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KENAI PENINSULA BOROUGH SCHOOL DISTRICT





**Comprehensive Annual
Financial Report
For the Fiscal Year Ended
June 30, 2005**

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

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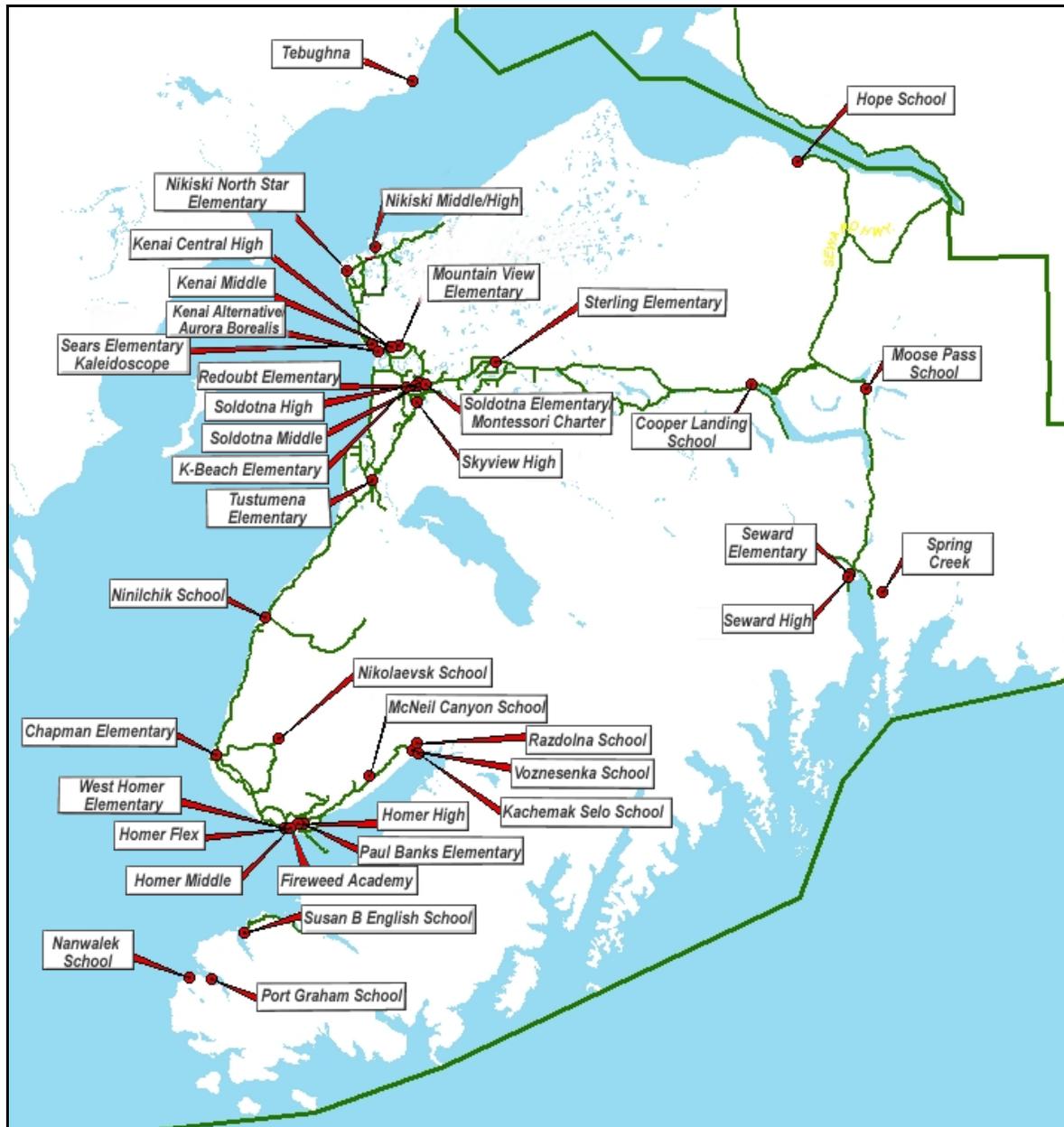
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The Kenai Peninsula Borough School District Map



The Kenai Peninsula Borough School Board governs the Kenai Peninsula Borough School District and is comprised of nine members. The School Board generally meets on the first and third Monday of each month. The meetings are held in the Assembly Chambers of the Borough Building located on Binkley Street in Soldotna, Alaska. In addition, special meetings and work sessions are scheduled throughout the year.



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Finance

Melody Douglas, Chief Financial Officer
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Phone (907) 714-8888 Fax (907) 262-9645

August 26, 2005

Members of the Board of Education and Citizens 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, 2005 is submitted herewith. This report was prepared by the School District's finance department following the guidelines recommended by the Government Finance Officers Association of the United States and Canada, the Association of School Business Officials International and generally accepted accounting principles (GAAP). The statutes of the State of Alaska require that the Board of Education provide for an audit of all school accounts within ninety days following the close of the fiscal year, by an independent certified public accountant.

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

The District's financial statements have been audited by Mikunda, Cottrell & Co., a firm of licensed certified public accountants. 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, 2005 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2005 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 MD&A, the basic financial statements, required supplementary information, and combining and individual fund statements and schedules. Combining statements are presented when the District has at least one non-major fund of a given fund category. Various combining statements are also presented to demonstrate compliance with the Alaska Department of Education and Early Development's *Uniform Chart of Accounts and Account Code Descriptions for Public School Districts*.
3. The schedules section includes the schedules of state and federal financial assistance.
4. The statistical section provides mostly trend data and non-financial information useful in assessing a government's financial condition. It also includes demographic and other miscellaneous information of the District. Some tables present District data which has been combined with data provided by the Kenai Peninsula Borough (primary government) to give a consolidated overview of the District's financial status.

The Reporting Entity

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

Relationship with Kenai Peninsula Borough

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

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

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

Board of Education – Governance of the School District

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

Profile of the District

The District encompasses an area of 25,600 square miles. Approximately 9,500 students attend forty-three schools and the guided independent study program in our district, in twenty-one communities. Our schools include K-12 configurations in remote sites to conventional configurations in our larger communities. The School District provides a full range of educational services on an area-wide basis within the Kenai Peninsula Borough. These services include elementary education, secondary education, bilingual education, vocational education, education for exceptional students, correspondence study, pupil transportation, food service program, athletic programs, instructional and general administrative services. Special needs are met with the assistance of programs and services such as Alaska Native education, gifted/talented, bilingual/bicultural, Chapter 1/Migrant Education and special education.

Internal Control

In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal account controls. Management of the District has established a comprehensive internal control framework that is designed both to protect the government'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 in excess of \$10,000 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 government are largely dependent upon actions of the State government to finance its operating and capital programs. Projected declining levels of production indicate that State oil revenue, which funds 85% of the State's budget, cannot be counted on to continue to fund local governments at the current level. State funding for municipal operations ended in FY2003 with the exception of school debt reimbursement and fish tax. As the State government attempts to reduce its operating budget, more responsibilities will tend to be shifted down to the local level.

The Borough's economy has experienced consistent, gradual growth since the late 1980's. Local indicators point to continued growth and stability. In recent years, taxable property values have increased at a rate faster than Borough expenditures. As a result, the Borough's tax rate has decreased. Borough wide, the general government tax rate has decreased from 8.59 mills in FY1996 to 6.5 mills in FY2005. Sales tax continues to generate a larger portion of the borough's revenue; in FY1998, sales tax revenue represented 21% of total general fund revenues; in FY2005 sales tax revenue represents 26% of general fund revenues. The Kenai Peninsula Borough Assembly approved a sales tax increase from 2% to 3% effective October 1, 2005. The oil and gas industry is demonstrating strength in diversity. Its focus is expanding from natural gas exploration and reworking of existing fields to include explorational drilling for both oil and natural gas resources.

The Alaska State Legislature increased the base student dollar allocation used in the Public School Funding Program from \$4,476 to \$4,919 per student representing a 7.5% increase to public education for FY2006. This funding increase will allow the District to keep abreast of structured salary and benefit increases and annual Public Employers Retirement System and Teachers Retirement System of 5% for each system.

The financial condition of the school district is and will continue to be a pressing concern for the future. The State Public School Funding Program sets the amount of general school funding the School District receives from the State and it also sets the limit of the amount to be raised from local sources under an equalization section of the formula. The School District anticipates being at the local effort cap under the formula again next fiscal year for the seventeenth year. Future inflationary costs will most likely need to be absorbed by budget reductions. Of significant concern, is the ability of the Kenai Peninsula Borough to continue funding the District to the funding cap with increasing reduced State municipal support.

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

Cash Management

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

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

Risk Management

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

Pension and Other Post-employment Benefits

The District participates in the Alaska Public Employees' Retirement System (PERS), a defined benefit, agent, multiple employer public employee retirement system and the Alaska Teachers' Retirement (TRS), a defined benefit cost-sharing multiple employer retirement system. PERS and TRS are established and administered by the State of Alaska to provide pension, post-employment health care, death, and disability benefits to eligible employees.

Certificate of Excellence/Certificate of Achievement

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2004.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2004.

This was the fourteenth year the school district received these prestigious awards. In order to be awarded a Certificate of Achievement, the school district must publish an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

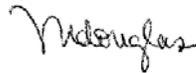
The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the business office and the cooperation of the Borough Finance Department. We would like to express our appreciation to all the people who assisted and contributed to the preparation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

We would also like to acknowledge of student efforts, particularly Dylan Vester and Brandi Denna, of the art department at Soldotna High School, for designing the cover of this document.

Respectfully submitted,



Dr. Donna Peterson
Superintendent



Melody Douglas, RSBO
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Kenai Peninsula Borough
School District, Alaska

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Zielle

President

Jeffrey R. Emer

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

Kenai Peninsula Borough School District

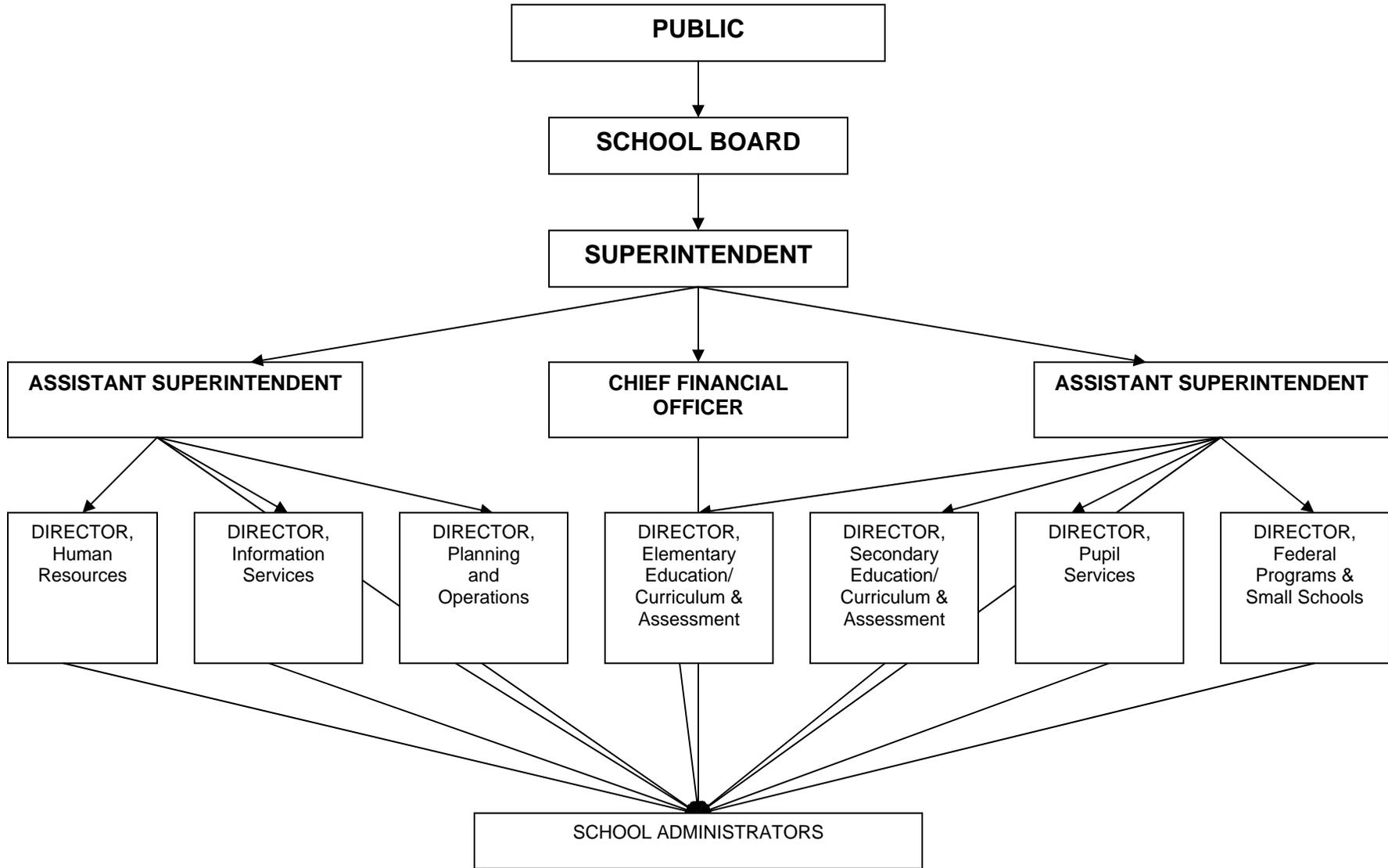
For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2004

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
Organizational Chart



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

SCHOOL BOARD

Mrs. Sammy Crawford, President
Ms. Sandra Wassilie, Vice President
Mrs. Debra Mullins, Clerk
Ms. Margaret Gilman, Treasurer
Dr. Nels Anderson, Member
Mr. Marty Anderson, Member
Mrs. Debra Mullins, Member
Ms. Sunni Hilts, Member
Mrs. Debra Brown, Member
Mr. DJ Tyson, Student Representative

ADMINISTRATION

Dr. Donna Peterson, Superintendent of Schools
Mr. Guy Fisher, Assistant Superintendent
Mr. Sam Stewart, Assistant Superintendent
Mrs. Melody Douglas, Chief Financial Officer

MIKUNDA, COTTRELL & Co.

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kenai Peninsula Borough School District, a component unit of the Kenai Peninsula Borough, Alaska, as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Kenai Peninsula Borough School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Kenai Peninsula Borough School District as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Title 1 Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2005 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Members of the School Board
Kenai Peninsula Borough School District

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kenai Peninsula Borough School District's basic financial statements. The introductory section, combining and individual fund statements, schedules, and statistical section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements, the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*, and the schedule of state financial assistance as required by the State of Alaska Office of Management and Budget, *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section, as identified 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 express no opinion on them.

Mikunaka, Cottrell & Co.

August 26, 2005

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, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 5-9 of this report.

Financial Highlights

- The assets of the Kenai Peninsula Borough School District exceeded its liabilities at the close of the most recent year by \$7,677,700. Of this amount, \$5,754,879 (unrestricted net assets) may be used to meet the government's ongoing obligations.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$8,521,285, an increase of \$2,571,138 in comparison to the prior year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$5,738,461. Of this amount, \$2,069,273 was unreserved, undesignated and available for spending. The unreserved, undesignated fund balance for the General Fund represented 2.6% of total General Fund expenditures.
- The District's total debt increased by \$1,633,825. The increase is due to recording the long term liability for PERS that results from funding PERS at less than the actuarial rate.

Overview of the Financial Statements

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

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

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

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

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

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

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on 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 Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds for the General Fund and the Title I Fund, both of which are considered to be major funds. Data for the other 30 funds are combined into a single aggregated presentation. Data for each of these non-major governmental funds is provided in combining and individual funds section of the financial statements.

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

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

Internal Service Funds are an accounting device used to accumulate and allocate costs. The District uses this fund to account for employee compensated leave. Individual fund data for this fund can be found on pages 43-45.

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

The basic fiduciary fund financial statement can be found on page 46 of this report.

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

The notes to the financial statements can be found on pages 49-61 of this report.

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

The combining and individual fund statements referred to earlier in connection with nonmajor governmental funds can be found on pages 87-131.

Governmental-wide Financial Analysis

The District's financial position has improved as of June 30, 2005 compared to June 30, 2004. This situation will be short-lived, however, because of the tenuous nature of enrollment projected for FY2006 and beyond, and increased labor, utility and insurance costs. A straight-line enrollment projection was used for FY2006 after numerous years of an annual 2% enrollment decline. If actual enrollment doesn't meet projection, the District will again be in a situation of declining revenue with increasing costs. Although, the Alaska Legislature has increased educational funding in recent years, much of the increase has been needed to address annual increases to employer Public Employee Retirement System (PERS) and Teachers Retirement System (TRS) rate increases and other costs.

As noted earlier, over time the increase or decrease in net assets may serve as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$7,677,700, at June 30, 2005 compared to \$6,950,040 at June 30, 2004.

Net Assets
Governmental Activities

	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Current and other assets	\$19,021,787	\$15,683,011
Capital assets	<u>1,119,182</u>	<u>1,328,835</u>
Total Assets	<u>20,140,969</u>	<u>17,011,846</u>
Current and other liabilities	10,633,483	9,860,099
Long-term liabilities	<u>1,829,786</u>	<u>201,707</u>
Total Liabilities	<u>12,463,269</u>	<u>10,061,806</u>
Net Assets		
Invested in capital assets, net of debt	917,475	999,893
Restricted	1,005,346	662,798
Unrestricted	<u>5,754,879</u>	<u>5,287,349</u>
Total Net Assets	<u><u>\$7,677,700</u></u>	<u><u>\$6,950,040</u></u>

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

Changes in Net Assets Governmental Activities		
	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Revenues:		
Program revenues		
Charges for Services	\$1,231,122	\$1,287,270
Operating Grants and Contributions	13,150,270	12,806,005
Capital Grants and Contributions	-	-
General Revenues		
Public School Funding Program	46,467,673	42,355,439
Borough Appropriation	33,744,607	31,635,539
Earnings on Investments	197,556	(252,271)
Other	966,037	913,044
Total Revenues	<u>95,757,265</u>	<u>88,745,026</u>
Expenses:		
Instruction	44,487,883	40,136,306
Special Education - Instruction	8,406,422	8,828,888
Special Education - Pupil	3,104,193	3,251,051
Support Services - Pupil	2,042,984	1,980,119
Support Services - Instruction	1,596,111	1,657,670
School Administration	4,103,546	3,635,245
School Administration - Support	3,088,974	2,809,623
District Administration	792,270	840,819
District Administration - Support	2,954,860	2,605,575
Operation and Maintenance of Plant	15,618,107	13,841,199
Student Activities	1,134,118	1,101,760
Student Transportation Services	4,509,731	4,306,006
Community Services	258,882	286,465
Student Nutrition Services	2,931,524	2,656,220
Total Expenses	<u>95,029,605</u>	<u>87,936,946</u>
Change in Net Assets	<u>727,660</u>	<u>808,080</u>
Beginning Net Assets as of July 1	<u>6,950,040</u>	<u>6,141,960</u>
Ending Net Assets as of June 30	<u><u>\$7,677,700</u></u>	<u><u>\$6,950,040</u></u>

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflow, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, 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?

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$8,521,285, an increase of \$2,571,138 in comparison with the prior year. A portion of this amount is reserved to indicate that it is not available to new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period: \$334,001 2) for inventories: \$738,585, and 3) for Charter Schools: \$979,415. The remainder of fund balance is unreserved \$6,469,284, although \$3,669,188 is shown as designated in accordance with the District's fund balance policy. The remaining undesignated fund balance is comprised of \$730,823 for special revenue funds leaving \$2,069,273 available for spending at the government's discretion.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance was \$7,769,970, unreserved fund balance was \$5,738,461, and unreserved undesignated fund balance was \$2,069,273. General fund balance increased \$2,332,856 from the prior year. Key factors relevant to this increase include:

- \$1,754,429 increased revenue due to enrollment over projection, most of which was held in contingency for future needs
- \$321,870 of unexpended Charter School funds

General Fund Budgetary Highlights

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

- Enrollment exceeded projection by 301 FTE representing \$1,754,429 in additional revenue; this budget adjustment was approved January 10, 2005.
- The District revises all salary and benefit budgets annually to reflect actual costs; that adjustment was approved January 10, 2005 in the amount of (178,322) in addition to an increase of \$141,962 for addition to increased health care costs.

Capital Assets and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2005 amounts to \$1,119,182 (net of accumulated depreciation) compared to \$1,328,835 as of June 30, 2004. The investment in capital assets includes furniture and equipment. Additional information on the District's capital assets can be found in note 4.

Long-term debt. At the end of the current fiscal year, the District had total debt outstanding of \$1,962,767 compared to \$328,942 as of June 30, 2004. Additional information on long-term debt can be found in note 5 of this report.

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

In setting the budgets for FY2006, the District considered a number of issues with District wide impact, among them:

- A sufficient level of funding necessary to meet the needs of the District.
- A continued reduction in the historical variance between budget and actual revenues and expenditures.

- Maintenance of the District's financial condition.
- The highest level of local educational funding which Borough residents can reasonably afford and sustain.
- A high quality operational maintenance program that ensures the continued use and economic value of borough facilities.

Request for information

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEMENT OF NET ASSETS
June 30, 2005

ASSETS

Current Assets:	
Cash	\$ 40,201
Equity in Central Treasury	15,114,457
Accounts Receivable	284,733
Due from Other Governments	2,577,085
Inventories	<u>1,005,311</u>
 Total Current Assets	 <u>19,021,787</u>
Capital Assets:	
Furniture and Equipment	4,580,729
Less Accumulated Depreciation	<u>(3,461,547)</u>
 Capital Assets - Net of Accumulated Depreciation	 <u>1,119,182</u>
 Total Assets	 <u>20,140,969</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	785,043
Accrued Liabilities	7,389,029
Compensated Absences	2,326,430
Current Portion of Long-Term Obligations:	
Contracts Payable	<u>132,981</u>
 Total Current Liabilities	 <u>10,633,483</u>
Noncurrent Liabilities:	
Noncurrent Portion of Long-Term Obligations:	
Contracts Payable	68,726
PERS Liability	<u>1,761,060</u>
 Total Noncurrent Liabilities	 <u>1,829,786</u>
 Total Liabilities	 <u>12,463,269</u>

NET ASSETS

Invested in Capital Assets, net of related debt	917,475
Restricted:	
Charter Schools	979,415
Special Revenue Funds	25,931
Unrestricted	<u>5,754,879</u>
 Total Net Assets	 <u>\$ 7,677,700</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2005

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	\$ 44,487,883	\$ -	\$ 7,017,433	\$ (37,470,450)
Special Education - Instruction	8,406,422	-	-	(8,406,422)
Special Education - Pupil	3,104,193	-	-	(3,104,193)
Support Services - Pupil	2,042,984	-	8,359	(2,034,625)
Support Services - Instruction	1,596,111	-	-	(1,596,111)
School Administration	4,103,546	-	-	(4,103,546)
School Administration - Support	3,088,974	-	-	(3,088,974)
District Administration	792,270	-	-	(792,270)
District Administration - Support	2,954,860	-	-	(2,954,860)
Operation & Maintenance of Plant	15,618,107	-	-	(15,618,107)
Pupil Activities	1,134,118	-	-	(1,134,118)
Community Services	258,882	235,926	-	(22,956)
Pupil Transportation	4,509,731	-	4,625,672	115,941
Food Service	2,931,524	995,196	1,498,806	(437,522)
Total governmental activities	<u>\$ 95,029,605</u>	<u>\$ 1,231,122</u>	<u>\$ 13,150,270</u>	<u>\$ (80,648,213)</u>
General revenues:				
Grants and contributions not restricted to specific programs:				
				33,744,607
				46,467,673
				197,556
				435,323
				212,193
				318,521
		Total general revenues		<u>81,375,873</u>
		Change in net assets		<u>727,660</u>
		Net assets - beginning		6,950,040
		Net assets - ending		<u>\$ 7,677,700</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2005

	General	Title I	Other Governmental	Total Governmental Funds
<u>ASSETS</u>				
Assets:				
Cash	\$ 40,201	\$ -	\$ -	\$ 40,201
Equity in Central Treasury	12,052,354	-	735,673	12,788,027
Accounts Receivable	267,638	-	17,095	284,733
Due from Other Governments	-	1,193,849	1,383,236	2,577,085
Due from Special Revenue Funds	2,855,241	-	-	2,855,241
Inventories	722,943	-	282,368	1,005,311
Total Assets	<u>\$ 15,938,377</u>	<u>\$ 1,193,849</u>	<u>\$ 2,418,372</u>	<u>\$ 19,550,598</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts Payable	\$ 779,378	\$ 3,034	\$ 2,631	\$ 785,043
Accrued Liabilities	7,389,029	-	-	7,389,029
Due to General Fund	-	1,190,815	1,664,426	2,855,241
Total Liabilities	<u>8,168,407</u>	<u>1,193,849</u>	<u>1,667,057</u>	<u>11,029,313</u>
Fund Balances:				
Reserved For:				
Charter Schools	979,415	-	-	979,415
Encumbrances	329,151	-	4,850	334,001
Inventories	722,943	-	15,642	738,585
Unreserved:				
Designated for:				
Software Replacement	400,000	-	-	400,000
Technology Plan	217,500	-	-	217,500
School Incentive Purchases	484,500	-	-	484,500
FY2006 Operations	1,927,108	-	-	1,927,108
Facilities Maintenance	640,080	-	-	640,080
Undesignated:				
General Fund	2,069,273	-	-	2,069,273
Special Revenue Fund	-	-	730,823	730,823
Total Fund Balances	<u>7,769,970</u>	<u>-</u>	<u>751,315</u>	<u>8,521,285</u>
Total Liabilities and Fund Balances	<u>\$ 15,938,377</u>	<u>\$ 1,193,849</u>	<u>\$ 2,418,372</u>	<u>\$ 19,550,598</u>

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

KENAI PENINSULA BOROUGH SCHOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2005

Fund balances – total governmental funds		\$ 8,521,285
Amounts reported for governmental activities in the statement of net assets are different because:		
<p style="margin-left: 40px;">Additional PERS liability due to paying a rate of 11.81% of payroll which is less than the actuarial rate of 24.48% of covered payroll</p>		
PERS liability	\$1,463,249	
PERS liability due to other governments	<u>297,811</u>	
		(1,761,060)
<p style="margin-left: 40px;">The cost of capital assets (furniture and equipment) purchased is reported as an expenditure in governmental funds. The statement of net assets includes those capital assets among the assets of the School District as a whole. The cost of those capital assets is allocated over their useful lives (as depreciation expense) to the various functions reported as governmental activities in the statement of activities.</p>		
Cost of capital assets	4,580,729	
Accumulated depreciation to date	<u>(3,461,547)</u>	
		1,119,182
<p style="margin-left: 40px;">Liabilities applicable to the District's governmental funds are not due and payable in the current period and accordingly are not reported as governmental fund liabilities. All liabilities are reported in the statement of net assets:</p>		
Contracts payable		<u>(201,707)</u>
Net assets		<u>\$ 7,677,700</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
for the Year Ended June 30, 2005

	General	Title I	Other Governmental	Total Governmental Funds
Revenues:				
Intergovernmental - Local	\$ 33,744,607	\$ -	\$ -	\$ 33,744,607
Intergovernmental - State	46,467,673	-	5,160,238	51,627,911
Intergovernmental - Federal	212,193	2,878,080	5,046,569	8,136,842
Food Sales	-	-	995,196	995,196
Corporate Grants and User Fees	-	-	284,106	284,106
Earnings on Investments	197,556	-	-	197,556
Other Revenues	753,844	-	17,203	771,047
Total Revenues	81,375,873	2,878,080	11,503,312	95,757,265
Expenditures - Current:				
Instruction	37,402,666	2,878,080	4,071,859	44,352,605
Special Education - Instruction	8,129,066	-	-	8,129,066
Special Education Services - Pupil	3,082,683	-	-	3,082,683
Support Services - Pupil	1,949,832	-	8,359	1,958,191
Support Services - Instruction	1,575,098	-	-	1,575,098
School Administration	4,085,433	-	-	4,085,433
School Administration - Support	2,895,324	-	-	2,895,324
District Administration	774,266	-	-	774,266
District Administration - Support	2,701,133	-	-	2,701,133
Operations & Maintenance of Plant	15,027,828	-	-	15,027,828
Pupil Activities	1,140,463	-	-	1,140,463
Community Services	-	-	249,130	249,130
Pupil Transportation	-	-	4,410,850	4,410,850
Food Service	-	-	2,804,057	2,804,057
Total Expenditures	78,763,792	2,878,080	11,544,255	93,186,127
Excess (Deficiency) of Revenues Over Expenditures	2,612,081	-	(40,943)	2,571,138
Other Financing Sources (Uses):				
Transfers In	-	-	279,225	279,225
Transfers Out	(279,225)	-	-	(279,225)
Total Other Financing Sources (Uses)	(279,225)	-	279,225	-
Net Change in Fund Balances	2,332,856	-	238,282	2,571,138
Fund Balances, Beginning of Year	5,437,114	-	513,033	5,950,147
Fund Balances, End of Year	\$ 7,769,970	\$ -	\$ 751,315	\$ 8,521,285

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
June 30, 2005

Net change in fund balances – total governmental funds		\$ 2,571,138
Amounts reported for governmental activities in the statement of activities are different because:		
The Employee Public Employee Retirement System (PERS) employer contribution rate approved by the PERS Board for FY05 was 11.81%. The actuarial rate was 24.48%; the 12.67% difference results in additional pension expense on the Statement of Activities.		(1,761,060)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by depreciation exceeded capital outlays in the current period.		
Capital outlays	\$ 143,573	
Current depreciation expense	<u>(332,106)</u>	
		(188,533)
The District disposed of capital assets at a loss.		(21,120)
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		<u>127,235</u>
Change in net assets		<u>\$ 727,660</u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
MAJOR GOVERNMENTAL FUNDS - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental - Local	\$ 33,421,775	\$ 33,744,326	\$ 33,744,607	\$ 281
Intergovernmental - State	45,060,373	46,467,674	46,467,673	(1)
Intergovernmental - Federal	275,000	275,000	212,193	(62,807)
Earnings on Investments	341,209	341,209	197,556	(143,653)
Other Revenues	565,000	565,000	753,844	188,844
Fund Balance Appropriation	<u>1,600,000</u>	<u>1,600,000</u>	<u>-</u>	<u>(1,600,000)</u>
 Total Revenues	 <u>81,263,357</u>	 <u>82,993,209</u>	 <u>81,375,873</u>	 <u>(1,617,336)</u>
Expenditures:				
Current:				
Instruction	40,032,356	40,859,864	37,402,666	3,457,198
Special Education - Instruction	8,203,290	8,238,597	8,129,066	109,531
Special Education Services - Pupil	3,294,928	3,244,013	3,082,683	161,330
Support Services - Pupil	2,163,173	1,979,649	1,949,832	29,817
Support Services - Instruction	1,813,424	1,642,541	1,575,098	67,443
School Administration	3,433,673	4,014,228	4,085,433	(71,205)
School Administration - Support	2,814,553	2,841,297	2,895,324	(54,027)
District Administration	707,015	748,352	774,266	(25,914)
District Administration - Support	2,823,925	3,277,646	2,701,133	576,513
Operations & Maintenance of Plant	14,741,801	15,013,427	15,027,828	(14,401)
Pupil Activities	<u>1,235,219</u>	<u>1,236,424</u>	<u>1,140,463</u>	<u>95,961</u>
 Total Expenditures	 <u>81,263,357</u>	 <u>83,096,038</u>	 <u>78,763,792</u>	 <u>4,332,246</u>
Other Financing Uses:				
Transfers Out - Special Revenue Fund	<u>-</u>	<u>-</u>	<u>279,225</u>	<u>(279,225)</u>
 Total Expenditures and Other Financing Uses	 <u>81,263,357</u>	 <u>83,096,038</u>	 <u>79,043,017</u>	 <u>4,053,021</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	 <u>\$ -</u>	 <u>\$ (102,829)</u>	 <u>\$ 2,332,856</u>	 <u>\$ 2,435,685</u>
 Fund Balances, Beginning of Year			 <u>5,437,114</u>	
 Fund Balances, End of Year			 <u>\$ 7,769,970</u>	

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 MAJOR GOVERNMENTAL FUNDS - TITLE I
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Revenues:				
Intergovernmental - Federal	<u>4,680,335</u>	<u>4,536,725</u>	<u>2,878,080</u>	<u>(1,658,645)</u>
Expenditures:				
Current:				
Instruction	<u>4,680,335</u>	<u>4,536,725</u>	<u>2,878,080</u>	<u>1,658,645</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balances, Beginning of Year			<u>-</u>	
Fund Balances, End of Year			<u>\$ -</u>	

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

STATEMENT OF NET ASSETS

INTERNAL SERVICE FUND

June 30, 2005

	Employee Compensated Leave Fund
	<u> </u>
ASSETS	
Current assets:	
Equity in central treasury	\$ <u>2,326,430</u>
Total current assets	<u>2,326,430</u>
Total assets	\$ <u>2,326,430</u>
LIABILITIES	
Current liabilities:	
Compensated absences payable	<u>2,326,430</u>
Total current liabilities	<u>2,326,430</u>
NET ASSETS	
Unrestricted	<u> </u> -
Total net assets	\$ <u> </u> -

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUND
 June 30, 2005

	Employee Compensated Leave Fund
Operating Revenues:	
Charges for sales and services	\$ 293,730
Total operating revenues	293,730
Operating Expenses:	
Administrative service	293,730
Total Operating expenses	293,730
Operating income (loss)	-
Total net assets-beginning	-
Total net assets-ending	\$ -

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
June 30, 2005

	Employee Compensated Leave Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts received from customers	\$ 293,730
Net cash provided by operating activities	293,730
Increase in cash and cash equivalents	293,730
Cash and cash equivalents, beginning of year	2,032,700
Cash and cash equivalents, end of year	\$ 2,326,430
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating Income	-
Change in assets and liabilities:	
Increase in compensated leave liability	293,730
Total adjustments	293,730
Net cash provided by operating activities	\$ 293,730

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2005

	<u>Student Activity Agency Funds</u>
<u>ASSETS</u>	
Equity in Central Treasury	<u>\$ 2,064,100</u>
Total Assets	<u><u>2,064,100</u></u>
<u>LIABILITIES</u>	
Deposits Due Others	<u>2,064,100</u>
Total Liabilities	<u><u>\$ 2,064,100</u></u>

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

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) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

Reporting Entity

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

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

These financial statements include all funds and account groups of the School District. The operational services provided directly by the Borough have been included in the General Fund as Intergovernmental-Local revenue and expenditures. The State of Alaska Department of Education and Early Development required information reporting changes this year. Implementation of those changes resulted in changes to the format of this document; readers will notice less detail.

During the year ended June 30, 2005, the School District recorded in-kind services provided by the Borough for school operations as follows:

Custodial	\$ 94,148
Utilities	40,574
Maintenance	5,399,427
Insurance	1,532,009
Audit	<u>26,500</u>
	<u>\$ 7,092,658</u>

Measurement Focus, Basis of Accounting and Financial Statement Presentation Modified. The School District's governmental funds use the modified accrual basis of accounting, whereas the fiduciary and internal service fund use the accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. "Measurable" means amounts can be reasonably determined within the current period. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. All major revenue sources including revenues from the Kenai Peninsula Borough, the State of Alaska and the United States government are considered susceptible to accrual. Expenditures are recorded at the time when the related fund liability is incurred.

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

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

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

Entitlements and shared revenues are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenue for expenditure-driven grants is recognized when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the School District.

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

The School District reports the following major governmental funds:

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

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

Additionally, the School District reports the following fund types:

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

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

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

Fund Accounting

The accounts of the School District are organized on the basis of funds. A fund is considered a separate set of self-balancing accounts comprised of assets, liabilities, fund balance, revenues and expenditures

for transactions related to certain district functions or activities. Undesignated fund balance represents the excess of assets over liabilities and reserved fund balance.

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

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

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

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

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

Proprietary Funds Proprietary funds are focused on the measurement of the economic resources required for a particular purpose and limitations on the use of net assets rather than on the source of those assets. Proprietary funds report a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

District-wide Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers, parents, or students who purchase, use, or directly benefit from goods or services provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. The local

government's contribution to education, State of Alaska public school foundation program revenue, and other items not properly included among program revenues are reported instead as general revenues.

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

Budgets

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

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

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

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

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

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

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

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

The FY05 budget was developed with a forecast of 9,230 students. There were actually 9,534 students in grades K-12 at the end of the 20-day count on October 22, 2004. In addition, the Alaska Legislature passed HB 233, which increased the base student allocation from \$4,169 to \$4,576, an increase of \$407. Of that increase, \$178 was identified (on a statewide basis) as the amount needed to address the incremental rate increases of 5% for the Public Employees Retirement System and 4% for the Teachers Retirement System that were in effect for FY05.

The January 10, 2005 general fund budget revision included adjustments based on increased amounts for health care costs, utilities and summer school as well as amounts set aside for elementary reading curriculum to become NCLB compliant, upgrading of deteriorating phone systems and replacement of Finance/Payroll/Human Resources software. Increases to the revenues were based on the projected OASIS enrollment numbers and the October student count used in the foundation formula.

The April 4, 2005 general fund budget revision addressed a slight decrease in revenue as a result of the actual adjusted FY05 OASIS enrollment information.

These budget amendments are detailed as follows:

**Kenai Peninsula Borough School District
FY05 Revenue Budget Change – General Fund**

	7-1-04 KPBSD Original Budget	1-10-05 KPBSD Revision	4-4-05 KPBSD Revision
General Fund	\$ 81,263,357	\$ 81,263,357	\$ 83,017,786
Increase/Decrease in Borough Appropriation	-	327,134	(4,583)
Increase/Decrease in Public School Funding Program	-	1,422,322	(19,924)
Incr/Decr in Quality Schools Initiative Funds (summer school)	-	4,973	(70)
Revised Operating Fund	<u>\$ 81,263,357</u>	<u>\$ 83,017,786</u>	<u>\$ 82,993,209</u>

Cash and Investments

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

Borough ordinance authorizes the Borough to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, bankers' acceptances of the fifty largest banks, highest rated commercial paper, repurchase agreements, fully collateralized certificates of deposit, money market mutual funds, highest rated bonds and notes issued by a state or political subdivision thereof, and the Alaska Municipal League Investment Pool, Inc. Borough ordinance places limitations on maturity of investments, and Borough investment procedures limit the level of investment by type. School District investments are insured or registered or are securities which are held by the Borough or its agent in the Borough's name, the lowest risk category as defined by Statement No. 3 of the Governmental Accounting Standards Board.

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

Investments are stated at fair market value.

Short Term Interfund Receivables/Payables

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

Inventories

Inventories are recorded at average cost on a first-in, first-out basis. General fund inventory consists of expendable supplies and equipment held at the central warehouse for issuance to schools or other School District locations. Food Service Fund inventory consists primarily of foodstuffs. The cost of inventory items in the School Operating Fund and Food Service Fund is included in expenditures when issued to schools from the central warehouse or issued for consumption. Land acquired for the Building Trades Project (see Note 7) is recorded at cost. A portion of fund balance is reserved for inventory to

indicate that inventory does not represent available, spendable resources even though it is a component of assets.

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

Capital Assets

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

Compensated Absences

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

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

Fund Balance

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Special Revenue Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities and will be honored through subsequent year's expenditures.

Grants

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

In-Kind Contributions

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

Interfund Transactions

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

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

NOTE 2 - EQUITY IN CENTRAL TREASURY

The carrying value of the equity in the Central Treasury varies from the balances reported on the balance sheet by the amount that individual funds have overdrawn their share of the pooled cash. A reconciliation of the carrying value to the reported value as of June 30, 2005 is as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Internal Service Fund</u>	<u>Governmental Total</u>	<u>Agency</u>
Carrying value of equity in Central Treasury	\$ 12,052,354	\$ 735,673	\$ 2,326,430	\$15,114,457	\$ 2,064,100
Due to (from) other funds	<u>(2,855,241)</u>	<u>2,855,241</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reported Equity in Central Treasury	<u>\$ 9,197,113</u>	<u>\$ 3,590,914</u>	<u>\$ 2,326,430</u>	<u>\$15,114,457</u>	<u>\$ 2,064,100</u>

NOTE 3 - RECEIVABLES

Receivables at June 30, 2005, consist of the following:

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Accounts	\$ 267,638	\$ 17,095	\$ 284,733
Intergovernmental	<u>-</u>	<u>2,577,085</u>	<u>2,577,085</u>
Total receivables	<u>\$ 267,638</u>	<u>\$ 2,594,180</u>	<u>\$ 2,861,818</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, 2005, were as follows:

	<u>July 1, 2004 Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2005 Balance</u>
Governmental activities:				
Furniture and equipment	\$ 6,694,815	\$ 143,573	\$ (2,257,659)	\$ 4,580,729

Less accumulated depreciation for furniture and equipment	<u>(5,365,980)</u>	<u>(332,106)</u>	<u>2,236,539</u>	<u>(3,461,547)</u>
Governmental activities capital assets, net	<u>\$ 1,328,835</u>	<u>\$ (188,533)</u>	<u>\$ (21,120)</u>	<u>\$ 1,119,182</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 101,840
Special Education - pupil	1,303
Support services - instruction	3,804
School administration	18,113
District administration	1,680
District administration - support	63,199
Operations and maintenance of plant	10,414
Pupil activities	31,172
Pupil transportation	84,348
Community services	1,259
Food services	14,974
Total depreciation expense	<u>\$ 332,106</u>

Schedule of Capital Assets
Depreciation Classes by Useful Life

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

NOTE 5 - LONG TERM DEBT

The School District's long-term debt as of June 30, 2005 is comprised of the following:

Long-term contracts payable

\$ 623,522 for the purchase of (100) copiers, with contracts due in annual payments through 2007 at 4.4% interest	<u>\$ 201,707</u>
	<u>\$ 201,707</u>

The following is a summary of changes in long-term debt for the year ended June 30, 2005

	<u>Long-Term Contracts Payables</u>
Payable at July 1, 2004	\$ 328,942
Payments	<u>(127,235)</u>
Payable at July 1, 2005	<u>\$ 201,707</u>

The annual requirements to amortize debt outstanding as of June 30, 2005 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005-06	\$ 132,981	\$ 6,762	\$ 139,743
2006-07	<u>68,726</u>	<u>1,147</u>	<u>69,873</u>
Total	<u>\$ 201,707</u>	<u>\$ 7,909</u>	<u>\$ 209,616</u>

Interest expense for the year of \$12,506 is included in direct functional expenses on the Statement of Activities. The current portion of contracts payable at June 30, 2005 is \$132,981. Information related to PERS debt is located in Note 6.

NOTE 6 – DEFINED BENEFIT PENSION PLANS

Description of Plans

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

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

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

Funding Policy

For PERS, employees are required to contribute 6.75% of their eligible salary (4.20% for pension and 2.55% for health care). The employee contribution rate for TRS is 8.65% of eligible salary (7.07% for pension and 1.58% for health care). Under both plans, the funding policy provides for periodic employer contributions, based on actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay both pension and postemployment healthcare benefits when due, adjusted for annual increase limitations not to exceed five percentage points.

Effective July 1, 2004, the increase limitation rules are in effect for PERS, creating a significant difference between the actuarially required rate and the adjusted actual contribution rate. TRS rates are contractually established. The School District's current contribution rates for PERS and TRS follow:

	<u>PERS</u>		<u>TRS</u>
	Adjusted Actual Rate	Actuarial Required Rate	Contractually Agreed-upon Rate
Pension	7.35%	15.23%	13.07%
Post-employment healthcare	<u>4.46%</u>	<u>9.25%</u>	<u>2.93%</u>
Total contribution rate	<u>11.81%</u>	<u>24.48%</u>	<u>16.00%</u>

Under both plans, employer contribution rates are a level percentage of payroll and are determined using the projected unit credit actuarial funding methods. The plans use the level dollar method to amortize the unfunded liability over an open, rolling twenty-five year period. Funding surpluses are amortized over twenty-five years.

Annual Pension Cost

The School District's contributions to TRS for the years ending June 30, 2005, 2004, and 2003 of \$5,966,478, \$4,450,219, and \$4,208,842, respectively, were equal to the required contributions for each year. For the year ended June 30, 2005, the School District's PERS annual pension and other post-employment benefits (OPEB) cost was \$2,827,177, consisting solely of the actuarially required contribution (no beginning net pension obligation and no interest component).

The required contribution for each plan was determined as part of the June 30, 2002 actuarial valuation. The significant actuarial assumptions used in the valuation of the plans follow:

1. Investment return of 8.25% per annum, compounded annually, net of expenses;
2. Projected salary increases of 5.5% for the first five years of employment and 4.0% per year thereafter for TRS; Projected salary increases of 5.5% for the first ten years and 4.0% thereafter for PERS;
3. Health cost inflation of 12.0% for 2003 through 2005, trending downward 0.5% per year to 7.0% in FY15, 6.0% in FY16, and 5.0% thereafter;
4. Total inflation, as measured by the Consumer Price Index for urban and clerical workers for Anchorage, is assumed to increase 3.5% annually; and

5. Asset valuation – recognizes 20% of the investment gain or loss in each of the current and preceding four years. Assets are valued at market value and are accounted for on an accrued basis. Valuation assets cannot be outside the range of 80% to 120% of market value of assets.

Three-year trend information for PERS follows:

Pension	Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contributions	Percentage of APC Contributed	Net Pension Obligation*
	June 30, 2003	\$ 344,419	\$ 344,419	100%	-
	June 30, 2004	473,140	473,140	100%	-
	June 30, 2005	1,758,787	848,500	48%	910,287

Post-employment healthcare	Fiscal Year Ending	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Contributed	Net OPEB Obligation*
	June 30, 2003	\$ 209,221	\$ 209,221	100%	-
	June 30, 2004	287,412	287,412	100%	-
	June 30, 2005	1,068,390	515,428	48%	552,962

*Generally accepted accounting principles (GAAP) currently dictate the recognition of a net pension obligation when actual contributions do not equal the actuarially required contribution for pensions. Current GAAP do not mandate the recognition of a liability for related postemployment benefits. However, the School District has elected early implementation of GASB 45 and, as such, has recorded a net pension obligation in the amount of \$910,287 and a net OPEB obligation in the amount of \$ 552,962. An additional \$297,811 PERS liability is recorded for the district's in-kind maintenance provided by the Kenai Peninsula Borough, bringing the total PERS liability to \$1,761,060.

A schedule of funding progress for PERS for the three most recently published actuarial valuations follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Assets in Excess of) Liability	Funded Ratio	Covered Payroll	Unfunded (Assets in Excess of) Liability as Percentage of Covered Payroll
June 30, 2001:						
Pension	45,056,000	44,990,000	(66,000)	100%	13,666,000	(0.5%)
Post-employment healthcare	<u>19,077,000</u>	<u>19,049,000</u>	<u>(28,000)</u>	100%	13,666,000	(0.2%)
Totals:	<u>64,133,000</u>	<u>64,039,000</u>	<u>(94,000)</u>			
June 30, 2002:						
Pension	36,824,000	49,693,000	12,869,000	74%	11,395,000	113%
Post-employment healthcare	<u>22,374,000</u>	<u>30,193,000</u>	<u>7,819,000</u>	74%	11,395,000	69%
Totals:	<u>59,198,000</u>	<u>79,886,000</u>	<u>20,688,000</u>			
June 30, 2003:						
Pension	37,374,000	52,357,000	14,983,000	71%	10,487,000	143%
Post-employment healthcare	<u>24,980,000</u>	<u>34,993,000</u>	<u>10,013,000</u>	71%	10,487,000	95%

Totals: 62,354,000 87,350,000 24,996,000

The State of Alaska has not released updated information beyond FY03 data as of the date of this publication.

NOTE 7 - BUILDING TRADES PROJECT

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

NOTE 8 - FOOD SERVICE SPECIAL REVENUE FUND

The United States Department of Agriculture provided \$124,710 of food, milk and supplies during the year without charge to the School District. These in-kind contributions have been reflected as revenue and expenditures within the Food Service Special Revenue Fund.

NOTE 9 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payables resulting from short-term operating advances at June 30, 2005 are as follows:

	<u>Receivable</u>	<u>Payable</u>
Major Fund - General Fund	\$ 2,855,241	\$ -
Major Fund - Title I	-	1,190,815
Non-major governmental funds	-	1,664,426
	<u>\$ 2,855,241</u>	<u>\$ 2,855,241</u>

Interfund Transfers

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

Transfers between funds for the year ended June 30, 2005 were as follows:

	<u>Transfer In:</u>	
	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Transfer Out: General Fund	\$ 279,225	\$279,225

NOTE 10 - RISK MANAGEMENT

The School District participates in a limited self-insurance program which is codified by Kenai Peninsula Borough ordinance and administered by a risk management committee. It is the responsibility of the risk management committee to insure, self-insure or select appropriate retention levels and deductibles for the risks confronting the School District. All losses and claims are reported to the Risk Management Office and are handled internally within the retention and deductible level. New claims and outstanding claims are reviewed monthly by the Kenai Peninsula Borough Attorney, who has an extensive

background in tort law, and the Risk Manager. There were no significant changes in the amount of coverage during the current fiscal year.

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

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

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

	Beginning of Fiscal <u>Year Liability</u>	Current Year <u>Claim Estimates</u>	Claim <u>Payments</u>	End of Fiscal <u>Year Liability</u>
2002 - 2003	195,655	530,957	(80,128)	646,484
2003 - 2004	646,484	1,205,119	(1,027,471)	824,132
2004 - 2005	824,132	553,487	(538,354)	839,265

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

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

NOTE 11 - CONTINGENCIES

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

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, would become a liability of the General Fund. In the opinion of management, any disallowed claims will not have a material effect on any fund type of the School District included in the financial statements, as of and for the year ended June 30, 2005.

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, 2005, 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, 2005, will not have a material effect on the financial statements as of and for the year ended June 30, 2005.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
BALANCE SHEET
As of June 30, 2005 and 2004

<u>ASSETS</u>	<u>2005</u>	<u>2004</u>
Cash on hand	\$ 40,201	\$ 41,134
Equity in Central Treasury	12,052,354	9,250,711
Accounts receivable	267,638	39,158
Prepaid Items	-	73,546
Due from Special Revenue Funds	2,855,241	2,963,522
Inventory	<u>722,943</u>	<u>761,573</u>
Total Assets	<u>\$ 15,938,377</u>	<u>\$ 13,129,644</u>
 <u>LIABILITIES AND FUND BALANCE</u> 		
Liabilities:		
Accounts payable	<u>\$ 779,378</u>	<u>\$ 198,417</u>
Accrued liabilities:		
Payroll	3,620,273	3,725,851
Retirement	309,500	194,305
Payroll taxes	1,467,450	1,461,695
Payroll deductions	31,610	35,227
Health	<u>1,960,196</u>	<u>2,077,035</u>
Total Accrued Liabilities	<u>7,389,029</u>	<u>7,494,113</u>
Total Liabilities	<u>8,168,407</u>	<u>7,692,530</u>
Fund Balance:		
Reserved for encumbrances	329,151	130,801
Reserved for inventory	722,943	761,573
Reserved for charter schools	979,415	657,545
Unreserved:		
Designated for software replacement	400,000	
Designated Technology Plan II	217,500	217,500

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF CHANGES IN FUND BALANCE
YEARS ENDED JUNE 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Fund Balance, Beginning of Year	\$ 5,437,114	\$ 7,009,898
Add Revenues and Other Financing Sources	81,375,873	74,681,191
Deduct Expenditures and Other Financing Uses	<u>(79,043,017)</u>	<u>(76,253,975)</u>
Fund Balance, End of Year	<u>\$ 7,769,970</u>	<u>\$ 5,437,114</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005
With Comparative Actual Totals for Year Ended June 30, 2004

	2005		Actual	Variance Favorable (Unfavorable)	Actual 2004
	Original Budget	Current Budget			
Revenues:					
Intergovernmental - Local:					
Operating Fund	\$ 26,465,619	\$ 26,788,170	\$ 26,788,170	\$ -	\$ 25,230,415
Kenai Peninsula Borough - In-Kind	6,956,156	6,956,156	6,956,437	281	6,405,124
Total Intergovernmental - Local	<u>33,421,775</u>	<u>33,744,326</u>	<u>33,744,607</u>	<u>281</u>	<u>31,635,539</u>
Intergovernmental - State:					
Public School Funding	44,837,905	46,240,303	46,240,302	(1)	42,124,335
LOG/Quality Schools	222,468	227,371	227,371	-	230,066
Tuition	-	-	-	-	1,038
Total Intergovernmental - State	<u>45,060,373</u>	<u>46,467,674</u>	<u>46,467,673</u>	<u>(1)</u>	<u>42,355,439</u>
Intergovernmental - Federal:					
Medicaid	275,000	275,000	111,763	(163,237)	281,073
Medicaid - Direct Reimbursement	-	-	170,465	170,465	-
Medicaid - Allowance: State of Alaska	-	-	(70,035)	(70,035)	-
Total Intergovernmental - Federal	<u>275,000</u>	<u>275,000</u>	<u>212,193</u>	<u>(62,807)</u>	<u>281,073</u>
Other Revenues:					
Earnings on Investments	341,209	341,209	197,556	(143,653)	(252,271)
Facilities Rental	65,000	65,000	23,701	(41,299)	53,500
Miscellaneous	50,000	50,000	294,820	244,820	87,256
E-Rate	450,000	450,000	435,323	(14,677)	491,215
Fund Balance Appropriation	1,600,000	1,600,000	-	(1,600,000)	-
Total Other Revenues	<u>2,506,209</u>	<u>2,506,209</u>	<u>951,400</u>	<u>(1,554,809)</u>	<u>379,700</u>
Total Revenues	<u>81,263,357</u>	<u>82,993,209</u>	<u>81,375,873</u>	<u>(1,617,336)</u>	<u>74,651,751</u>
Other Financing Sources:					
Operating Transfers In	-	-	-	-	29,440
Total Revenues and Other Financing Sources	<u>\$ 81,263,357</u>	<u>\$ 82,993,209</u>	<u>\$ 81,375,873</u>	<u>\$ (1,617,336)</u>	<u>\$ 74,681,191</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005
With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Regular Instruction:					
Certified Salaries	\$ 25,427,818	\$ 24,891,535	\$ 24,316,650	\$ 574,885	\$ 23,368,266
Non-Certified Salaries	1,289,387	1,364,608	1,373,257	(8,649)	1,289,163
Employee Benefits	8,698,094	8,937,805	8,494,782	443,023	6,428,366
Professional-Technical Services	35,192	77,681	60,568	17,113	190,857
Staff Travel	61,983	71,007	63,129	7,878	75,804
Student Travel	7,500	9,720	19,668	(9,948)	11,799
Utility Services	94,797	75,356	34,683	40,673	37,101
Purchased Services	664,465	723,880	622,103	101,777	664,372
Supplies and Materials	2,071,949	1,988,083	1,633,060	355,023	2,119,522
Other Expenses	899,770	1,910,674	70,434	1,840,240	103,559
Equipment	781,401	809,515	714,332	95,183	575,105
	<u>40,032,356</u>	<u>40,859,864</u>	<u>37,402,666</u>	<u>3,457,198</u>	<u>34,863,914</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2005
 With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Special Education Instruction:					
Certified Salaries	\$ 4,452,653	\$ 4,359,300	\$ 4,316,500	\$ 42,800	\$ 4,214,980
Non- Certified Salaries	1,441,108	1,468,114	1,442,685	25,429	1,354,644
Employee Benefits	2,156,750	2,233,152	2,231,167	1,985	1,806,354
Professional-Technical Services	18,875	55,678	37,162	18,516	4,095
Travel	34,943	24,024	14,657	9,367	13,344
Student Travel	-	1,014	1,212	(198)	3,641
Utility Services	-	1,022	1,026	(4)	-
Purchased Services	2,833	563	463	100	846
Supplies and Materials	81,378	79,320	70,223	9,097	67,768
Other Expenses	14,750	15,130	12,728	2,402	11,817
Equipment	-	1,280	1,243	37	3,000
	<u>8,203,290</u>	<u>8,238,597</u>	<u>8,129,066</u>	<u>109,531</u>	<u>7,480,489</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005
With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Special Education Services - Student:					
Certified Salaries	\$ 2,251,767	\$ 2,052,828	\$ 1,966,382	\$ 86,446	\$ 2,102,461
Non-Certified Salaries	146,366	141,418	162,166	(20,748)	203,543
Employee Benefits	776,569	714,712	719,250	(4,538)	654,536
Professional-Technical Services	7,786	244,833	156,479	88,354	202,173
Travel	58,635	48,058	46,816	1,242	47,235
Utility Services	7,975	4,975	4,831	144	9,676
Purchased Services	10,367	4,367	1,744	2,623	2,296
Supplies and Materials	34,068	29,823	22,658	7,165	27,269
Other Expenses	640	954	314	640	94
Equipment	755	2,045	2,043	2	1,768
	<u>3,294,928</u>	<u>3,244,013</u>	<u>3,082,683</u>	<u>161,330</u>	<u>3,251,051</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005
With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Support Services - Pupil:					
Certified Salaries	\$ 832,667	\$ 680,680	\$ 674,359	\$ 6,321	\$ 781,743
Non-Certified Salaries	714,142	716,677	700,063	16,614	681,463
Employee Benefits	534,971	500,010	518,892	(18,882)	457,136
Professional-Technical Services	3,920	1,420	425	995	(522)
Travel	24,550	16,000	13,383	2,617	11,315
Utility Services	2,012	2,162	1,683	479	1,883
Purchased Services	15,575	14,108	4,810	9,298	4,780
Supplies and Materials	27,731	39,569	29,346	10,223	29,635
Other Expenses	7,605	8,605	5,653	2,952	277
Equipment	-	418	1,218	(800)	5,458
	<u>2,163,173</u>	<u>1,979,649</u>	<u>1,949,832</u>	<u>29,817</u>	<u>1,973,168</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005
With Comparative Actual Totals for Year Ended June 30, 2004

	2005				
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	2004 Actual
Support Services - Instruction:					
Certified Salaries	\$ 1,005,652	\$ 884,002	\$ 886,092	\$ (2,090)	\$ 990,765
Non-Certified Salaries	163,339	171,087	160,074	11,013	158,204
Employee Benefits	355,178	328,315	325,430	2,885	289,163
Professional-Technical Services	7,633	2,738	16,898	(14,160)	-
Travel	29,899	27,989	22,855	5,134	29,554
Student Travel	-	6,000	2,713	3,287	-
Utility Services	11,840	10,540	8,873	1,667	8,694
Purchased Services	51,529	56,129	44,016	12,113	21,052
Supplies and Materials	183,377	140,279	96,333	43,946	147,556
Other Expenses	3,673	3,673	680	2,993	69
Equipment	1,304	11,789	11,134	655	12,613
	<u>1,813,424</u>	<u>1,642,541</u>	<u>1,575,098</u>	<u>67,443</u>	<u>1,657,670</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2005
 With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
School Administration:					
Certified Salaries	\$ 2,581,589	\$ 3,012,312	\$ 3,060,006	\$ (47,694)	\$ 2,858,848
Non-Certified Salaries	67,022	76,914	82,658	(5,744)	53,667
Employee Benefits	707,130	849,073	865,459	(16,386)	648,818
Professional - Technical Services	3,350	3,350	492	2,858	300
Travel	37,166	34,377	40,773	(6,396)	37,340
Utility Services	500	500	-	500	30
Purchased Services	-	38	48	(10)	-
Supplies and Materials	9,741	8,958	7,349	1,609	6,222
Other Expenses	27,175	27,230	27,799	(569)	28,553
Equipment	-	1,476	849	627	1,467
	<u>3,433,673</u>	<u>4,014,228</u>	<u>4,085,433</u>	<u>(71,205)</u>	<u>3,635,245</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005
With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
School Administration - Support:					
Non-Certified Salaries	\$ 1,594,263	\$ 1,601,673	\$ 1,604,680	\$ (3,007)	\$ 1,649,056
Employee Benefits	703,449	735,438	817,536	(82,098)	710,674
Professional - Technical Services	-	-	98	(98)	422
Travel	2,430	4,801	1,539	3,262	4,062
Utility Services	388,707	392,015	408,892	(16,877)	382,382
Purchased Services	23,497	20,277	5,838	14,439	5,915
Supplies And Materials	72,674	62,140	47,800	14,340	48,917
Other Expenses	29,533	23,131	4,738	18,393	2,673
Equipment	-	1,822	4,203	(2,381)	5,522
	<u>2,814,553</u>	<u>2,841,297</u>	<u>2,895,324</u>	<u>(54,027)</u>	<u>2,809,623</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005
With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
District Administration:					
Certified Salaries	\$ 213,751	\$ 218,751	\$ 257,868	\$ (39,117)	\$ 236,913
Non-Certified Salaries	108,511	124,501	123,845	656	106,340
Employee Benefits	131,486	145,133	147,424	(2,291)	115,404
Professional-Technical Services	81,000	82,354	82,817	(463)	205,869
Travel	65,362	64,523	62,497	2,026	62,716
Utility Services	12,950	19,220	17,235	1,985	25,911
Purchased Services	27,240	21,892	11,946	9,946	23,324
Supplies and Materials	16,482	25,345	24,950	395	19,638
Tuition and Stipends	17,100	18,360	18,360	-	17,100
Other Expenses	30,375	24,586	23,706	880	22,951
Equipment	2,758	3,687	3,618	69	4,653
	<u>707,015</u>	<u>748,352</u>	<u>774,266</u>	<u>(25,914)</u>	<u>840,819</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2005
 With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
District Administrative Support Services:					
Certified Salaries	\$ 277,957	\$ 291,507	\$ 305,446	\$ (13,939)	\$ 287,589
Non-Certified Salaries	1,460,106	1,458,560	1,609,009	(150,449)	1,539,128
Employee Benefits	566,206	592,565	640,178	(47,613)	515,979
Professional-Technical Services	38,500	27,300	27,033	267	33,415
Travel	49,946	59,042	60,948	(1,906)	64,359
Utility Services	39,389	38,689	32,322	6,367	51,891
Purchased Services	184,479	150,222	143,730	6,492	187,627
Supplies and Materials	62,735	96,810	51,505	45,305	28,106
Other Expenses	34,382	28,341	17,467	10,874	20,849
Indirect Costs	101,966	105,177	(218,218)	323,395	(239,538)
Equipment	8,259	429,433	31,713	397,720	116,170
	<u>2,823,925</u>	<u>3,277,646</u>	<u>2,701,133</u>	<u>576,513</u>	<u>2,605,575</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2005
 With Comparative Actual Totals for Year Ended June 30, 2004

	2005				
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	2004 Actual
Operation of Plant:					
Certified Salaries	\$ -	\$ 200	\$ 200	\$ -	\$ -
Non-Certified Salaries	2,720,873	2,660,686	2,619,529	41,157	2,615,663
Employee Benefits	1,176,061	1,212,672	1,220,689	(8,017)	1,062,275
Travel	2,949	3,405	4,010	(605)	3,856
Utility Services	282,825	282,825	254,040	28,785	260,376
Energy	3,291,586	3,589,021	3,501,901	87,120	3,086,377
Purchased Services	5,481,833	5,471,157	5,616,254	(145,097)	5,340,623
Insurance Premiums	1,532,009	1,532,009	1,532,009	-	1,220,446
Supplies and Materials	251,665	234,698	226,169	8,529	230,395
Other Expenses	1,000	850	-	850	7
Equipment	1,000	25,904	53,027	(27,123)	33,031

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005
With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Pupil Activity:					
Certified Salaries	\$ 862,166	\$ 826,402	\$ 590,253	\$ 236,149	\$ 579,203
Non-Certified Salaries	152,706	184,971	323,938	(138,967)	320,178
Employee Benefits	180,488	182,710	155,474	27,236	130,807
Professional - Technical Services	750	-	-	-	-
Travel	4,008	3,659	4,013	(354)	1,192
Student Travel	-	-	14,663	(14,663)	6,307
Utility Services	83	18	17	1	83
Purchased Services	20,000	19,500	19,500	-	17,460
Supplies and Materials	5,253	9,699	10,500	(801)	6,672
Other Expenses	9,765	9,465	22,105	(12,640)	21,528
Equipment	-	-	-	-	353
	<u>1,235,219</u>	<u>1,236,424</u>	<u>1,140,463</u>	<u>95,961</u>	<u>1,083,783</u>
 Total Expenditures	 <u>81,263,357</u>	 <u>83,096,038</u>	 <u>78,763,792</u>	 <u>4,332,246</u>	 <u>74,054,386</u>
 Other Financing Uses:					
Transfer To Community Schools Fund	-	-	13,689	(13,689)	23,869
Transfer To Community Theater Fund	-	-	-	-	15,646
Transfer To Internal Service Fund	-	-	-	-	1,949,817
Transfer To Food Service Fund	-	-	265,536	(265,536)	210,257
Transfer To Pupil Transportation Fund	-	-	-	-	-
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>279,225</u>	<u>(279,225)</u>	<u>2,199,589</u>
 Total Expenditures and Other Financing Uses	 <u>\$ 81,263,357</u>	 <u>\$ 83,096,038</u>	 <u>\$ 79,043,017</u>	 <u>\$ 4,053,021</u>	 <u>\$ 76,253,975</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

STATEMENT OF COMPLIANCE - AS 14.17.505

Year Ended June 30, 2005

	<u>School Operating Fund</u>		
	<u>Reserved Fund Balance</u>	<u>Unreserved Fund Balance</u>	<u>Total</u>
Reserved:			
Charter schools	\$ 979,415	\$ -	\$ 979,415
Encumbrances	329,151	-	329,151
Inventories	722,943	-	722,943
Unreserved:			
Designated:			
Software Replacement	-	400,000	400,000
Technology plan	-	217,500	217,500
School incentive purchases	-	484,500	484,500
FY06 operations	-	1,927,108	1,927,108
Facilities Maintenance	-	640,080	640,080
Undesignated	-	2,069,273	2,069,273
	<u>\$ 2,031,509</u>	<u>\$ 5,738,461</u>	<u>\$ 7,769,970</u>

Unreserved fund balance as a percentage of current year expenditures:

$$\frac{\text{Unreserved fund balance}}{\text{Current year expenditures}} = \frac{5,738,461}{78,763,792} = \underline{\underline{7.29\%}}$$

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
BALANCE SHEET - MAJOR FUND - TITLE I FUND
June 30, 2005

With Comparative Totals as of June 30, 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Due from other Governments	\$ 1,193,849	\$ 1,651,390
Total Assets	<u>\$ 1,193,849</u>	<u>\$ 1,651,390</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 3,034	\$ 1,066
Due to General Fund	<u>1,190,815</u>	<u>1,650,324</u>
Total Liabilities	<u>1,193,849</u>	<u>1,651,390</u>
Fund Balances:	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 1,193,849</u>	<u>\$ 1,651,390</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 MAJOR FUND - TITLE I
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
Intergovernmental - Federal	\$ 4,680,335	\$ 4,536,725	\$ 2,878,080	\$ (1,658,645)	\$ 3,816,351
Expenditures:					
Certified Salaries	2,250,313	1,428,781	1,020,579	408,202	2,081,548
Non-Certified Salaries	486,881	560,827	430,538	130,289	478,162
Employee Benefits	822,452	605,223	485,438	119,785	758,786
Professional - Technical Service	166,054	697,521	353,135	344,386	62,704
Staff Travel	115,133	305,949	114,820	191,129	56,337
Student Travel	9,450	82,400	33,974	48,426	110
Utility Services	14,595	20,020	8,309	11,711	8,811
Purchased Services	104,925	54,800	27,613	27,187	7,078
Supplies and Materials	339,747	480,222	242,653	237,569	161,181
Other Expenses	164,395	36,530	3,847	32,683	2,933
Indirect Costs	167,667	146,872	94,553	52,319	140,377
Equipment	38,723	117,580	62,621	54,959	57,324
Total Expenditures	4,680,335	4,536,725	2,878,080	1,658,645	3,815,351
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

SPECIAL REVENUE FUNDS

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

Alaska Online provides tuition for rural students to enroll in online courses.

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

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

Capacity, Building Improvement provides funding for staff training to assist teachers in meeting the needs of students on Special Education IEP's and in completing required federally mandated paperwork.

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

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

Community Education provides opportunities for community education and use of school facilities for such activities.

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

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

Council On The Arts is an incentive grant program for professional development.

DVR Aide Training funds an on-the-job training program for elementary playground aide and janitorial positions at K-Beach Elementary School.

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

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

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

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

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

Preschool Disabled provides funds for overall improvement of service for children in Special Education preschool programs to better prepare them for the school environment.

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

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

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

Start-Up School Breakfast program provides funds for equipment needed to establish breakfast programs in eight schools.

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

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

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

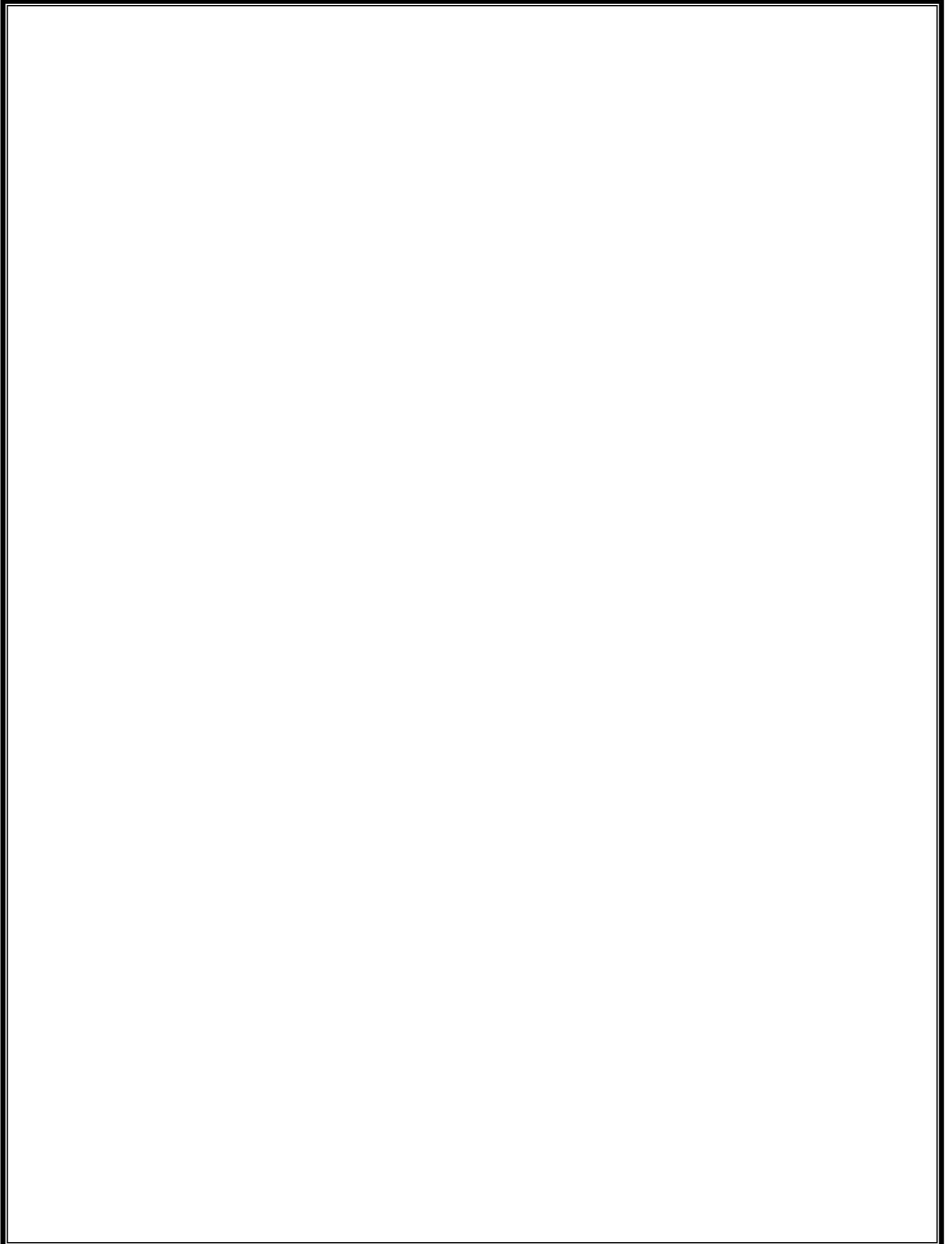
Title VI-B provides funds for the overall improvement of service for students receiving Special Education.

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

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

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

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



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2005

With Comparative Totals as of June 30, 2004

	Alaska Community Learning	Alaska Online	Boarding Home Program	Building Trades
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-
Due from other Governments	37,577	31,738	-	-
Inventory	-	-	-	60,618
	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,618</u>
Total Assets	<u>\$ 37,577</u>	<u>\$ 31,738</u>	<u>\$ -</u>	<u>\$ 60,618</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to General Fund	37,577	31,738	-	44,976
	<u>37,577</u>	<u>31,738</u>	<u>-</u>	<u>44,976</u>
Total Liabilities	<u>37,577</u>	<u>31,738</u>	<u>-</u>	<u>44,976</u>
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for equipment	-	-	-	-
Reserved for inventory	-	-	-	15,642
Unreserved:				
Unreserved - undesignated	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,642</u>
Total Liabilities and Fund Balances	<u>\$ 37,577</u>	<u>\$ 31,738</u>	<u>\$ -</u>	<u>\$ 60,618</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2005

With Comparative Totals as of June 30, 2004

	<u>Capacity Bldg., Improvement</u>	<u>Carl Perkins</u>	<u>Charter Schools</u>	<u>Community Education</u>
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ 485
Accounts receivable	-	-	-	-
Due from other Governments	3,926	95,742	225,468	-
Inventory	-	-	-	-
Total Assets	<u>\$ 3,926</u>	<u>\$ 95,742</u>	<u>\$ 225,468</u>	<u>\$ 485</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to General Fund	3,926	95,742	225,468	-
Total Liabilities	<u>3,926</u>	<u>95,742</u>	<u>225,468</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for equipment	-	-	-	-
Reserved for inventory	-	-	-	-
Unreserved:				
Unreserved - undesignated	-	-	-	485
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>485</u>
Total Liabilities and Fund Balances	<u>\$ 3,926</u>	<u>\$ 95,742</u>	<u>\$ 225,468</u>	<u>\$ 485</u>

	Community Theater	Corporate Grants	Council On The Arts	DVR Aide Training	Equipment	Food Service
ASSETS						
Equity in Central Treasury	\$ -	\$ 25,931	\$ -	\$ -	\$ 26,293	\$ -
Accounts Receivable	17,095	-	-	-	-	-
Due from other Governments	-	-	-	662	-	-
Inventory	-	-	-	-	-	221,750
Total Assets	<u>\$ 17,095</u>	<u>\$ 25,931</u>	<u>\$ -</u>	<u>\$ 662</u>	<u>\$ 26,293</u>	<u>\$ 221,750</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 2,093	\$ -	\$ -	\$ -	\$ -	\$ 538
Due to General Fund	15,002	-	-	662	-	221,212
Total Liabilities	<u>17,095</u>	<u>-</u>	<u>-</u>	<u>662</u>	<u>-</u>	<u>221,750</u>
Fund Balances:						
Reserved for encumbrances	-	-	-	-	-	-
Reserved for equipment	-	-	-	-	-	-
Reserved for inventory	-	-	-	-	-	-
Unreserved:						
Unreserved - undesignated	-	25,931	-	-	26,293	-
Total Fund Balances	<u>-</u>	<u>25,931</u>	<u>-</u>	<u>-</u>	<u>26,293</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 17,095</u>	<u>\$ 25,931</u>	<u>\$ -</u>	<u>\$ 662</u>	<u>\$ 26,293</u>	<u>\$ 221,750</u>

COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2005

With Comparative Totals as of June 30, 2004

	<u>Gear Up Alaska</u>	<u>Governor's Drug Prevention</u>	<u>Migrant Education Summer</u>	<u>Preschool Disabled</u>
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-
Due from other Governments	29,292	11,505	5,571	26,166
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 29,292</u>	<u>\$ 11,505</u>	<u>\$ 5,571</u>	<u>\$ 26,166</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to General Fund	29,292	11,505	5,571	26,166
	<u>29,292</u>	<u>11,505</u>	<u>5,571</u>	<u>26,166</u>
Total Liabilities	<u>29,292</u>	<u>11,505</u>	<u>5,571</u>	<u>26,166</u>
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for equipment	-	-	-	-
Reserved for inventory	-	-	-	-
Unreserved:				
Unreserved - undesignated	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 29,292</u>	<u>\$ 11,505</u>	<u>\$ 5,571</u>	<u>\$ 26,166</u>

	<u>Pupil Transportation</u>	<u>School Improvement</u>	<u>Staff Development Mini-Grants</u>	<u>Start-Up School Breakfast</u>	<u>Statewide Alaska Mentorship</u>	<u>Title I-D At Risk</u>
ASSETS						
Equity in Central Treasury	\$ 682,964	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-	-	-
Due from Other Governments	-	26,123	1,259	4,246	70,607	18,040
Inventory	-	-	-	-	-	-
Total Assets	<u>\$ 682,964</u>	<u>\$ 26,123</u>	<u>\$ 1,259</u>	<u>\$ 4,246</u>	<u>\$ 70,607</u>	<u>\$ 18,040</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to General Fund	-	26,123	1,259	4,246	70,607	18,040
Total Liabilities	<u>-</u>	<u>26,123</u>	<u>1,259</u>	<u>4,246</u>	<u>70,607</u>	<u>18,040</u>
Fund Balances:						
Reserved for encumbrances	4,850	-	-	-	-	-
Reserved for equipment	-	-	-	-	-	-
Reserved for inventory	-	-	-	-	-	-
Unreserved:						
Unreserved - undesignated	678,114	-	-	-	-	-
Total Fund Balances	<u>682,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 682,964</u>	<u>\$ 26,123</u>	<u>\$ 1,259</u>	<u>\$ 4,246</u>	<u>\$ 70,607</u>	<u>\$ 18,040</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2005

With Comparative Totals as of June 30, 2004

	Title I-D Delinquent	Title VI-B	Title VII Indian Education	Upward Bound
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-
Due from Other Governments	25,033	661,332	80,950	27,999
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 25,033</u>	<u>\$ 661,332</u>	<u>\$ 80,950</u>	<u>\$ 27,999</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to General Fund	25,033	661,332	80,950	27,999
	<u>25,033</u>	<u>661,332</u>	<u>80,950</u>	<u>27,999</u>
Total Liabilities	<u>25,033</u>	<u>661,332</u>	<u>80,950</u>	<u>27,999</u>
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for equipment	-	-	-	-
Reserved for inventory	-	-	-	-
Unreserved:				
Unreserved - undesignated	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 25,033</u>	<u>\$ 661,332</u>	<u>\$ 80,950</u>	<u>\$ 27,999</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2005

With Comparative Totals as of June 30, 2004

	Youth In Detention	Youth Risk Behavior Survey	Total June 30, 2005	Total June 30, 2004
ASSETS				
Equity in Central Treasury	\$ -	\$ -	\$ 735,673	\$ 494,299
Accounts Receivable	-	-	17,095	-
Due from Other Governments	-	-	1,383,236	1,023,898
Inventory	-	-	282,368	314,601
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,418,372</u>	<u>\$ 1,832,798</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ 2,631	\$ 6,567
Due to General Fund	-	-	1,664,426	1,313,198
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,667,057</u>	<u>1,319,765</u>
Fund Balances:				
Reserved for encumbrances	-	-	4,850	14,067
Reserved for equipment	-	-	-	15,179
Reserved for inventory	-	-	15,642	15,642
Unreserved:				
Unreserved - undesignated	-	-	730,823	468,145
Total Fund Balances	<u>-</u>	<u>-</u>	<u>751,315</u>	<u>513,033</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,418,372</u>	<u>\$ 1,832,798</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005

With Comparative Totals for Year Ended June 30, 2004

	Alaska Community Centers Learning	Alaska Online	Boarding Home Program	Building Trades
Revenues:				
Intergovernmental - Local	\$ -	\$ -	\$ -	\$ -
Intergovernmental - State	-	-	8,359	-
Intergovernmental - Federal	46,721	78,454	-	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>46,721</u>	<u>78,454</u>	<u>8,359</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	46,721	78,454	-	-
Supporting services - pupil	-	-	8,359	-
Community services	-	-	-	-
Pupil transportation	-	-	-	-
Food services	-	-	-	-
Total Expenditures	<u>46,721</u>	<u>78,454</u>	<u>8,359</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes In Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	15,642
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,642</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005

With Comparative Totals for Year Ended June 30, 2004

	Capacity Bldg., Improvement	Carl Perkins	Charter Schools	Community Education
Revenues:				
Intergovernmental - Local	\$ -	\$ -	\$ -	\$ -
Intergovernmental - State	-	-	69,324	-
Intergovernmental - Federal	19,037	236,098	398,127	-
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	192,920
Other	-	-	-	-
Total Revenues	<u>19,037</u>	<u>236,098</u>	<u>467,451</u>	<u>192,920</u>
Expenditures:				
Current:				
Instruction	19,037	236,098	467,451	-
Supporting services - pupil	-	-	-	-
Community services	-	-	-	206,124
Pupil transportation	-	-	-	-
Food services	-	-	-	-
Total Expenditures	<u>19,037</u>	<u>236,098</u>	<u>467,451</u>	<u>206,124</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,204)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	13,689
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,689</u>
Net Changes In Fund Balances	-	-	-	485
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 485</u>

	Community Theater	Corporate Grants	Council On The Arts	DVR Aide Training	Equipment	Food Service
Revenues:						
Intergovernmental - Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental - State	-	-	-	2,970	-	-
Intergovernmental - Federal	-	-	925	-	-	1,492,767
Food sales	-	-	-	-	-	995,196
Corporate grants and user fees	43,006	48,180	-	-	-	-
Other	-	-	-	-	11,114	6,039
Total Revenues	43,006	48,180	925	2,970	11,114	2,494,002
Expenditures:						
Current:						
Instruction	-	27,502	925	2,970	-	-
Supporting services - pupil	-	-	-	-	-	-
Community services	43,006	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-
Food services	-	-	-	-	-	2,768,405
Total Expenditures	43,006	27,502	925	2,970	-	2,768,405
Excess (Deficiency) of Revenues over Expenditures	-	20,678	-	-	11,114	(274,403)
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	265,536
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-	-	265,536
Net Changes In Fund Balances	-	20,678	-	-	11,114	(8,867)
Fund Balances, Beginning of Year	-	5,253	-	-	15,179	8,867
Fund Balances, End of Year	\$ -	\$ 25,931	\$ -	\$ -	\$ 26,293	\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005

With Comparative Totals for Year Ended June 30, 2004

	Gear Up Alaska	Governor's Drug Prevention	Migrant Education Summer	Preschool Disabled	Pupil Transportation
Revenues:					
Intergovernmental - Local	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental - State	-	-	-	-	4,625,672
Intergovernmental - Federal	69,987	39,990	5,571	65,315	-
Food sales	-	-	-	-	-
Corporate grants and user fees	-	-	-	-	-
Other	-	-	-	-	50
Total Revenues	<u>69,987</u>	<u>39,990</u>	<u>5,571</u>	<u>65,315</u>	<u>4,625,722</u>
Expenditures:					
Current:					
Instruction	69,987	39,990	5,571	65,315	-
Supporting services - pupil	-	-	-	-	-
Community services	-	-	-	-	-
Pupil transportation	-	-	-	-	4,410,850
Food services	-	-	-	-	-
Total Expenditures	<u>69,987</u>	<u>39,990</u>	<u>5,571</u>	<u>65,315</u>	<u>4,410,850</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,872</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes In Fund Balances	-	-	-	-	214,872
Fund Balances, Beginning of Year	-	-	-	-	468,092
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 682,964</u>

	School Improvement	Staff Development Mini-Grants	Start-Up School Breakfast	Statewide Alaska Mentorship	Title I-D At Risk
Revenues:					
Intergovernmental - Local	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental - State	-	2,486	-	244,854	-
Intergovernmental - Federal	39,320	12,771	35,652	-	44,083
Food sales	-	-	-	-	-
Corporate grants and user fees	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	<u>39,320</u>	<u>15,257</u>	<u>35,652</u>	<u>244,854</u>	<u>44,083</u>
Expenditures:					
Current:					
Instruction	39,320	15,257	-	244,854	44,083
Supporting services - pupil	-	-	-	-	-
Community services	-	-	-	-	-
Pupil transportation	-	-	-	-	-
Food services	-	-	35,652	-	-
Total Expenditures	<u>39,320</u>	<u>15,257</u>	<u>35,652</u>	<u>244,854</u>	<u>44,083</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes In Fund Balances	-	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2005

With Comparative Totals for Year Ended June 30, 2004

	Title I-D Delinquent	Title VI-B	Title VII Indian Education	Upward Bound
Revenues:				
Intergovernmental - Local	\$ -	\$ -	\$ -	\$ -
Intergovernmental - State	-	-	-	-
Intergovernmental - Federal	38,758	2,093,370	296,681	27,999
Food sales	-	-	-	-
Corporate grants and user fees	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>38,758</u>	<u>2,093,370</u>	<u>296,681</u>	<u>27,999</u>
Expenditures:				
Current:				
Instruction	38,758	2,093,370	296,681	27,999
Supporting services - pupil	-	-	-	-
Community services	-	-	-	-
Pupil transportation	-	-	-	-
Food services	-	-	-	-
Total Expenditures	<u>38,758</u>	<u>2,093,370</u>	<u>296,681</u>	<u>27,999</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes In Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Youth In Detention	Youth Risk Behavior Survey	Total June 30, 2005	Total June 30, 2004
Revenues:				
Intergovernmental - Local	\$ -	\$ -	\$ -	\$ -
Intergovernmental - State	206,573	-	5,160,238	5,045,569
Intergovernmental - Federal	-	4,943	5,046,569	3,888,154
Food sales	-	-	995,196	1,041,579
Corporate grants and user fees	-	-	284,106	274,741
Other	-	-	17,203	26,881
Total Revenues	206,573	4,943	11,503,312	10,276,924
Expenditures:				
Current:				
Instruction	206,573	4,943	4,071,859	2,847,644
Supporting services - pupil	-	-	8,359	6,951
Community services	-	-	249,130	285,206
Pupil transportation	-	-	4,410,850	4,330,121
Food services	-	-	2,804,057	2,641,246
Total Expenditures	206,573	4,943	11,544,255	10,111,168
Excess (Deficiency) of Revenues over Expenditures	-	-	(40,943)	165,756
Other Financing Sources (Uses):				
Transfers in	-	-	279,225	249,772
Transfers Out	-	-	-	(29,440)
Total Other Financing Sources (Uses):	-	-	279,225	220,332
Net Changes In Fund Balances	-	-	238,282	386,088
Fund Balances, Beginning of Year	-	-	513,033	126,945
Fund Balances, End of Year	\$ -	\$ -	\$ 751,315	\$ 513,033

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
ALASKA COMMUNITY CENTERS LEARNING
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2005
 With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
Intergovernmental - Federal	\$ -	\$ 59,776	\$ 46,721	\$ (13,055)	\$ -
Expenditures:					
Certified Salaries	-	17,828	14,850	2,978	-
Non-Certified Salaries	-	3,717	3,065	652	-
Employee Benefits	-	6,430	6,327	103	-
Professional - Technical Service	-	2,500	-	2,500	-
Student Travel	-	2,600	1,000	1,600	-
Supplies and Materials	-	21,374	18,407	2,967	-
Indirect Costs	-	2,027	1,586	441	-
Equipment	-	3,300	1,486	1,814	-
Total Expenditures	-	59,776	46,721	13,055	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

ALASKA ONLINE

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005				
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	2004 Actual
Revenues:					
Intergovernmental - Federal	\$ -	\$ 78,454	\$ 78,454	\$ -	\$ -
Expenditures:					
Certified Salaries	-	60,626	60,626	-	-
Employee Benefits	-	17,828	17,648	180	-
Supplies and Materials	-	-	180	(180)	-
Total Expenditures	-	78,454	78,454	-	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

BOARDING HOME

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE-

BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
Intergovernmental - State	\$ 27,308	\$ 27,308	\$ 8,359	\$ (18,949)	\$ 6,951
Expenditures:					
Student Travel	1,600	1,600	234	1,366	140
Tuition and Stipends	25,708	25,708	8,125	17,583	6,811
Total Expenditures	27,308	27,308	8,359	18,949	6,951
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

BUILDING TRADES

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE-

BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005				
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	2004 Actual
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
CAPACITY, BUILDING IMPROVEMENT
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2005
 With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
Intergovernmental - Federal	\$ 30,199	\$ 21,079	\$ 19,037	\$ (2,042)	\$ 22,778
Expenditures:					
Certified Salaries	17,655	1,800	1,800	-	17,250
Non-Certified Salaries	-	1,348	-	1,348	-
Employee Benefits	2,333	426	313	113	2,281
Professional - Technical Service	1,415	-	-	-	899
Staff Travel	1,605	3,000	3,101	(101)	1,493
Supplies and Materials	-	13,790	13,177	613	-
Other Expenses	6,058	-	-	-	-
Indirect Costs	1,133	715	646	69	855
Total Expenditures	<u>30,199</u>	<u>21,079</u>	<u>19,037</u>	<u>2,042</u>	<u>22,778</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
CARL PERKINS - BASIC
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2005
 With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
Intergovernmental - Federal	\$ 231,193	\$ 248,568	\$ 236,098	\$ (12,470)	\$ 229,231
Expenditures:					
Certified Salaries	80,211	85,235	77,828	7,407	67,828
Non-Certified Salaries	16,135	12,513	12,831	(318)	15,934
Employee Benefits	21,595	25,908	25,416	492	18,146
Professional - Technical Service	19,950	20,640	20,640	-	15,208
Staff Travel	7,833	8,864	10,076	(1,212)	11,143
Student Travel	525	7,870	7,261	609	-
Utility Services	945	800	615	185	440
Purchased Services	525	7,326	7,178	148	50
Supplies and Materials	32,655	35,589	32,280	3,309	38,040
Other Expenses	141	200	-	200	-
Indirect Costs	8,678	8,429	8,006	423	8,124
Equipment	42,000	35,194	33,967	1,227	54,318
Total Expenditures	231,193	248,568	236,098	12,470	229,231
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
CHARTER SCHOOLS - EED
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2005
 With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
Intergovernmental - State	\$ 37,029	\$ 69,324	\$ 69,324	\$ -	\$ 25,326
Intergovernmental - Federal	<u>229,248</u>	<u>431,220</u>	<u>398,127</u>	<u>(33,093)</u>	<u>236,110</u>
Total Revenues	<u>266,277</u>	<u>500,544</u>	<u>467,451</u>	<u>(33,093)</u>	<u>261,436</u>
Expenditures:					
Certified Salaries	-	11,390	24,494	(13,104)	850
Non-Certified Salaries	12,450	26,481	26,372	109	19,726
Employee Benefits	9,278	6,730	11,649	(4,919)	3,000
Professional - Technical Service	15,750	55,750	49,910	5,840	26,463
Staff Travel	14,054	44,350	26,735	17,615	16,318
Utility Services	6,932	5,658	1,940	3,718	6,596
Purchased Services	644	10,398	4,508	5,890	1,871
Supplies and Materials	167,416	252,577	220,994	31,583	158,312
Other Expenses	-	150	-	150	
Indirect Costs	9,779	16,972	15,851	1,121	9,980
Equipment	<u>29,974</u>	<u>70,088</u>	<u>84,998</u>	<u>(14,910)</u>	<u>28,260</u>
Total Expenditures	<u>266,277</u>	<u>500,544</u>	<u>467,451</u>	<u>33,093</u>	<u>271,376</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>(9,940)</u>
Fund Balance, Beginning of Year			<u>-</u>		<u>9,940</u>
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

COMMUNITY EDUCATION

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE-

BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
User Fees	\$ 255,958	\$ 255,958	\$ 192,920	\$ (63,038)	\$ 212,022
Other Financing Sources:					
Operating Transfers In	-	-	13,689	13,689	23,869
Total Revenues and Other Financing Sources	255,958	255,958	206,609	(49,349)	235,891
Expenditures:					
Non-Certified Salaries	149,310	149,310	125,744	23,566	144,671
Employee Benefits	54,217	54,217	52,812	1,405	47,094
Professional - Technical Service	-	-	-	-	18,500
Staff Travel	-	-	-	-	74
Student Travel	-	-	250	(250)	-
Utility Services	5,014	5,014	2,726	2,288	1,490
Purchased Services	21,300	21,300	6,757	14,543	5,230
Supplies and Materials	22,698	22,698	15,061	7,637	14,178
Other Expenses	2,280	2,280	2,774	(494)	4,654
Indirect Costs	1,139	1,139	-	1,139	-
Equipment	-	-	-	-	-
Total Expenditures	255,958	255,958	206,124	49,834	235,891
Excess (Deficiency) of Revenue over Expenditures	\$ -	\$ -	485	\$ 485	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ 485		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

COMMUNITY THEATER

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
User Fees	\$ 101,046	\$ 101,046	\$ 43,006	\$ (58,040)	\$ 33,669
Other Financing Sources:					
Operating Transfers In	-	-	-	-	15,646
Total Revenue and Other Financing Sources	101,046	101,046	43,006	(58,040)	49,315
Expenditures:					
Non-Certified Salaries	32,000	32,000	35,093	(3,093)	42,293
Employee Benefits	4,546	4,546	5,567	(1,021)	5,059
Professional - Technical Service	-	-	-	-	-
Staff Travel	5,500	5,500	269	5,231	842
Student Travel	-	-	-	-	-
Utility Services	-	-	1,477	(1,477)	511
Purchased Services	52,000	52,000	20	51,980	75
Supplies and Materials	3,500	3,500	580	2,920	535
Other Expenses	500	500	-	500	-
Equipment	3,000	3,000	-	3,000	-
Total Expenditures	101,046	101,046	43,006	58,040	49,315
Excess (Deficiency) of Revenue over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

CORPORATE GRANTS

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE-

BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005				
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	2004 Actual
Revenues:					
Corporate Grants	\$ 14,828	\$ 53,446	\$ 48,180	\$ (5,266)	\$ 29,050
Expenditures:					
Certified Salaries	-	1,667	667	1,000	200
Non-Certified Salaries	8,238	1,334	-	1,334	2,917
Employee Benefits	-	392	105	287	1,110
Professional - Technical Service	3,012	8,887	7,687	1,200	9,740
Staff Travel	-	574	573	1	-
Student Travel	214	3,889	2,939	950	3,300
Utility Services	1,177	-	-	-	-
Purchased Services	-	2,125	725	1,400	-
Supplies and Materials	2,187	28,130	13,837	14,293	7,390
Other Expenses	-	48	46	2	117
Indirect Costs	-	-	-	-	1,709
Equipment	-	6,400	923	5,477	-
Total Expenditures	14,828	53,446	27,502	25,944	26,483
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	20,678	\$ 20,678	2,567
Fund Balance, Beginning of Year			5,253		2,686
Fund Balance, End of Year			\$ 25,931		\$ 5,253

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
COUNCIL ON THE ARTS
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2005
 With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
Intergovernmental - Federal	\$ 2,168	\$ 925	\$ 925	\$ -	\$ 2,026
Expenditures:					
Certified Salaries	-	400	400	-	-
Employee Benefits	-	33	33	-	-
Staff Travel	-	492	492	-	-
Supplies and Materials	2,168	-	-	-	2,026
				-	
Total Expenditures	2,168	925	925	-	2,026
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

DVR AIDE TRAINING

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE-

BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
Intergovernmental - State	\$ -	\$ 2,971	\$ 2,970	\$ (1)	\$ -
				-	-
Expenditures:					
Non-Certified Salaries	-	2,753	2,753	-	-
Employee Benefits	-	218	217	1	-
				-	-
Total Expenditures	-	2,971	2,970	1	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

EQUIPMENT

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
Intergovernmental - Local	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	11,114	11,114	21,539
Total Revenues	-	-	11,114	11,114	21,539
Expenditures:					
Non-Certified Salaries	-	-	-	-	-
Employee Benefits	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Other Financing Uses:					
Operating transfers out - General Fund	-	-	-	-	29,440
Total Expenditures and Other Financing Uses	-	-	-	-	29,440
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	11,114	\$ 11,114	(7,901)
Fund Balance, Beginning of Year	23,080		15,179		23,080
Residual Equity Transfers In - Operating Fund	-		-		-
Fund Balance, End of Year	\$ 23,080		\$ 26,293		\$ 15,179

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

FOOD SERVICE

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE-

BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005				
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	2004 Actual
Revenues:					
Intergovernmental - Federal	\$ 1,297,570	\$ 1,297,570	\$ 1,492,767	\$ 195,197	\$ 1,392,935
Sales	1,657,693	1,766,896	995,196	(771,700)	1,041,579
Other	10,000	10,000	6,039	(3,961)	5,342
Total Revenues	2,965,263	3,074,466	2,494,002	(580,464)	2,439,856
Other Financing Sources:					
Operating Transfers In	-	-	265,536	265,536	210,257
Total Revenues and Other Financing Sources	2,965,263	3,074,466	2,759,538	(314,928)	2,650,113
Expenditures:					
Non-Certified Salaries	1,010,517	1,010,517	1,014,563	(4,046)	977,528
Employee Benefits	484,680	484,681	506,452	(21,771)	420,546
Professional - Technical Service	-	25,010	8,125	16,885	-
Staff Travel	8,700	8,700	7,624	1,076	11,118
Utility Services	4,750	4,750	3,878	872	5,075
Purchased Services	47,715	58,646	36,690	21,956	35,896
Supplies and Materials	1,264,501	1,328,895	1,144,377	184,518	1,148,826
Other Expenses	18,100	18,100	1,626	16,474	765
Equipment	126,300	135,167	45,070	90,097	41,492
Total Expenditures	2,965,263	3,074,466	2,768,405	306,061	2,641,246
Excess (Deficiency) of Revenue over Expenditures	\$ -	\$ -	(8,867)	\$ (8,867)	8,867
Fund Balance, Beginning of Year			8,867		-
Fund Balance, End of Year			\$ -		\$ 8,867

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
GEAR UP ALASKA

SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005				
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	2004 Actual
Revenues:					
Intergovernmental - Federal	\$ 69,636	\$ 77,947	\$ 69,987	\$ (7,960)	\$ 64,884
Expenditures:					
Certified Salaries	47,590	47,066	44,298	2,768	40,911
Non-Certified Salaries	-	3,200	1,039	2,161	4,709
Employee Benefits	14,414	16,488	16,549	(61)	13,547
Staff Travel	1,272	2,500	706	1,794	782
Student Travel	2,568	2,700	1,791	909	1,614
Purchased Services	-	3,350	-	3,350	500
Supplies and Materials	1,178	-	3,231	(3,231)	385
Indirect Costs	2,614	2,643	2,373	270	2,436
Total Expenditures	69,636	77,947	69,987	7,960	64,884
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

GOVERNOR'S DRUG PREVENTION

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE-

BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
Intergovernmental - Federal	<u>\$ 42,800</u>	<u>\$ 56,327</u>	<u>\$ 39,990</u>	<u>\$ (16,337)</u>	<u>\$ 39,990</u>
Expenditures:					
Professional - Technical Service	41,194	41,200	39,191	2,009	38,489
Student Travel	-	2,000	-	2,000	-
Supplies and Materials	-	10,300	-	10,300	-
Indirect Costs	1,606	1,127	799	328	1,501
Equipment	<u>-</u>	<u>1,700</u>	<u>-</u>	<u>1,700</u>	<u>-</u>
Total Expenditures	<u>42,800</u>	<u>56,327</u>	<u>39,990</u>	<u>16,337</u>	<u>39,990</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance, Beginning of Year			<u>-</u>		<u>-</u>
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

MIGRANT EDUCATION - SUMMER

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE-

BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
Intergovernmental - Federal	\$ 23,772	\$ 20,017	\$ 5,571	\$ (14,446)	\$ 44,038
Expenditures:					
Professional - Technical Service	2,793	11,938	-	11,938	2,621
Staff Travel	321	-	-	-	-
Purchased Services	10,272	-	1,370	(1,370)	9,384
Supplies and Materials	840	7,400	4,201	3,199	23,074
Indirect Costs	826	679	-	679	1,594
Equipment - Technology	8,720	-	-	-	7,365
Total Expenditures	23,772	20,017	5,571	14,446	44,038
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

PRESCHOOL DISABLED

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE-

BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005				
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	2004 Actual
Revenues:					
Intergovernmental - Federal	\$ 75,312	\$ 65,315	\$ 65,315	\$ -	\$ 79,476
Expenditures:					
Certified Salaries	52,479	48,206	48,047	159	54,842
Employee Benefits	11,155	14,742	14,727	15	13,579
Supplies and Materials	151	152	326	(174)	6,197
Other Expenses	8,700	-	-	-	-
Indirect	2,827	2,215	2,215	-	2,983
Equipment	-	-	-	-	1,875
Total Expenditures	75,312	65,315	65,315	-	79,476
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

PUPIL TRANSPORTATION

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenue:					
Intergovernmental - State	4,598,032	4,603,232	4,625,672	22,440	4,798,177
Other	-	-	50	50	-
Total Revenue:	<u>4,598,032</u>	<u>4,603,232</u>	<u>4,625,722</u>	<u>22,490</u>	<u>4,798,177</u>
Other Financing Sources					
Operating Transfer In	-	-	-	-	-
Total Revenues and Other Financing Sources	<u>4,598,032</u>	<u>4,603,232</u>	<u>4,625,722</u>	<u>22,490</u>	<u>4,798,177</u>
Expenditures:					
Non-Certified Salaries	55,971	72,103	76,143	(4,040)	60,452
Employee Benefits	18,250	25,586	26,125	(539)	15,601
Professional - Technical Service	-	5,200	1,959	3,241	-
Staff Travel	5,700	7,718	5,429	2,289	1,952
Utility Services	700	1,500	857	643	1,924
Purchased Services	4,454,599	4,447,727	4,293,409	154,318	4,243,283
Supplies and Materials	2,900	3,854	2,732	1,122	1,843
Other Expenses	59,912	34,770	1,763	33,007	1,229
Equipment	-	4,774	2,433	2,341	3,837
Total Expenditures	<u>4,598,032</u>	<u>4,603,232</u>	<u>4,410,850</u>	<u>192,382</u>	<u>4,330,121</u>
Excess (Deficiency) of Revenue over Expenditures	<u>\$ -</u>	<u>\$ -</u>	214,872	<u>\$ 214,872</u>	468,056
Fund Balance, Beginning of Year			<u>468,092</u>		<u>36</u>
Fund Balance, End of Year			<u>\$ 682,964</u>		<u>\$ 468,092</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SCHOOL IMPROVEMENT
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2005
 With Comparative Actual Totals for Year Ended June 30, 2004

	2005				
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	2004 Actual
Revenues:					
Intergovernmental - Federal	\$ -	\$ 39,320	\$ 39,320	\$ -	\$ 13,929
Expenditures:					
Professional - Technical Service	-	-	-	-	3,360
Staff Travel	-	-	-	-	2,248
Supplies and Materials	-	37,987	37,987	-	-
Indirect Costs	-	1,333	1,333	-	8,321
Total Expenditures	-	39,320	39,320	-	13,929
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

STAFF DEVELOPMENT MINI-GRANTS

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE-

BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
Intergovernmental - State	\$ -	\$ 4,039	\$ 2,486	\$ (1,553)	\$ 461
Intergovernmental - Federal	7,615	19,310	12,771	(6,539)	20,204
Total Revenues	<u>7,615</u>	<u>23,349</u>	<u>15,257</u>	<u>(8,092)</u>	<u>20,665</u>
Expenditures:					
Certified Salaries	428	3,690	1,000	2,690	1,262
Non-Certified Salaries	-	-	1,755	(1,755)	1,409
Employee Benefits	28	322	201	121	205
Staff Travel	7,159	19,012	11,989	7,023	17,789
Other Expenses	-	325	312	13	-
Total Expenditures	<u>7,615</u>	<u>23,349</u>	<u>15,257</u>	<u>8,092</u>	<u>20,665</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
START-UP SCHOOL BREAKFAST
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2005
 With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
Intergovernmental - Federal	\$ -	\$ 41,062	\$ 35,652	\$ (5,410)	\$ -
Expenditures:					
Purchased Services	-	60	60	-	-
Supplies and Materials	-	4,940	4,831	109	-
Equipment - Technology	-	36,062	30,761	5,301	-
	-			-	-
Total Expenditures	-	41,062	35,652	5,410	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
STATEWIDE ALASKA MENTORSHIP
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2005
 With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
Intergovernmental - State	\$ -	\$ 242,133	\$ 244,854	\$ 2,721	\$ -
Expenditures:					
Certified Salaries	-	183,975	185,304	(1,329)	-
Employee Benefits	-	57,958	59,350	(1,392)	-
Supplies and Materials	-	200	200	-	-
Total Expenditures	-	242,133	244,854	(2,721)	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

TITLE I-D, AT RISK

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE-

BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
Intergovernmental - Federal	\$ 46,469	\$ 47,042	\$ 44,083	\$ (2,959)	\$ 46,299
Expenditures:					
Professional-Technical Services	-	41,327	38,468	2,859	37,496
Supplies and Materials	-	4,120	4,120	-	5,064
Other Expenses	44,725	-	-	-	-
Indirect Costs	1,744	1,595	1,495	100	1,739
Equipment	-	-	-	-	2,000
Total Expenditures	46,469	47,042	44,083	2,959	46,299
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
TITLE I-D, DELINQUENT
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2005
 With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
Intergovernmental - Federal	\$ -	\$ 50,275	\$ 38,758	\$ (11,517)	\$ -
Expenditures:					
Certified Salaries	-	800	250	550	-
Employee Benefits	-	80	19	61	-
Professional-Technical Services	-	28,000	21,080	6,920	-
Staff Travel	-	2,500	734	1,766	-
Supplies and Materials	-	17,190	15,361	1,829	-
Indirect Costs	-	1,705	1,314	391	-
Total Expenditures	-	50,275	38,758	11,517	-
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

TITLE VI-B

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005			Variance- Favorable (Unfavorable)	2004 Actual
	Original Budget	Current Budget	Actual		
Revenues:					
Intergovernmental - Federal	\$ 2,513,489	\$ 3,058,408	\$ 2,093,370	\$ (965,038)	\$ 1,348,399
Expenditures:					
Certified Salaries	-	719,341	425,032	294,309	208,827
Non-Certified Salaries	914,795	958,062	878,612	79,450	598,992
Employee Benefits	345,351	756,093	611,554	144,539	338,416
Professional - Technical Service	42,000	-	-	-	17,315
Staff Travel	61,118	150,000	15,443	134,557	16,852
Student Travel	-	1,000	79	921	-
Utility Services	-	500	136	364	-
Purchased Services	1,418	11,500	3,295	8,205	2,976
Supplies and Materials	50,780	228,202	41,065	187,137	68,860
Other Expenses	1,003,680	10,000	500	9,500	2,425
Indirect Costs	94,347	103,710	70,987	32,723	50,615
Equipment	-	120,000	46,667	73,333	43,121
Total Expenditures	2,513,489	3,058,408	2,093,370	965,038	1,348,399
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

TITLE VII - INDIAN EDUCATION

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
Intergovernmental - Federal	\$ 337,545	\$ 334,278	\$ 296,681	\$ (37,597)	\$ 304,370
Expenditures:					
Non-Certified Salaries	222,362	219,200	185,107	34,093	200,510
Employee Benefits	95,524	85,756	87,636	(1,880)	84,917
Professional - Technical Service	1,100	-	-	-	305
Staff Travel	2,200	3,400	3,139	261	1,808
Student Travel	-	2,000	1,177	823	140
Utility Services	770	910	756	154	715
Purchased Services	550	1,400	778	622	502
Supplies and Materials	1,819	6,787	4,422	2,365	4,048
Other Expenses	-	490	647	(157)	-
Indirect Costs	12,670	11,335	10,060	1,275	11,425
Equipment	550	3,000	2,959	41	-
Total Expenditures	337,545	334,278	296,681	37,597	304,370
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

UPWARD BOUND

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE-

BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
Intergovernmental - Federal	\$ 27,315	\$ 30,528	\$ 27,999	\$ (2,529)	\$ 24,176
Expenditures:					
Certified Salaries	8,239	12,200	9,200	3,000	7,700
Non-Certified Salaries	4,815	-	3,116	(3,116)	4,584
Employee Benefits	1,516	2,166	2,135	31	1,423
Staff Travel	-	-	6,794	(6,794)	(149)
Student Travel	2,996	7,232	834	6,398	2,385
Supplies and Materials	1,060	810	5,920	(5,110)	2,245
Other Expenses	8,689	8,120	-	8,120	5,988
Total Expenditures	27,315	30,528	27,999	2,529	24,176
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			\$ -		\$ -

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

YOUTH IN DETENTION

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE-

BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005

With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
Intergovernmental - State	<u>220,228</u>	<u>206,573</u>	<u>206,573</u>	<u>-</u>	<u>211,758</u>
Expenditures:					
Certified Salaries	99,960	93,831	102,325	(8,494)	96,173
Non-Certified Salaries	22,610	31,604	31,121	483	16,235
Employee Benefits	38,289	38,554	41,105	(2,551)	35,606
Staff Travel	-	325	25	300	1,928
Utility Services	-	-	-	-	37
Purchased Services	-	-	-	-	518
Supplies and Materials	51,138	29,254	19,475	9,779	49,285
Indirect Costs	8,231	7,005	7,005	-	7,914
Equipment	<u>-</u>	<u>6,000</u>	<u>5,517</u>	<u>483</u>	<u>4,062</u>
Total Expenditures	<u>220,228</u>	<u>206,573</u>	<u>206,573</u>	<u>-</u>	<u>211,758</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
 YOUTH RISK BEHAVIOR SURVEY
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2005
 With Comparative Actual Totals for Year Ended June 30, 2004

	2005				2004 Actual
	Original Budget	Current Budget	Actual	Variance- Favorable (Unfavorable)	
Revenues:					
Intergovernmental - Federal	-	5,000	4,943	(57)	-
Expenditures:					
Supplies and Materials	-	5,000	4,943	57	-
Total Expenditures	-	5,000	4,943	57	-
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balance, Beginning of Year			-		-
Fund Balance, End of Year			<u>\$ -</u>		<u>\$ -</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 FIDUCIARY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Year Ended June 30, 2005

<u>Student Activity</u>	<u>Total June 30, 2004</u>	<u>Revenues</u>	<u>Deductions</u>	<u>Total June 30, 2005</u>
Assets:				
Equity in Central Treasury	<u>\$ 1,998,222</u>	<u>\$ 4,019,859</u>	<u>\$ 3,953,981</u>	<u>\$ 2,064,100</u>
Liabilities:				
Amount Due Others	<u>\$ 1,998,222</u>	<u>\$ 4,019,859</u>	<u>\$ 3,953,981</u>	<u>\$ 2,064,100</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS
 Year Ended June 30, 2005

	General Fixed Assets June 30, 2004	Additions	Deletions	General Fixed Assets June 30, 2005
Administration	\$ 2,051,099	\$ 28,238	\$ 954,214	\$ 1,125,121
Schools	4,643,716	115,337	1,303,445	3,455,608
	<u>\$ 6,694,815</u>	<u>\$ 143,573</u>	<u>\$ 2,257,659</u>	<u>\$ 4,580,729</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 SCHEDULE OF GENERAL CAPITAL ASSETS - BY FUNCTION
 June 30, 2005

	<u>Equipment</u>		<u>Equipment</u>
Administration:		Kenai:	
School District Central		Mt. View Elementary	54,280
Office and Warehouse	\$ 1,125,121	Sears Elementary	30,942
Total Administration	<u>1,125,121</u>	Middle School	42,509
		High School	447,633
		Kenai Alternative	7,487
		Total Kenai	<u>582,851</u>
Schools:			
Outside Cities:			
Aurora Borealis	43,080		
Chapman Elementary	15,263	Seldovia:	
Tebughna	19,000	Susan B. English	38,553
Nanwalek	12,567	Total Seldovia	<u>38,553</u>
Hope	18,930		
Kachemak Selo	7,487		
Kalifornsky Beach	62,477	Seward:	
McNeil Canyon	27,587	Elementary	51,728
Moose Pass	6,694	High School	354,540
Nikiski Elementary	-	Spring Creek	12,876
Nikiski High	402,518	Total Seward	<u>419,144</u>
Nikolaevsk	21,914		
Ninilchik	29,123	Soldotna:	
North Star Elementary	64,182	Elementary	41,288
Port Graham	17,878	Redoubt Elementary	43,143
Razdolna	-	Middle School	132,099
Skyview High	438,522	High School	524,574
Sterling	29,527	Total Soldotna	<u>741,104</u>
Tustumena	24,360		
Voznesenka	25,690		
Total Outside Cities	<u>1,266,799</u>	Total Schools	<u>3,455,608</u>
		Total General Fixed Assets	<u>\$ 4,580,729</u>
Homer:			
Paul Banks Elementary	21,419		
High School	305,440		
Middle School	38,115		
West Homer Elementary	34,696		
Homer Flex	7,487		
Total Homer	<u>407,157</u>		

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

COMPARATIVE SCHEDULE OF CAPITAL ASSETS - BY SOURCES

June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
General Fixed Assets:		
Equipment	<u>\$ 4,580,729</u>	<u>\$ 6,694,815</u>
Investments in General Fixed Assets from:		
General Obligations Bonds	\$ 990,951	\$ 1,369,331
State and Federal Grants	1,424,767	1,592,633
General Fund Revenue	<u>2,165,011</u>	<u>3,732,851</u>
Total Investment in General Fixed Assets:	<u>\$ 4,580,729</u>	<u>\$ 6,694,815</u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
 SCHEDULE OF STATE FINANCIAL ASSISTANCE
 YEAR ENDED JUNE 30, 2005

<u>State Grantor</u>	<u>Program Number</u>	<u>Program or Award Amount</u>	<u>Amount Expended during the Year Ended June 30, 2005</u>
Department of Education:			
Boarding Home	BH 0524001	\$ 27,308	\$ 8,359
Charter Schools:			
Fireweed Charter	GF	10,612	10,612
Kaleidoscope State	GF	27,468	27,468
Soldotna Montessori Charter	GF	31,244	31,244
Public School Funding *		46,240,302	46,240,302
Pupil Transportation *		4,625,672	4,403,124
Learning Opportunity		227,371	227,371
Staff Development Contract	551524	4,039	2,486
Statewide Mentorship	551566	242,133	244,854
Youth In Detention - Kenai Youth Facility	EY 05.024.01	61,671	61,671
Youth In Detention - Spring Creek	EY 05.024.02	144,902	144,902
		<u>51,642,722</u>	<u>51,402,393</u>
Total Department of Education			
Department of Vocational Rehabilitation:			
DVR Playground Aide	ACS 122509	365	365
DVR Playground Aide	ACS 123654	2,102	2,102
DVR Custodial Training	ACS 127280	504	504
		<u>2,971</u>	<u>2,971</u>
Total Department of Vocational Rehabilitation			
Total State Financial Assistance		<u>\$ 51,645,693</u>	<u>\$ 51,405,364</u>

* State major program

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005

<u>Federal Grantor</u>	<u>Federal Grant Number</u>	<u>Pass Through Grantor's Number</u>	<u>Amount Expended during the Year Ended June 30, 2005</u>
U.S. Department of Education:			
Title VII, Indian Education	84.060A	B060A040799	\$ 296,681
Passed Through Alaska			
Department of Education:			
Alaska Community Centers Learning	84.287C	AC 05.024.01	46,721
Alaska Online	84.215K	MOU	78,454
Capacity, Bldg., Improvement	84.027A	FC 05.024.01	21,079
Carl Perkins Basic	84.048A	EK 05.024.01	236,098
Charter Schools:			
Kaleidoscope Charter Implementation	84.282A	CS 05.024.3M	300,166
Kaleidoscope Charter Planning	84.282A	CS 05.024.3P	22,967
Soldotna Montessori Supplemental	84.282A	CS 05.024.1M	74,994
			398,127
Gear Up Alaska	84.334A	GU 05.024.01	69,987
Governor's Drug Prevention	84.186B	DA 05.024.01	39,990
Migrant Summer *	84.011	MS 05.024.01	5,571
NCLB - Title I *	84.010	IP 05.024.01	1,877,254
NCLB - Title I-A Highly Qualified *	84.010	IP 05.024.01	4,128
NCLB - Title I-A, SES Choice *	84.010	IP 05.024.01	65,635
NCLB- Title I-C Migrant *	84.011	IP 05.024.01	200,572
NCLB - Title II-A, Training & Recruiting	84.367	IP 05.024.01	362,923
NCLB - Title II-D Enhancing Educ. Thru Tech	84.318	IP 05.024.01	57,365
NCLB - Title III, English Language Acquisition	84.365	IP 05.024.01	28,186
NCLB - Title IV Drug Free Schools	84.186	IP 05.024.01	136,207
NCLB - Title V-A, Innovative Education	84.298	IP 05.024.01	145,810
			2,878,080
Preschool Disabled	84.173A	FN 05.024.01	65,315
School Improvement *	84.010	CA 05.024.01	39,320
Staff Development	84.XXX	551524	12,314
Title I-D, At Risk *	84.010	CD 05.024.01	44,083
Title I-D, Delinquent	84.013A	CO 05.024.01	38,758
Title VI-B	84.027A	FG 05.024.01	2,093,370
Total Passed Through Alaska			6,067,267
Department Of Education			6,067,267

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2005

<u>Federal Grantor</u>	<u>Federal Grant Number</u>	<u>Pass Through Grantor's Number</u>	<u>Amount Expended during the Year Ended June 30, 2005</u>
Passed Through University of AK:			
UAF-Upward Bound - Seward	84.047A	FP 502794	8,178
UAF-Upward Bound - Nikiski	84.047A	FP 504755	14,567
UAF-Upward Bound - Nanwalek	84.047A	FP 502755	<u>5,254</u>
Total Passed Through University of AK			<u>27,999</u>
Total U.S. Department of Education			<u>6,391,947</u>
U.S. Department of Agriculture			
Passed Through Alaska Department of Education:			
Food Service (Breakfast Program)	10.553		44,408
Food Service (Lunch Program)	10.555		1,323,649
Start Up School Breakfast	10.553	SU 05.024.01	<u>35,652</u>
Commodities	10.555		94,448
Staff Development	10.560		<u>457</u>
Total U.S. Department of Agriculture			<u>1,498,614</u>
U. S. Department of Health and Social Services			
Passed Through Alaska Department of Education:			
Medicaid Direct Reimbursements	93.XXX		170,465
Medicaid - Allowance: State of Alaska	93.XXX		(70,035)
Medicaid	93.778	551825	111,763
Youth Risk Behavior Survey	93.938	YB 05.024.01	<u>4,943</u>
Total U. S. Dept of Health & Social Services			<u>217,136</u>
National Endowment for the Arts			
Passed Through Alaska State Council on the Arts:			
Council On The Arts	45.025	05AIE04	<u>925</u>
Total National Endowment for the Arts			<u>925</u>
Total Federal Financial Assistance			<u>\$ 8,108,622</u>
* Federal major program			

Statistical Section

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

Contents

Financial Trends

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

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

Revenue Capacity

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

Table VI	Actual Value of Taxable Property
Table VII	Property Tax Rates and Tax Levies, Direct and Overlapping Governments
Table VIII	Principal Property Taxpayers
Table IX	Number of Tax Accounts

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 X	Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures
Table XI	Ratio of Net Area Wide General Bonded Debt to Assessed Value and Net Bonded Debt per Capita and Student Capita
Table XII	Computation of Direct 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 XIII	Demographic and Economic Statistics
Table XIV	Average Daily Membership as Compared to Assessed Valuation Showing Assess Valuation Support per Student
Table XV	Average Per Pupil Operating Expenditures
Table XVI	Average Pupil/Teacher Ratio

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
GENERAL FUND OPERATING REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year</u>	<u>Local Government Grant</u>	<u>Federal Grants</u>	<u>State Grants</u>	<u>Other Revenue</u>	<u>Total</u>
1995-96	27,388,228	30,056	44,406,196	102,956	71,927,436
1996-97	27,594,063	123,294	43,544,162	105,939	71,367,458
1997-98	28,084,830	167,021	43,515,941	107,438	71,875,230
1998-99	29,476,785	134,029	43,289,714	80,757	72,981,285
1999-00	29,294,461	136,059	43,385,383	874,576	73,690,479
2000-01	29,628,226	211,710	42,536,731	352,504	72,729,171
2001-02	30,189,118	235,236	43,948,821	2,382,574	76,755,749
2002-03	30,618,860	279,021	43,992,698	1,039,837	75,930,416
2003-04	31,635,539	281,073	42,355,439	379,700	74,651,751
2004-05	33,744,607	212,193	46,467,673	951,400	81,375,873

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Total Taxes	General Property Tax	General Sales Tax	Motor Vehicle Tax	In Lieu Tax
1995-96	40,267,213	27,743,699	11,117,396	538,109	868,009
1996-97	40,173,768	27,206,004	11,383,289	602,195	982,280
1997-98	42,084,964	28,506,176	11,917,497	717,745	943,546
1998-99	41,425,636	27,129,474	12,606,181	736,875	953,106
1999-00	42,394,532	27,667,443	12,814,417	937,344	975,328
2000-01	43,204,696	27,540,011	13,708,974	928,423	1,027,288
2001-02	53,854,005	37,943,100	14,407,262	*	1,503,643
2002-03	44,735,605	41,718,283	14,375,828	*	1,579,494
2003-04	59,206,384	42,493,681	14,910,977	*	1,801,726
2004-05	60,222,609	42,702,040	15,670,832	*	1,849,737

This information was obtained from the Kenai Peninsula Borough.

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**TOTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	School Operations *	Borough Operations	Total
1995-96	65,837,058	5,859,929	71,696,987
1996-97	65,918,880	5,827,990	71,746,870
1997-98	65,145,832	6,197,730	71,343,562
1998-99	66,906,942	6,009,525	72,916,467
1999-00	67,311,423	5,922,125	73,233,548
2000-01	67,253,454	5,903,320	73,156,774
2001-02	70,420,154	6,086,948	76,507,102
2002-03	68,337,352	6,092,718	74,430,070
2003-04	69,738,607	6,515,368	76,253,975
2004-05	71,950,359	7,092,658	79,043,017

The above information was derived from the Kenai Peninsula Borough School District General Fund and from the Kenai Peninsula Borough General, Capitol Projects, and Debt Service Funds.

* Uncombined data

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

<u>Fiscal Year</u>	<u>Regular Instruction</u>	<u>Bilingual Instruction</u>	<u>Gifted/Talented Instruction</u>	<u>Alternative Instruction</u>	<u>Vocational Instruction</u>
1995-96	31,255,013	541,849	883,009	269,589	2,283,125
1996-97	-	-	-	-	-
1997-98	-	-	-	-	-
1998-99	-	-	-	-	-
1999-00	-	-	-	-	-
2000-01	-	-	-	-	-
2001-02	-	-	-	-	-
2002-03	-	-	-	-	-
2003-04	-	-	-	-	-
2004-05	-	-	-	-	-

<u>Fiscal Year</u>	<u>Special Education Instruction</u>	<u>Support Service Pupils</u>	<u>General Support Services</u>	<u>Operation & Maintenance of Plant</u>	<u>Non-Programmed Charges</u>
1995-96	9,041,099	3,635,793	9,342,539	13,156,939	590,682
1996-97	-	-	-	-	-
1997-98	-	-	-	-	-
1998-99	-	-	-	-	-
1999-00	-	-	-	-	-
2000-01	-	-	-	-	-
2001-02	-	-	-	-	-
2002-03	-	-	-	-	-
2003-04	-	-	-	-	-
2004-05	-	-	-	-	-

<u>Fiscal Year</u>	<u>Pupil Activities</u>	<u>Total</u>
1995-96	1,325,124	72,324,761
1996-97	-	-
1997-98	-	-
1998-99	-	-
1999-00	-	-
2000-01	-	-
2001-02	-	-
2002-03	-	-
2003-04	-	-
2004-05	-	-

The State of Alaska Chart of Accounts for Public School Systems was altered July 1, 1998. Therefore, comparative data in the format of this table has not been maintained but appears in the new format as shown in Table V.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

Fiscal Year	Regular Instruction	Bilingual Instruction	Gifted/Talented Instruction	Alternative Instruction	Vocational Instruction	Special Education Instruction	Special Education Support Svcs-Student	Guidance Services	Health Services
1995-96	-	-	-	-	-	-	-	-	-
1996-97	30,947,404	521,674	858,452	288,349	1,935,245	6,812,090	2,313,646	1,060,933	1,072,923
1997-98	32,567,606	380,591	907,599	281,982	1,796,910	7,750,330	1,400,829	1,053,249	910,405
1998-99	32,908,342	489,791	884,464	319,838	1,690,652	6,220,888	2,821,280	1,067,724	952,324
1999-00	32,728,102	464,842	880,215	919,855	1,657,086	6,389,524	2,799,527	1,007,207	978,516
2000-01	31,427,066	460,482	900,958	1,629,742	1,585,191	6,353,689	3,026,170	1,066,422	908,028
2001-02	34,596,404	464,916	880,281	1,570,406	1,523,866	6,430,994	2,973,143	1,102,312	875,429
2002-03	31,929,739	508,088	906,604	1,360,517	1,580,422	6,809,909	2,958,230	1,108,060	926,265
2003-04	30,337,994	557,316	920,160	1,714,505	1,333,939	7,480,489	3,251,051	1,000,884	972,284
2004-05	37,402,666	***	***	***	***	8,129,066	3,082,683	***	***

Fiscal Year	Support Services - Pupil	Support Services - Instruction	Library Services	Inservice	School Admin.	School Admin. - Support	District Admin.	District Admin. Support Services	Support Services - General
1995-96	-	-	-	-	-	***	***	***	-
1996-97	***	1,302,341	1,397,343	21,001	-	***	***	***	8,781,315
1997-98	***	832,306	1,450,301	25,374	-	***	***	***	8,646,609
1998-99	***	765,720	1,439,951	29,056	-	***	***	***	8,619,261
1999-00	***	706,061	1,314,748	18,544	-	***	***	***	9,029,331
2000-01	***	698,439	1,408,029	22,815	3,269,450	***	***	***	5,763,395
2001-02	***	528,666	1,401,713	17,660	3,306,541	***	***	***	5,897,106
2002-03	***	547,298	1,365,058	18,192	3,420,590	***	***	***	5,750,012
2003-04	***	552,489	1,094,368	10,813	3,635,245	***	***	***	6,256,017
2004-05	1,949,832	1,575,098	***	***	4,085,433	2,895,324	774,266	2,701,133	***

Fiscal Year	Operation & Maintenance of Plant	Non- Programmed Charges	Pupil Activities	Total
1995-96	-	-	-	-
1996-97	13,095,976	403,875	1,338,178	72,150,745
1997-98	13,339,471	574,441	-	71,918,003
1998-99	13,334,967	307,364	1,386,316	73,237,938
1999-00	12,919,194	293,962	1,420,796	73,527,510
2000-01	13,226,426	240,399	1,410,472	73,397,173
2001-02	13,548,988	120,727	1,388,677	76,627,829
2002-03	13,601,441	189,044	1,450,601	74,430,070
2003-04	13,853,049	2,199,589	1,083,783	76,253,975
2004-05	15,027,828	279,225	1,140,463	79,043,017

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

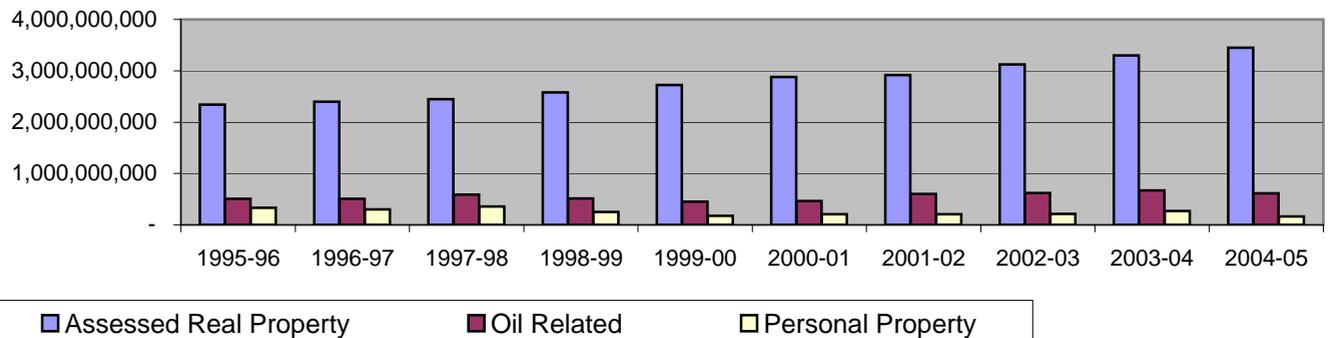
ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (ASSESSED AT 100% VALUE
 (Unaudited)

Fiscal Year	Assessed Real Property	Oil Related	Personal Property	Total	Value Per Capita
1995-96	2,339,408,955	506,471,979	330,885,433	3,176,766,367	67,894
1996-97	2,397,768,876	507,535,282	298,033,984	3,203,338,142	66,600
1997-98	2,447,973,674	590,418,930	356,662,912	3,395,055,516	69,549
1998-99	2,581,288,351	512,562,050	251,714,649	3,345,565,050	68,344
1999-00	2,725,427,521	452,600,420	177,918,737	3,355,946,678	67,536
2000-01	2,882,006,362	462,171,190	205,021,367	3,549,198,919	70,722
2001-02	2,920,015,563	601,141,730	207,615,650	3,728,772,943	72,846
2002-03	3,126,181,999	619,755,320	211,236,646	3,957,173,965	75,545
2003-04	3,299,946,985	667,177,880	269,425,015	4,236,549,880	80,878
2004-05	3,450,878,000	611,303,000	161,673,000	4,223,854,000	82,853

Beginning in 1989-90, the Borough contracted with the State of Alaska Division of Motor Vehicles for the collection of tax on motor vehicles.

This information was obtained from the Kenai Peninsula Borough based on a population of 50,980.

Taxable Property Values



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

Fiscal Year	TAX RATE (MILLS)							
	Borough	City of Homer	City of Kenai	City of Seldovia	City of Seward	City of Seward (Special)	City of Kachemak*	City of Soldotna
1995-96	8.59	5.50	3.50	7.25	3.00	3.00	1.00	1.65
1996-97	8.30	5.50	3.50	7.25	3.00	3.00	1.00	1.65
1997-98	8.30	5.50	3.50	7.25	3.12	3.12	1.00	1.65
1998-99	8.00	5.50	3.50	7.25	3.12	3.12	1.00	1.65
1999-00	8.00	5.50	3.50	7.25	3.12	3.12	1.00	1.65
2000-01	7.50	5.50	3.50	7.25	3.12	3.12	1.00	1.65
2001-02	7.00	5.50	3.50	7.25	3.12	3.12	1.00	1.65
2002-03	6.50	5.00	3.50	7.25	3.12	3.12	1.00	1.65
2003-04	6.50	5.00	5.00	7.25	3.12	3.12	1.00	1.65
2004-05	6.50	4.50	4.50	7.25	3.12	3.12	1.00	1.65

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

This information was obtained from the Kenai Peninsula Borough.

* Real Property Tax

KENAI PENINSULA BOROUGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
June 30, 2005
(Unaudited)

TABLE VIII

Taxpayer	2005			1996		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value
Union Oil/Unocal	\$ 264,044,690	1	6.25%	\$ 617,508,627	1	19.83%
Tesoro Petroleum Co.	146,426,542	2	3.47%	86,708,501	3	2.78%
ConocoPhillips Co.	131,038,332	3	3.10%	101,248,336	2	3.25%
Agrium	120,470,332	4	2.85%	-		-
BP Exploration	80,855,640	5	1.91%	-		-
Forest Oil Corp	80,193,960	6	1.90%	-		-
Alaska Communication Systems	76,740,031	7	1.82%	-		-
Marathon Oil	50,612,810	8	1.20%	41,698,717	5	1.34%
XTO Energy Inc	27,330,870	9	0.65%	-		-
Alaska Pipeline Company	17,310,876	10	0.41%	16,313,043	10	0.52%
Shell Western Exploration and Production	-		-	43,155,168	4	1.39%
Telephone Utilities of the Northland	-		-	37,207,876	6	1.19%
Cook Inlet Pipeline	-		-	24,645,700	7	0.79%
ARCO Alaska	-		-	19,308,228	8	0.62%
Fred Meyer	-		-	16,931,133	9	0.54%
Totals	\$ 995,024,083		23.56%	\$ 1,004,725,329		32.26%

This information obtained from the Kenai Peninsula Borough.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

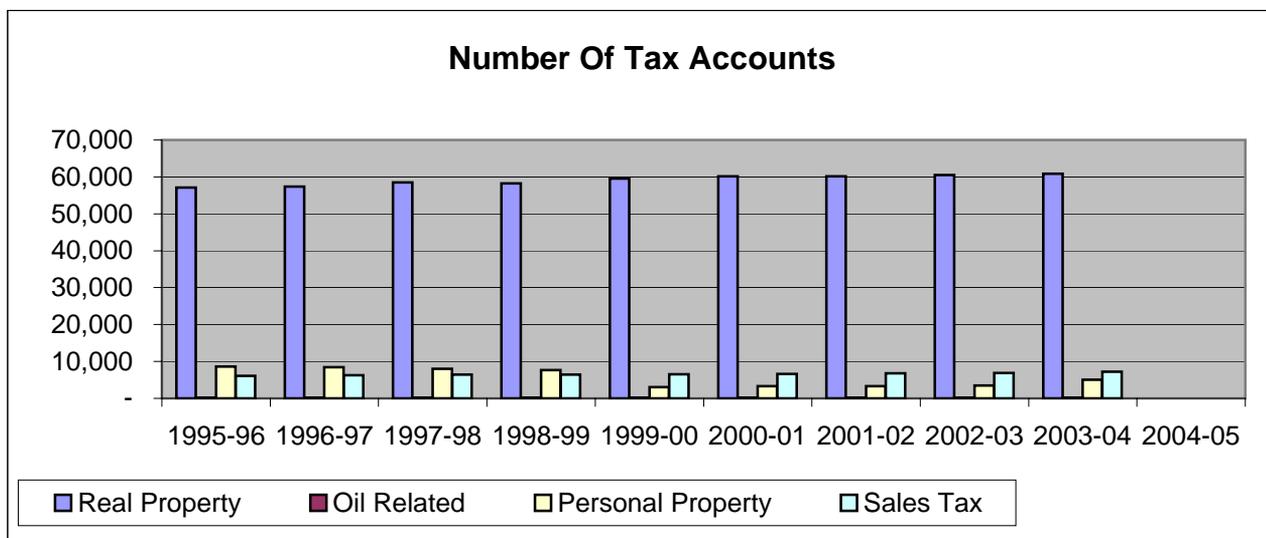
NUMBER OF TAX ACCOUNTS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Real Property	Oil Related	Personal Property	Sales Tax	Total
1995-96	57,145	159	8,652	6,111	72,067
1996-97	57,401	171	8,431	6,290	72,293
1997-98	58,501	151	7,996	6,435	73,083
1998-99	58,211	144	7,675	6,484	72,514
1999-00	59,543	144	3,072	6,504	69,263
2000-01	60,205	144	3,280	6,599	70,228
2001-02	60,159	139	3,326	6,769	70,393
2002-03	60,515	146	3,468	6,917	71,046
2003-04	60,885	147	5,060	7,243	73,335
2004-05	***	***	***	***	***

Beginning in 1989-90, the Borough contracted with the State of Alaska Division of Motor Vehicles for the collection of tax on motor vehicles.

This information was obtained from the Kenai Peninsula Borough.

*** New data unavailable as of the 2005 CAFR. The Borough is no longer reporting this data.



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures*	Ratio of Debt Service to General Expenditures (Percent)
1995-96	7,110,000	4,153,011	11,263,011	111,971,265	10.06
1996-97	8,220,000	4,619,380	12,839,380	113,531,185	11.31
1997-98	9,255,000	3,572,471	12,827,471	115,426,942	11.11
1998-99	9,965,000	2,868,433	12,833,433	116,558,089	11.01
1999-00	10,730,000	2,100,391	12,830,391	120,520,131	10.65
2000-01	10,855,000	1,283,882	12,138,882	122,897,538	9.88
2001-02	2,480,000	836,801	3,316,801	120,009,199	2.76
2002-03	2,575,000	661,595	3,236,595	123,057,279	2.63
2003-04	3,840,000	1,285,814	5,125,814	125,504,858	4.08
2004-05	3,375,000	1,231,528	4,606,528	130,842,385	3.52

This information was obtained from the Kenai Peninsula Borough.

* Includes General, Special Revenue, Debt Service Funds and School District.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

Fiscal Year	Population*	Average Daily Membership	Assessed Value	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita	Net Bonded Debt Per Student Capita
1995-96	47,101	10,281	3,176,766,367	54,985,000	1.73%	1,167	5,348
1996-97	46,790	10,342	3,203,338,142	47,030,000	1.47%	1,005	4,547
1997-98	48,098	10,377	3,347,501,616	38,050,000	1.14%	791	3,667
1998-99	48,952	10,182	3,345,565,050	28,375,000	0.85%	580	2,787
1999-00	49,691	9,982	3,355,946,678	19,315,000	0.58%	389	1,935
2000-01	50,005	* 9,947	3,549,198,919	15,889,000	0.45%	317	1,597
2001-02	50,621	* 9,799	3,728,772,943	13,409,000	0.36%	262	1,368
2002-03	51,398	* 9,632	3,957,173,965	17,874,000	0.45%	341	1,856
2003-04	50,980	* 9,562	4,236,549,880	87,009,000	2.05%	1,707	9,099
2004-05	50,980	** 9,527	4,223,854,000	82,014,000	1.94%	1,609	8,609

This information was obtained from the Kenai Peninsula Borough.

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

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

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

COMPUTATION OF DIRECT DEBT

June 30, 2005

(Unaudited)

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Percentage Application to this Governmental Unit</u>	<u>Share of Debt</u>
Kenai Peninsula Borough:			
Direct Debt:			
Bonded Debt:			
Education	\$ 19,589,000	100%	\$ 22,319,000
Solid Waste	5,770,000	100%	6,415,000
Enterprise funds:			
Central Peninsula General Hospital*	46,655,000	100%	47,985,000
South Peninsula Hospital*	<u>10,000,000</u>	100%	<u>10,290,000</u>
Total Bonded Debt and Direct Debt	<u><u>82,014,000</u></u>		<u><u>87,009,000</u></u>

* General Obligation debt repaid through general property taxes of the service area.

This information was obtained from the Kenai Peninsula Borough.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS
 YEAR ENDED JUNE 30, 2005
 (Unaudited)

DEMOGRAPHIC DATA

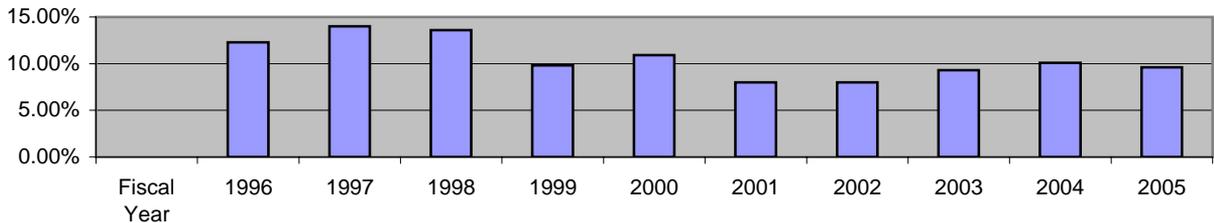
Fiscal Year	Population *	Median Age **	School Enrollment (ADM)	Unemployment rate **
1996	47,101	32.0	10,271	12.30%
1997	46,790	33.6	10,383	14.00%
1998	48,098	35.1	10,405	13.60%
1999	48,952	35.4	10,405	9.80%
2000	49,691	36.1	9,982	10.90%
2001	50,005 **	36.3	9,947	8.00%
2002	50,621 **	36.3	9,799	8.00%
2003	51,398 **	36.7	9,632	9.30%
2004	50,980 **	36.7	9,562	10.10%
2005	50,980 **	36.7	9,527	9.60%

This information obtained from the Kenai Peninsula Borough.

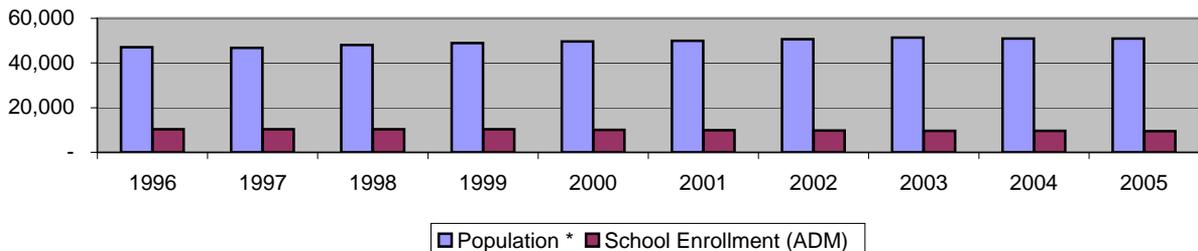
* Data is provided by the State of Alaska Department of Community & Economic Development

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

Unemployment Rate



Population and School Enrollment



DATE OF INCORPORATION ~ January 1, 1964

AUTHORITY OF INCORPORATION ~ State of Alaska Borough Act of 1961

AREA ~ Approximately 25,600 square miles

SCHOOLS	<u>Type of School</u>	Number of Schools	ADM Enrollment
	High Schools	6	2,754
	Middle Schools	4	1,273
	Elementary Schools	15	3,544
	Combined Elementary/High School	10	727
	Charter Schools	4	400
	Alternative Schools	4	163
	Correspondence Schools	1	666
	Total	44	9,527

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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

Fiscal Year	Average Daily Membership Grades K-12	Percentage Average Daily Membership Increase (Decrease) Over Previous Year	Assessed Valuation	Assessed Valuation Percentage Increase (Decrease) Over Previous Year	Assessed Valuation Support Per Student Capita
1995-96	10,281	1.4	3,176,766,367	2.0	308,994
1996-97	10,342	0.6	3,203,338,142	5.4	309,741
1997-98	10,377	0.3	3,347,501,616	4.5	322,589
1998-99	10,182	(1.9)	3,345,565,050	(.1)	328,576
1999-00	9,982	(1.9)	3,355,946,678	.3	336,200
2000-01	9,947	(0.4)	3,549,198,919	(5.4)	356,811
2001-02	9,799	(1.5)	3,728,772,943	5.1	380,526
2002-03	9,632	(1.7)	3,957,173,965	6.1	410,836
2003-04	9,562	(0.7)	4,236,549,880	7.1	443,061
2004-05	9,527	(0.4)	4,223,854,000	1.0	443,356

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

AVERAGE PER PUPIL OPERATING EXPENDITURES
LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Total Operating Expenditures	Operating Expenditures Percentage Increase Over Previous Year	Average Daily Membership Grades K-12	Operating Expenditures Per Student Capita	Operating Expenditures Per Student Capita Percentage Increase Over Previous Year
1995-96	72,287,669	(1.00)	10,281	7,031	(2.30)
1996-97	72,150,745	(0.02)	10,342	6,976	(0.70)
1997-98	71,918,003	(0.03)	10,377	6,931	(0.20)
1998-99	73,237,898	1.80	10,182	7,193	0.40
1999-00	73,527,510	0.40	9,982	7,366	2.40
2000-01	73,397,173	(0.20)	9,947	7,379	0.20
2001-02	76,116,629	0.04	9,799	7,768	0.05
2002-03	74,430,070	(0.02)	9632	7,727	(0.01)
2003-04	76,253,975	0.02	9562	7,975	0.03
2004-05	79,043,017	0.04	9527	8,297	0.04

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

AVERAGE PUPIL/TEACHER RATIO
LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year</u>	<u>Professional Teaching Staff</u>	<u>Average Daily Membership Grades K-12</u>	<u>Ratio of Pupils to Teaching staff</u>
1995-96	697.61	10,281	14.74
1996-97	693.35	10,342	14.92
1997-98	708.50	10,377	14.65
1998-99	701.15	10,182	14.52
1999-00	697.74	9,982	14.31
2000-01	691.17	9,947	14.39
2001-02	692.03	9,799	14.16
2002-03	694.36	9,632	13.87
2003-04	643.59	9,562	14.86
2004-05	608.75	9,527	15.65
