Pass-Through Grantor</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grantor's Number</u>	<u>Amount Expended</u>
U.S. Department of Education - Direct:			
Gear Up Kenai Peninsula	84.334A	P334A110121-15	120,315
Title VII, Indian Education	84.060A	S060A150799	432,543
Total U.S. Department of Education - Direct			<u>552,858</u>
Passed through Alaska Department of Education and Early Development:			
Title 1, Part A:			
NCLB - Title I-A Basic	84.010	IP 16.KPSD.01	1,078,148
NCLB - Title I-A 1% Parent Involvement	84.010	IP 16.KPSD.01	16,172
NCLB - Title I-A Pre-K	84.010	IP 16.KPSD.01	840,077
Total CFDA 84.010			<u>1,934,397</u>
Higher Ed /Library Assessment Literacy	84.367B	HE 16.KPSD.01	130,760
NCLB - Title II-A, Training & Recruiting	84.367	IP 16.KPSD.01	692,015
Total CFDA 84.367			<u>822,775</u>
Special Education Cluster:			
Title VI-B	84.027	SE 16.KPSD.01	2,291,920
Preschool Disabled	84.173	SE 16.KPSD.01	62,174
Total Special Education Cluster			<u>2,354,094</u>
Migrant Education, Book	84.011A	MB 16.KPSD.01	6,081
Migrant Education, Parent Advisory Council	84.011	MB 16.KPSD.01	3,497
NCLB - Title I-C Migrant	84.011	IP 16.KPSD.01	176,626
Total CFDA 84.011			<u>186,204</u>
McKinney - Vento Homeless	84.196A	FR 16.KPSD.01	14,381
Title I-D, Delinquent (Transitional)	84.013	IP 16.KPSD.01	15,846
Carl Perkins Basic	84.048	EK 16.KPSD.01	217,131
NCLB - Title III-A English Language Acquisition	84.365	IP 16.KPSD.01	23,149
Total passed through Alaska Department of Education and Early Development			<u>5,567,977</u>
Passed through University of Alaska Fairbanks			
UAF-Upward Bound - Seward	84.047A	P047A121760	13,529
UAF-Upward Bound - Nikiski	84.047A	P047A121760	12,408
Total CFDA 84.047			<u>25,937</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	203,457
Total University of Alaska Fairbanks			229,394
Total U.S. Department of Education			6,350,229
U.S. Department of Health and Human Services:			
Passed through Alaska Department of Education and Early Development:			
Fourth R Training	93.092	RC 15.024.01	6,600
Project AWARE - Youth Mental Health	93.243	AW 16.KPSD.01	289,072
Project AWARE - Youth Mental Health First Aid Training	93.243	AW 16.KPSD.01	2,346
Total CFDA 93.243			291,418
Total U.S Department of Health and Human Services			298,018
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	8,083
National Endowment for the Arts -			
Passed through Alaska State Council on the Arts -			
Artist in Schools	45.025	FY16AIS0006	500
U.S. Department of Agriculture:			
Child Nutrition Cluster -			
Passed Through Alaska Department of Education:			
National School Lunch Program - After School Snack	10.553	MA 16.024.01	2,655
National School Lunch Program - Breakfast Program	10.553	MA 16.024.01	466,588
Commodities	10.555		120,207
National School Lunch Program - Lunch Program	10.555	MA 16.024.01	1,729,383
Total Child Nutrition Cluster			2,318,833
Distance Learning and Telemedicine	10.855	AK748-A16	170,397
NSLP - Equipment Assistance	10.579	NS 16.KPSD.01	4,900
Fresh Fruit & Vegetable Program	10.582	FF 16.KPSD.01	95,585
Total U.S. Department of Agriculture			2,589,715
Total Expenditures of Federal Awards			\$ 9,246,545

Note 1. Basis of Presentation

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

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STATISTICAL SECTION

STATISTICAL INFORMATION

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

Net 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									
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Invested in Capital Assets	\$ 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	\$ 3,491,363
Restricted										
Charter Schools	1,641,086	2,394,188	570,373	675,350	507,663	645,261	556,395	625,619	664,091	626,097
Facilities Maintenance	-	-	-	-	-	-	-	1,845,512	2,042,930	2,288,499
Homeschool Allotment	-	-	-	-	-	-	-	-	281,975	393,338
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Total Restricted	1,641,086	2,394,188	570,373	675,350	507,663	645,261	556,395	2,471,131	2,988,996	3,307,934
Unrestricted	9,576,795	17,409,088	29,588,884	28,489,644	30,878,045	27,921,811	27,516,245	23,662,678	(30,561,702)	(51,911,437)
Total Net Position	<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>	<u>\$ (45,112,140)</u>

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									
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Expenses										
Government Activities:										
Instruction	\$ 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	\$ 78,317,961
Special Education - Instruction	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	27,315,525
Special Education Support Services - Student	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	6,345,150
Support Services - Student	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	7,037,564
Support Services - Instruction	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	4,002,804
School Administration	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	7,219,494
School Administration Support Services	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	6,849,331
District Administration	824,354	951,922	839,511	861,516	957,877	1,065,732	1,134,698	1,253,600	1,020,470	1,466,633
District Administration Support Services	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	8,191,709
Operations and Maintenance of Plant	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	24,178,696
Student Activities	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	2,499,171
Community Service	60,417	56,027	55,605	58,130	64,559	64,408	48,657	40,583	39,110	39,979
Student Transportation	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	7,998,559
Food Service	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	4,254,755
Total expenses	<u>\$ 110,314,432</u>	<u>\$ 130,831,156</u>	<u>\$ 131,903,612</u>	<u>\$ 144,404,738</u>	<u>\$ 147,181,981</u>	<u>\$ 157,914,204</u>	<u>\$ 163,900,854</u>	<u>\$ 169,470,047</u>	<u>\$ 188,625,704</u>	<u>\$ 185,717,331</u>
Program Revenues										
Charges for Services										
Food Service /Community Theater	1,006,322	1,000,689	994,849	950,232	896,109	825,329	745,201	683,135	669,280	686,127
Operating Grants and Contributions	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	18,531,943
Total Program Revenues	<u>15,950,555</u>	<u>15,181,924</u>	<u>15,962,595</u>	<u>21,582,059</u>	<u>22,012,655</u>	<u>19,206,899</u>	<u>18,879,318</u>	<u>19,973,752</u>	<u>19,389,188</u>	<u>19,218,070</u>
Total Net(Expense)Governmental Activities	<u>(94,363,877)</u>	<u>(115,649,232)</u>	<u>(115,941,017)</u>	<u>(122,822,679)</u>	<u>(125,169,326)</u>	<u>(138,707,305)</u>	<u>(145,021,536)</u>	<u>(149,496,295)</u>	<u>(169,236,516)</u>	<u>(166,499,261)</u>
General Revenues:										
Government Activities:										
Borough Direct Appropriation	\$ 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	\$ 48,238,432
Public School Funding Program	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	80,573,648
Retirement: On-behalf Payments	-	19,322,147	15,227,995	11,901,565	13,615,283	17,803,814	22,907,953	24,234,519	39,377,047	14,492,689
Other State Revenue	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	1,067,126	1,746,569	1,563,679	1,351,985	837,735	898,439	55,918	475,548	326,758	623,325
E-Rate Program	657,616	722,223	426,290	575,663	591,046	118,707	590,640	1,219,637	287,658	1,088,548
Medicaid Reimbursement	492,697	549,024	288,038	408,492	593,496	343,617	164,384	200,451	211,375	287,646
Other	102,220	228,227	173,326	103,380	145,012	215,525	200,605	128,744	399,614	139,324
Total General Revenues	<u>\$ 101,336,757</u>	<u>\$ 123,927,465</u>	<u>\$ 121,389,798</u>	<u>\$ 121,637,616</u>	<u>\$ 127,757,417</u>	<u>\$ 136,202,109</u>	<u>\$ 144,493,555</u>	<u>\$ 148,107,611</u>	<u>\$ 167,066,638</u>	<u>\$ 145,443,612</u>
Special Item - writeoff NPO/OPEB	<u>-</u>	<u>-</u>	<u>5,024,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>\$ 6,972,880</u>	<u>\$ 8,278,233</u>	<u>\$ 10,473,125</u>	<u>\$ (1,185,063)</u>	<u>\$ 2,588,091</u>	<u>\$ (2,505,196)</u>	<u>\$ (527,981)</u>	<u>\$ (1,388,684)</u>	<u>\$ (2,169,878)</u>	<u>\$ (21,055,649)</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

	FISCAL YEAR									
	2006-2007	2007-2008	2008-2009*	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015**	2015-2016
Change in Net Position	\$ 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)	\$ (21,055,649)
Net Position - Beginning	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)	(24,056,491)
Net Position - Ending	<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>	<u>\$ (45,112,140)</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.

TABLE IV

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

	FISCAL YEAR									
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011*	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
General Fund										
Reserved	\$ 4,308,511	\$ 9,058,171	\$ 9,645,680	\$ 9,071,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	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	<u>\$ 13,491,648</u>	<u>\$ 19,394,111</u>	<u>\$ 21,162,667</u>	<u>\$ 21,001,365</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Special Revenue Funds										
Reserved	\$ 288,282	\$ 254,471	\$ 267,430	\$ 393,526	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,112,873	-	-	-	-	-	-	-	-	-
Undesignated	-	5,179,038	8,729,160	7,770,103	-	-	-	-	-	-
Total Special Revenue Funds	<u>\$ 2,401,155</u>	<u>\$ 5,433,509</u>	<u>\$ 8,996,590</u>	<u>\$ 8,163,629</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Fund Balance	<u>\$ 15,892,803</u>	<u>\$ 24,827,620</u>	<u>\$ 30,159,257</u>	<u>\$ 29,164,994</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 2,160,675	\$ 1,978,610	\$ 1,715,712	\$ 1,687,933	\$ 707,220	\$ 2,064,255
Committed	-	-	-	-	-	-	-	-	-	4,200,580
Restricted	-	-	-	-	892,467	983,984	1,485,931	2,471,131	2,988,996	3,307,934
Assigned	-	-	-	-	14,513,862	10,593,166	10,131,139	8,120,850	5,655,347	3,625,958
Unassigned	-	-	-	-	5,792,038	6,808,518	6,290,517	6,116,952	7,897,978	2,671,214
Total General Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,359,042</u>	<u>\$ 20,364,278</u>	<u>\$ 19,623,299</u>	<u>\$ 18,396,866</u>	<u>\$ 17,249,541</u>	<u>\$ 15,869,941</u>
Special Revenue Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 284,397	\$ 366,559	\$ 218,298	\$ 467,256	\$ 271,235	\$ 233,827
Committed	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	7,787,245	6,783,452	6,744,505	5,623,019	5,389,396	5,568,658
Unassigned	-	-	-	-	(44,976)	(44,976)	(44,976)	(44,976)	(44,976)	(44,976)
Total Special Revenue Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,026,666</u>	<u>\$ 7,105,035</u>	<u>\$ 6,917,827</u>	<u>\$ 6,045,299</u>	<u>\$ 5,615,655</u>	<u>\$ 5,757,509</u>
Total Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,385,708</u>	<u>\$ 27,469,313</u>	<u>\$ 26,541,126</u>	<u>\$ 24,442,165</u>	<u>\$ 22,865,196</u>	<u>\$ 21,627,450</u>

* 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									
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Federal Sources:										
Federal - Direct	\$ 290,474	\$ 287,390	\$ 306,186	\$ 401,153	\$ 377,756	\$ 424,110	\$ 455,577	\$ 498,606	\$ 514,450	\$ 723,255
Federal - Through the State	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	8,822,785
Federal - Through other Agencies	-	-	3,305	-	-	-	2,500	-	-	-
Total Federal Sources	<u>\$ 8,349,943</u>	<u>\$ 8,555,158</u>	<u>\$ 8,166,115</u>	<u>\$ 14,018,593</u>	<u>\$ 14,925,246</u>	<u>\$ 11,423,242</u>	<u>\$ 8,749,748</u>	<u>\$ 9,629,477</u>	<u>\$ 8,765,940</u>	<u>\$ 9,546,040</u>
State Sources:										
Public School Funding Program	\$ 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	\$ 80,573,648
Retirement: On-behalf Payments	-	19,322,147	15,227,995	11,901,565	13,615,283	17,803,814	22,907,953	24,234,519	143,894,553	9,867,341
One Time State Funding	-	-	-	-	-	1,388,134	1,734,738	3,182,001	3,008,638	-
Other State Revenue	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	8,906,803
Total All Other Government Funds	<u>\$ 66,679,455</u>	<u>\$ 88,981,698</u>	<u>\$ 84,413,853</u>	<u>\$ 82,984,551</u>	<u>\$ 89,544,506</u>	<u>\$ 98,450,874</u>	<u>\$ 109,760,669</u>	<u>\$ 112,027,009</u>	<u>\$ 236,167,815</u>	<u>\$ 99,347,792</u>
Local Sources:										
Borough Direct Appropriation	\$ 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	\$ 48,238,432
Corporate Grants and User Fees	103,246	123,135	163,808	106,591	84,059	117,033	98,285	121,502	89,114	101,594
Food Sales	965,162	955,879	952,018	905,767	853,654	781,299	703,256	657,295	637,595	648,542
Earnings on Investments	1,067,126	1,746,569	1,563,679	1,351,985	837,735	898,439	78,701	614,272	421,928	806,217
Other Local Revenue	759,836	1,045,833	945,975	868,812	936,737	486,986	982,214	1,531,808	877,415	1,347,717
Total All Other Government Funds	<u>\$ 40,837,046</u>	<u>\$ 41,572,533</u>	<u>\$ 44,772,425</u>	<u>\$ 46,216,531</u>	<u>\$ 45,300,320</u>	<u>\$ 45,534,892</u>	<u>\$ 44,862,456</u>	<u>\$ 46,424,877</u>	<u>\$ 46,039,577</u>	<u>\$ 51,142,502</u>
Total Revenue	<u>\$ 115,866,444</u>	<u>\$ 139,109,389</u>	<u>\$ 137,352,393</u>	<u>\$ 143,219,675</u>	<u>\$ 149,770,072</u>	<u>\$ 155,409,008</u>	<u>\$ 163,372,873</u>	<u>\$ 168,081,363</u>	<u>\$ 290,973,332</u>	<u>\$ 160,036,334</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

GOVERNMENTAL FUNDS EXPENDITURES
LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR									
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Expenditures:										
Instruction	\$ 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	\$ 68,954,024
Special Education - Instruction	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	22,477,371
Special Education Support Services - Stude	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	5,523,880
Support Services - Student	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	4,829,934
Support Services - Instruction	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	3,355,331
School Administration	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	6,319,716
School Administration Support Services	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	5,648,777
District Administration	826,561	950,172	834,584	855,280	977,921	1,060,774	1,132,748	1,261,255	1,673,515	1,266,201
District Administration Support Services	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	6,367,538
Operations and Maintenance of Plant	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	22,221,887
Student Activities	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	2,048,424
Community Services	56,971	56,027	55,605	58,130	64,559	64,493	48,786	40,621	38,992	39,961
Student Transportation	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	7,994,914
Food Service	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	4,226,122
Total Expenditures	<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>	<u>\$ 161,274,080</u>

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

	FISCAL YEAR									
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Excess of revenues over (under) expenditures	\$ 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)	\$ (1,237,746)
Other Financing Sources (Uses)										
Capitalized Leases	-	-	-	-	-	-	-	-	-	-
Transfers In	2,722,720	4,293,736	4,451,076	830,279	362,104	675,000	816,836	1,424,759	1,300,000	1,200,000
Transfers Out	(2,722,720)	(4,293,736)	(4,451,076)	(830,279)	(362,104)	(1,564,250)	(816,836)	(1,424,759)	(1,300,000)	(1,200,000)
Total other financing sources (Uses)	-	-	-	-	-	(889,250)	-	-	-	-
Net Change in fund balances	\$ 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)	\$ (1,237,746)

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			
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%
2015-16	6,625,363	1,224,525	305,492	876,982	33,986	7,244,412	4.50	88.83%

This information was obtained from the Kenai Peninsula Borough.

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

TABLE IX

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

PROPERTY TAX RATES AND TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

(Unaudited)

TAX RATE (MILLS)							
<u>Fiscal Year</u>	<u>Borough</u>	<u>City of Homer</u>	<u>City of Kenai</u>	<u>City of Seldovia</u>	<u>City of Seward</u>	<u>City of Kachemak*</u>	<u>City of Soldotna</u>
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
2015-16	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, 2016
(Unaudited)

Taxpayer	2016			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value
Hilcorp Alaska, LLC	\$ 573,714,820	1	7.92%	\$ -		
ConocoPhillips, INC.	243,080,912	2	3.36%	131,038,332	3	3.10%
Tesoro Alaska	188,467,683	3	2.60%	-		
CING Storage Alaska, LLC	115,424,328	4	1.59%	-		
Cook Inlet Energy, LLC	84,438,950	5	1.17%	-		
Alaska Communications Systems	75,645,592	6	1.04%	76,740,031	7	1.82%
Alaska Pipeline	63,142,458	7	0.87%	17,310,876	10	0.41%
XTO Energy, INC.	58,045,010	8	0.80%	27,330,870	9	0.65%
Harvest Alaska	55,207,130	9	0.76%	-		
Enstar Natural Gass	44,495,401	10	0.61%	-		
Union Oil/Unocal	-			264,044,690	1	6.25%
Tesoro Petroleum Co.	-			146,426,542	2	3.47%
Forest Oil	-			80,193,960	6	1.90%
Marathon Oil Co.	-			50,612,840	8	1.20%
BP Exploration Alaska, INC.	-			120,470,332	4	2.85%
	-			80,855,640	5	1.91%
Totals	\$ 1,501,662,284		20.73%	\$ 995,024,113		23.57%

This information obtained from the Kenai Peninsula Borough.

Total Assessed value based on total
tax levy for FY2016 and FY2007 respectively.

\$ 7,244,412,000

\$ 4,223,854,000

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

TABLE XI

**PRINCIPAL EMPLOYERS
June 30, 2016
(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.

TABLE XII

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		Percentage of Levy	Collections in Subsequent Years	Total Collections to Date	
	Total Tax Levy for Fiscal Year	Amount			Amount	Percentage of Levy
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%	493,896	28,869,573	99.981%
2010-11	29,058,274	28,630,610	98.528%	419,238	29,049,848	99.971%
2011-12	30,419,493	29,946,804	98.446%	465,310	30,412,114	99.976%
2012-13	30,823,497	30,382,636	98.570%	430,657	30,813,293	99.967%
2013-14	31,750,392	31,332,596	98.684%	399,231	31,731,827	99.942%
2014-15	31,685,014	31,142,025	98.286%	264,339	31,406,364	99.121%
2015-16	33,108,951	33,108,951	100.000%	-	33,108,951	100.000%

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.

TABLE XIV

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
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	29,905,000 **	0.45%	527	3,365
2013-14	56,862	8,756	6,960,196,000	47,995,000 **	0.69%	844	5,481
2014-15	57,147	8,826	6,937,316,000	44,505,000 **	0.64%	779	5,042
2015-16	57,763	8,788	7,244,412,000	44,325,000 **	0.61%	767	5,044

This information was obtained from the Kenai Peninsula Borough.

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

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

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

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

TABLE XVI

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 **
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	9.50%
2013	56,756	41.4	8,886	8.60%
2014	56,862	40.0	8,756	8.00%
2015	57,147	40.5	8,826	7.80%
2016	57,763	40.0	8,788	7.80%

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.

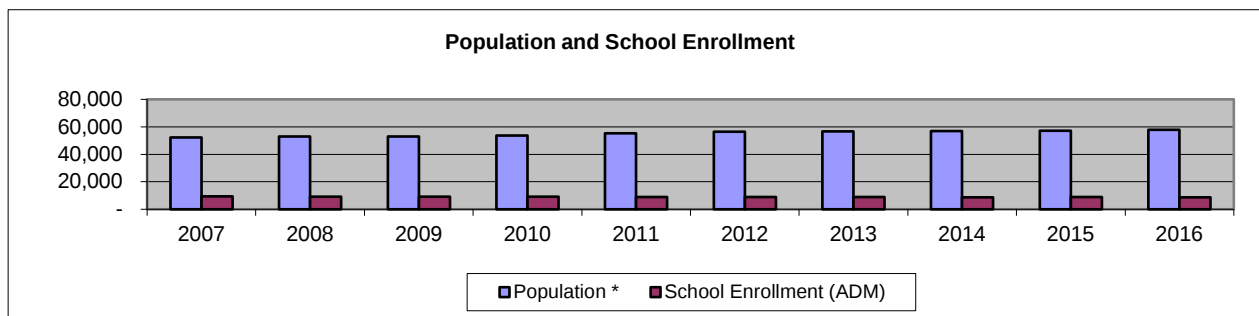
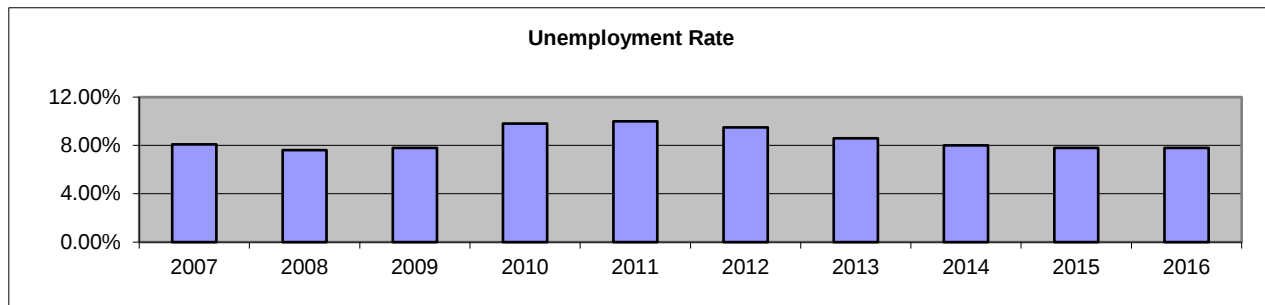


TABLE XVII

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
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
2015-16	533.49	234.34	46.12	43.67	31.56	38.76	55.82	5.00	38.75	82.66	5.60	1115.77

This information is obtained yearly from current staffing formula tables.

TABLE XVIII

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

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
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
2015-16	567.18	263.52	46.12	45.92	31.56	38.76	55.82	5.00	38.75	82.66	5.60	48.59	1.75	1231.23

* Data not available at this time

This information is obtained yearly from current staffing formula tables.

TABLE XIX

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
AVERAGE PER PUPIL GENERAL FUND OPERATING EXPENDITURES
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Total Operating Expenditures	Operating Expenditures Percentage Increase (Decrease) Over Previous Year	Average Daily Membership Grades K-12	Operating Expenditures Per Student Capita	Operating Expenditures Per Student Capita Percentage Increase (Decrease) Over Previous Year
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	272,731,469	0.83	8,826	30,901	0.81
2015-16	142,197,864	(0.48)	8,788	16,181	(0.48)

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

TABLE XX

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>
2006-07	9,368	-0.22%	4,888,049,897	7.80%	521,782
2007-08	9,250	-1.26%	5,369,378,000	9.85%	580,473
2008-09	9,256	0.06%	5,966,757,000	11.13%	644,637
2009-10	9,145	-1.20%	6,369,098,000	6.74%	696,457
2010-11	8,978	-1.83%	6,393,531,000	0.38%	712,133
2011-12	8,922	-0.62%	6,633,241,000	3.75%	743,470
2012-13	8,886	-0.40%	6,716,010,000	1.25%	755,797
2013-14	8,756	-1.46%	6,960,196,000	3.64%	794,906
2014-15	8,826	0.80%	6,937,316,000	-0.33%	786,009
2015-16	8,788	-0.43%	7,244,412,000	4.43%	824,353

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	43	8,932