



# Anchorage School District **Comprehensive Annual Financial Report**

*For the fiscal year ended June 30, 2015*

A Component Unit of the Municipality of Anchorage  
Anchorage, AK



**Anchorage School District**  
*Educating All Students for Success in Life*

Comprehensive Annual  
Financial Report

ANCHORAGE SCHOOL DISTRICT

for the Fiscal Year Ended  
June 30, 2015

Ed Graff  
Superintendent

Prepared by Business Management Division

Mark A. Foster, Chief Financial Officer

Ashley Bjornson  
Controller

James Farrington  
Treasurer

Andrew Ratliff  
Executive Director, OMB



A Component Unit of the Municipality of Anchorage  
Anchorage, Alaska

### **Non Discrimination Statement**

The board is committed to an environment of nondiscrimination on the basis of race, color, religion, sex, age, national origin, economic status, union affiliation, disability and other human differences. No person shall be excluded from participation in, or denied the benefits of, any academic or extracurricular program or educational opportunity or service offered by the district. The district will comply with the applicable statutes, regulations, and executive orders adopted by federal, state and municipal agencies. The district notes the concurrent applicability of the Individuals with Disabilities Act, Title II of the Americans with Disabilities Act and the relevant disability provisions of Alaska law.

Inquiries or complaints may be addressed to the district's Equal Employment Opportunity Executive Director, who also serves as the Title IX and ADA/ADAAA Coordinator, ASD Education Center, 5530 E. Northern Lights Blvd, Anchorage, AK 99504-3135 (907) 742-4132, or to any of the following external agencies: Alaska State Commission for Human Rights, Anchorage Equal Rights Commission, Equal Employment Opportunity Commission, the Director of the Office for Civil Rights-U.S. Department of Education or Office of Civil Rights-U.S. Department of Health and Human Services. Revised 8/2012, 8/2013

|  | <u>Page</u> |
|--|-------------|
| Title Page .....   | i           |
| EEO Policy .....   | ii          |
| Table of Contents .....  | iii         |
| <br><b>INTRODUCTORY SECTION</b>  |             |
| Letter of Transmittal .....  | v           |
| School Board .....   | x           |
| Organizational Chart .....   | xi          |
| Certificate of Achievement .....   | xii         |
| Certificate of Excellence .....  | xiii        |
| <br><b>FINANCIAL SECTION</b>   |             |
| Independent Auditor's Report .....   | 1           |
| Management's Discussion and Analysis .....   | 3           |
| <u>Exhibit</u> Basic Financial Statements:   |             |
| Government-wide Financial Statements:  |             |
| I Statement of Net Position .....  | 15          |
| II Statement of Activities .....   | 16          |
| Fund Financial Statements:   |             |
| III Balance Sheet - Governmental Funds .....   | 17          |
| IV Reconciliation of the Balance Sheet Governmental Funds to the Statement of Net Position.....  | 18          |
| V Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....  | 19          |
| VI Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances<br>of Governmental Funds to Statement of Activities..... | 20          |
| VII Statement of Net Position - Proprietary Funds .....  | 21          |
| VIII Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds .....   | 22          |
| IX Statement of Cash Flows - Proprietary Funds .....   | 23          |
| Notes to the Basic Financial Statements .....  | 24          |
| Required Supplementary Information   |             |
| X Schedule of Revenues, Expenditures and Changes in Fund Balance<br>Budget (Non-GAAP Basis) and Actual - General Fund .....                        | 63          |
| XI Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual -<br>Grants Special Revenue Funds.....       | 65          |
| XII Schedule of the District's Information on the Net Pension Liability -<br>Public Employees Retirement System (PERS).....                        | 67          |
| XIII Schedule of District Contributions - Public Employees Retirement System (PERS).....   | 68          |
| XIV Schedule of the District's Information on the Net Pension Liability - Teachers Retirement System (TRS).....                                    | 69          |
| XV Schedule of District Contributions - Teachers Retirement System (TRS).....  | 70          |
| XVI Schedule of District Contributions - Alaska Teamster - Employer Trust Fund.....  | 71          |
| Notes to the Required Supplementary Information .....  | 72          |
| Combining and Individual Fund Statements and Schedules:  |             |
| <u>Schedule</u> General Fund:  |             |
| A-1 Balance Sheet .....  | 75          |
| A-2 Schedule of Revenues, Expenditures, and Changes in Fund Balance - GAAP Basis .....   | 76          |
| A-3 Schedule of Expenditures - GAAP Basis .....  | 77          |
| A-4 Schedule of Expenditures, Budget (Non-GAAP Basis) and Actual .....   | 79          |
| A-5 Schedule of Expenditures by Function, Activity, and Object - GAAP Basis .....  | 83          |
| Special Revenue Funds:   |             |
| Grants Fund:   |             |
| B-1 Balance Sheet .....  | 85          |
| B-2 Schedule of Revenues, Expenditures and Changes in Fund Balance - GAAP Basis .....  | 86          |
| B-3 Schedule of Expenditures - GAAP Basis .....  | 88          |
| B-4 Schedule of Expenditures, Budget (Non-GAAP Basis) and Actual .....   | 90          |
| B-5 Schedule of Expenditures by Function, Activity, and Object - GAAP Basis .....  | 96          |
| B-6 Combining Balance Sheet - Nonmajor Governmental Funds.....   | 98          |
| B-7 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....                                   | 99          |
| Food Service Fund:   |             |
| B-8 Balance Sheet .....  | 100         |
| B-9 Schedule of Revenues, Expenditures, and Changes in Fund Balance - GAAP Basis .....   | 101         |



| <u>Schedule</u> | Student Activity Fund:  | <u>Page</u> |
|-----------------|---|-------------|
| B-10            | Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (Non-GAAP Basis) and Actual .....                           | 102         |
| B-11            | Schedule of Expenditures by Function, Activity, and Object - GAAP Basis .....   | 104         |
| B-12            | Balance Sheet - By Account.....   | 105         |
| B-13            | Schedule of Revenues, Expenditures, and Changes in Fund Balance - By Account.....   | 106         |
| B-14            | Balance Sheet - Decentralized Activities - By Department.....   | 107         |
| B-15            | Schedule of Revenues, Expenditures, and Changes in Fund Balance - Decentralized Activities -<br>By Department.....                  | 108         |
| B-16            | Balance Sheet - Centralized Activities - By Department.....   | 109         |
| B-17            | Schedule of Revenues, Expenditures, and Changes in Fund Balance - Centralized Activities -<br>By Department.....                    | 110         |
|                 | Pupil Transportation Fund:  |             |
| B-18            | Balance Sheet.....  | 111         |
| B-19            | Schedule of Revenues, Expenditures, and Changes in Fund Balance - GAAP Basis .....  | 112         |
| B-20            | Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual.....                             | 113         |
| B-21            | Schedule of Expenditures by Function, Activity, and Object - GAAP Basis .....   | 115         |
|                 | Debt Service Fund:  |             |
| C-1             | Balance Sheet .....   | 117         |
| C-2             | Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual .....                               | 118         |
|                 | Capital Projects Fund:  |             |
| D-1             | Balance Sheet .....   | 119         |
| D-2             | Schedule of Revenues, Expenditures, and Changes in Fund Balance - GAAP Basis .....  | 120         |
| D-3             | Schedule of Expenditures - Project Authorization and Actual - GAAP Basis .....  | 121         |
|                 | Internal Service Funds  |             |
| E-1             | Combining Statement of Net Position.....  | 125         |
| E-2             | Statement of Revenues, Expenses and Changes in Net Position.....  | 126         |
| E-3             | Statement of Cash Flows.....  | 127         |
| <u>Table</u>    | <b>STATISTICAL SECTION</b>  |             |
| AA              | Statement of Net Position - Last Ten Years.....   | 131         |
| BB              | Statement of Activities and Change in Net Position - Last Ten Years.....  | 132         |
| CC              | Fund Balance, Governmental Funds - Last Ten Years.....  | 134         |
| DD              | Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Last Ten Years.....                         | 136         |
| EE              | Government-wide Expenses by Function - Last Ten Years.....  | 138         |
| FF              | Government-wide Revenues by Function - Last Ten Years.....  | 139         |
| GG              | General Expenditures by Function - Last Ten Years .....   | 140         |
| HH              | General Revenues by Source - Last Ten Years .....   | 141         |
| II              | Assessed and Actual Value of Taxable Property - Last Ten Years .....  | 142         |
| JJ              | Property Tax Rates and Tax Levies - Direct and Overlapping Governments - Service Funds - Last Ten Years .....                       | 143         |
| KK              | Principal Property Taxpayers - Current Year and Nine Years Ago.....   | 144         |
| LL              | Property Tax Levies and Collections - Last Ten Years .....  | 145         |
| MM              | Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt<br>Per Capita and Per Student - Last Ten Years .....         | 146         |
| NN              | Computation of Direct and Overlapping Debt, and Legal Debt Margin .....   | 147         |
| OO              | Ratio of Annual Debt Service Expenditures for General Bonded Debt to<br>Total General Expenditures - Last Ten Years .....           | 148         |
| PP              | Demographic Statistics - Last Ten Years .....   | 149         |
| QQ              | Principal Employment by Industry- Current and Nine Years Ago .....  | 150         |
| RR              | Average General Expenditures Per Pupil - Last Ten Years .....   | 151         |
| SS              | Average Daily Membership as Compared to Assessed Valuation Showing<br>Assessed Valuation Support Per Student - Last Ten Years ..... | 152         |
| TT              | Authorized Positions by Category - General Operations - Last Ten Years .....  | 153         |
| UU              | Teacher Education and Salary Information - Current Year.....  | 154         |
| VV              | Average Daily Membership and Pupil to Classroom Teacher Ratio - Last Ten Years .....  | 155         |
| WW              | Facility Utilization and School Buildings - Last Ten Years.....   | 156         |
| XX              | Student Nutrition Local Revenues - Last Ten Years.....  | 157         |
| YY              | Miscellaneous Statistics - Last Ten Years.....  | 158         |
| ZZ              | Employer Medical Contributions by Bargaining Unit - Last Ten Years .....  | 159         |
| AB              | Charter School Fund Balance -Last Ten Years.....  | 160         |
| AC              | Schedule of Insurance in Force - Current Year.....  | 161         |



## Introductory Section



# Anchorage School District

## Education Center

5530 E. Northern Lights Blvd. • Anchorage, AK 99504 • 907-742-4000 • [www.asdk12.org](http://www.asdk12.org)

January 25, 2016

Members of the School Board, and  
Citizens of the Municipality of Anchorage  
Anchorage School District  
Anchorage, Alaska

The Comprehensive Annual Financial Report (CAFR) of the Anchorage School District (district) for the year ended June 30, 2015, is submitted herewith. It includes, as required by Alaska statutes, financial statements that have been audited by an independent firm of certified public accountants.

Responsibility for the accuracy, completeness and fairness of presentation, including all disclosures, rests with the district based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the benefits provided, the controls offer reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

BDO USA, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Anchorage School District's financial statements for the year ended June 30, 2015. The independent auditor's report can be found at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follow the independent auditor's report and provides a narrative introduction, overview and analysis to accompany the basic financial statements. This letter of transmittal is intended to compliment the MD&A and should be read in conjunction with it.

## **DISTRICT PROFILE**

The Anchorage School District (district) was established by the Home Rule Charter of the Municipality of Anchorage (municipality) on September 16, 1975. The most recent State of Alaska Department of Labor estimate of population in the Anchorage School District was 300,549 (August 2015) – a decrease of 0.2 percent over the prior year. The district primarily serves 48,447 students from Kindergarten through the 12<sup>th</sup> grade.

The district is a component unit of the municipality whose eleven member assembly approves the district's total budget. The district is operated under a superintendent-board system with a seven member school board elected at-large from the community. The superintendent acts under the direction of the school board and is responsible for running the day to day district activities. The school board serves as the governing body of the district and approves memorandums, significant contracts, budgets and all personnel appointments and terminations.

The district provides a full range of educational and certain community services. Educational opportunities within the district include a wide range of schools and programs to prepare students to be ready for college and careers. The schools range from traditional local neighborhood schools to specialized schools and programs that draw upon students from across the district. The district has a number of educational alternatives and programs, such as Montessori, back to basics ABC learning, language immersion, ASD iSchool and self-paced instruction. In addition, the district offers special education services, gifted, career and technical as well as multi-cultural education programs. The district offers community use of district facilities, such as tracks, fields, playgrounds, ice rinks, classrooms, and libraries.

The district operates nine charter schools which have been approved by the school board and the State Board of Education. Charter schools are primarily funded through the State of Alaska Public School Funding formula. Each charter school in the district is guided by an Academic Policy Committee, whose purpose is to “supervise the academic operation of a charter school” (AS 14.03.290). Charter schools remain under the purview of the superintendent and governance of the school board.

The school board approves the superintendent's budget for the General Fund, Grants, Food Service, Pupil Transportation and Student Activity Special Revenue Funds, Debt Service Funds and Capital Grants. The district is required to submit the budget to the assembly on (but not later than or prior to) the first Monday in March each year for the subsequent year's budget. The assembly must approve the district's total budget and appropriate the funds within 30 days after receipt. If the assembly fails to approve the budget within this time, the budget as submitted becomes the budget for the district.

Budgetary control is maintained by the district by fund, organization and object in the General Fund, Food Service Special Revenue Fund, Grants Special Revenue Fund and Debt Service Funds only.

Additional information regarding the district, its programs, services, facilities, events and other statistics can be found on the district's website at [www.asdk12.org](http://www.asdk12.org).



## **LOCAL ECONOMY**

Alaska has been substantially insulated from the economic downturn that struck the continental U.S. in 2008 – while unemployment in the U.S. rose to 10 percent in 2009 and has migrated back down toward 5.1 percent (September 2015) this fall, the Alaska unemployment rate is currently at 6.4 percent (September 2015).

The district serves the state’s largest city, Anchorage, which contains approximately 41 percent of Alaska’s population. The most recently reported per capita income for the Municipality of Anchorage was \$52,360 compared to \$49,436 for Alaska and \$43,735 for the U.S. (2012). The average unemployment rate in Anchorage has declined from 7.4 percent in fiscal year 2009-2010 to 5.1 percent (September 2015).

In fiscal year 2014-2015 the Municipal Assembly authorized the collection of a 6.84 mill rate on property to support Anchorage School District investments in education, including debt reimbursement for bonds to pay for capital projects. The total estimated taxable value of Municipal property grew 4.2 percent from 2014 to 2015.

## **LONG-TERM FINANCIAL PLANNING**

The district saw an increase in the FY 2015-2016 base student allocation to \$5,880 up \$50 from the previous year’s allocation of \$5,830. While the state increased the base student allocation, operating grants allocated outside of the BSA were eliminated resulting in an overall decrease in operating revenue to the district.

Current state statute calls for another \$50 increase in the base student allocation in FY 2016-17 with no forward funding past then. While the state continues to grapple with sustained low oil prices and a projected \$3 billion budget deficit, it is unknown if the base student allocation increase will materialize or if additional cuts will be made to K-12 education.

Due to the uncertainty of State funding, the district is projecting a budget shortfall of between \$10 million and \$20 million in fiscal year 2016-2017. For fiscal years 2017-2018 and 2018-2019, the district expects to contend with the same current revenue challenges as well as medical and workers’ compensation cost increases above the rate of inflation, normal inflation on salaries, benefits, services and supplies, and excise taxes imposed on the district in accordance with the Affordable Care Act. The budget shortfall over the next three years could exceed \$60 million and result in the elimination of 630 positions in order close the fiscal gap and balance the budgets.

## **ENROLLMENT**

The majority of the district’s funding is derived from the State of Alaska Public School Foundation Program, which provides formula funding based on adjusted average daily membership (ADM). The district’s ADM decreased by 99 students (0.2 percent) from the prior fiscal year to 47,929 for fiscal year 2014-2015. Projections for fiscal years 2015-2016 and 2016-2017, anticipate increases in enrollment to 48,447 and 48,605 respectively.

## **FACILITIES**

Under Alaska law, the district cannot legally hold title to real property, therefore, all constructed or purchased school facilities are owned by the Municipality of Anchorage. The Municipality has delegated the construction management of school projects to the district. Addition and renovations were completed this summer at Girdwood K-8 School, with renovation at Service High and addition to support career technology education and renovation at West High and Romig Middle schools nearing completion. The average age of district facilities is 33.5 years, there are 4 facilities which are 60 years or older.

Currently, the district is working on design and construction that will renovate Airport Heights Elementary School, Gladys Wood Elementary School, Mountain View Elementary School, Rabbit Creek Elementary School and Turnagain Elementary School. The district identifies capital needs in part by using a Facility Condition Index (FCI), which is a comparison of the relative condition of a facility to others. The FCI is a ratio of the five-year costs to correct capital needs divided by the replacement cost of the facility.

## **RELEVANT FINANCIAL POLICIES**

In 2013, the board adopted a policy that the district should strive to maintain unreserved fund balance reserves of between 8 to 10 percent of general fund operating expenditures in order to be able to sustain effective operations across future uncertainties in revenues, expenditures and investment requirements. The unreserved fund balance of 10 percent is the maximum allowed under State Public School Foundation Formula policy and is slightly less than a typical monthly payroll including taxes.

## **MAJOR CORE ACAMEDIC INITIATIVES**

ASD has implemented the Common Core State Standards (CCSS), and the district's academic plans and assessments continue to be aligned with the standards to ensure effective implementation. Curriculum staff members are working with the special education and English Language Learners department members to ensure that academic plans and assessments differentiate for individual needs.

The district is developing and revising K - 9 science curriculum and materials as part of the STEM initiative. Teacher participation in the multiple steps is critical, including the development of academic plans, piloting new materials, and participating in staff development related to the new 21st Century scientific understanding and content.

Career and Technical Education staff members are building and implementing career pathways at the ASD high schools. At the middle school level, students are being provided opportunities to explore career opportunities so they better understand possible career paths they may want to pursue.

A new Chinese Immersion program is being developed for implementation beginning in kindergarten during the 2016-2017 school year. The World Languages department is also implementing a district-wide language assessment to guide program development and professional development.



## **AWARDS**

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Anchorage School District, Alaska for its comprehensive annual financial report for the fiscal year ended June 30, 2014.

In order to be awarded a Certificate of Excellence and a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to principles and standards as recommended and adopted by ASBOI and GFOA. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Excellence and a Certificate of Achievement are valid for a period of one year only. We believe our current report continues to conform to the Certificate of Excellence and Certificate of Achievement Program requirements, and we are submitting it to ASBOI and GFOA.

## **ACKNOWLEDGEMENTS**

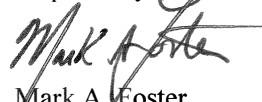
The preparation of this report could not be accomplished without the efficient and dedicated services of the entire finance and budget staff, independent auditors and other administrative staff. We would like to express our appreciation to all staff members who assisted and contributed to its preparation. We would also like to thank the members of the Anchorage School Board for their interest and support in planning and conducting financial operations of the district in a responsible and progressive manner.

Respectfully submitted,



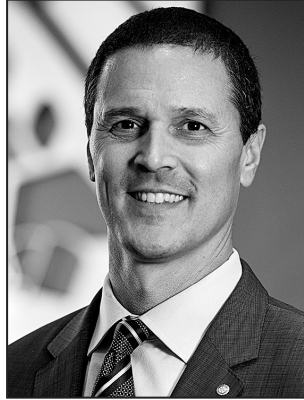
Ed Graff  
Superintendent

Prepared by,



Mark A. Foster  
Chief Financial Officer

# The Anchorage School Board



Kameron Perez-Verdia  
President



Kathleen Plunkett  
Vice President



Tam Agosti-Gisler  
Clerk



Bettye Davis  
Treasurer



Eric Croft



Pat Higgins

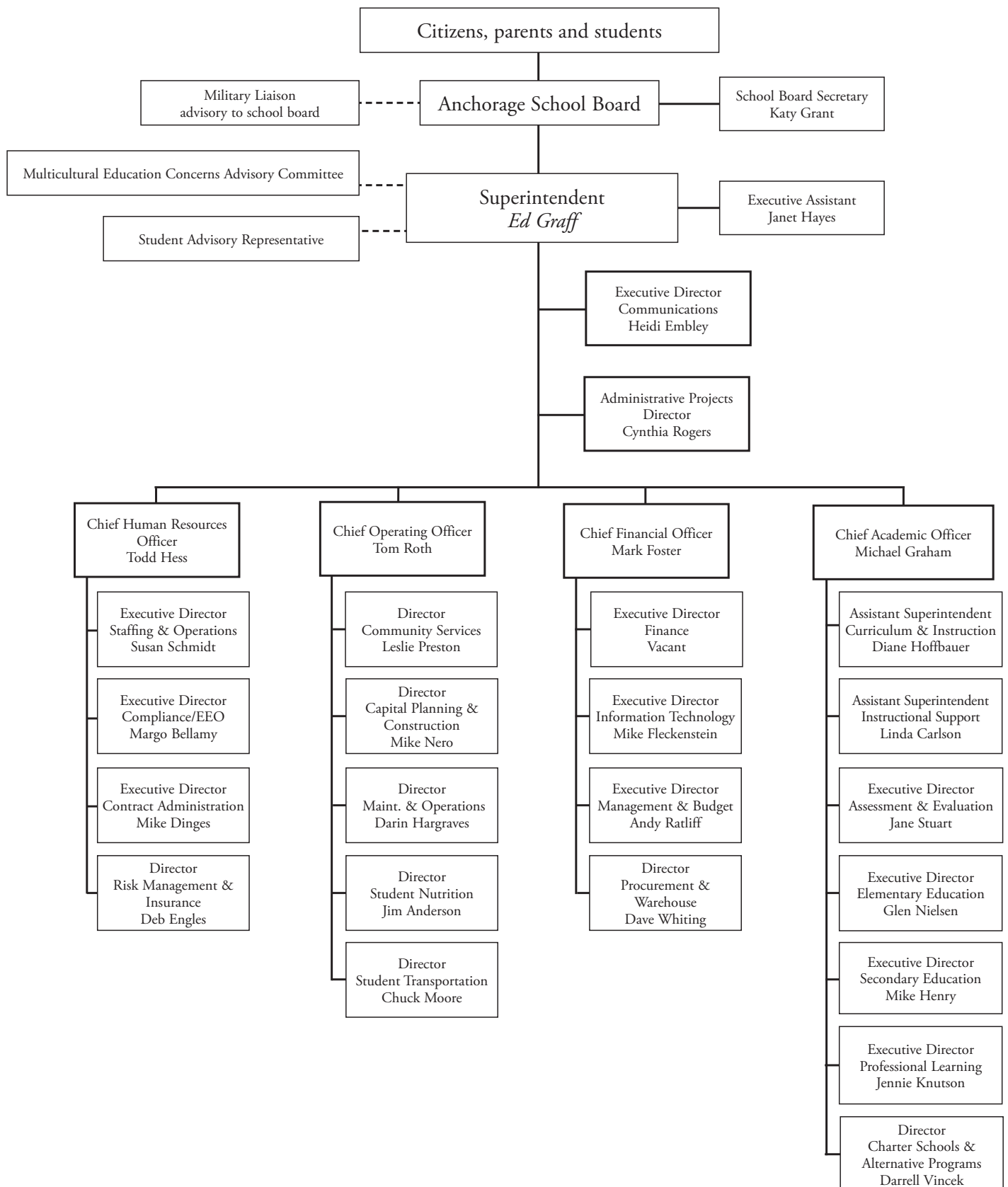


Elisa Snelling

The Anchorage School Board is the governing body of the Anchorage School District and is composed of seven members. The board meets twice a month. Work sessions begin at 3 p.m., regular meeting–executive/early sessions at 5 p.m. in conference room 150, and regular meeting–late sessions at 6:30 p.m. The work and regular meeting late session meetings are held in the board room of the ASD Education Center located at 5530 E. Northern Lights Boulevard. In addition, special meetings and work sessions are scheduled throughout the year. Regular meetings may be watched live on ASD-TV or cable channel 14 and are also available on-demand online after the meetings are over.

# ANCHORAGE SCHOOL DISTRICT ORGANIZATIONAL CHART

## OCTOBER 2015





Government Finance Officers Association

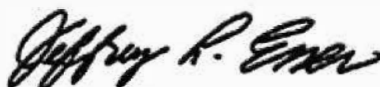
**Certificate of  
Achievement  
for Excellence  
in Financial  
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Presented to

**Anchorage School District  
Alaska**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**



Executive Director/CEO

# Association of School Business Officials International



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

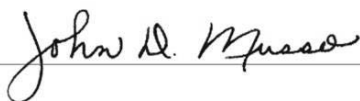
## Anchorage School District

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

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



Mark C. Pepera, MBA, RSBO, SFO  
President



John D. Musso, CAE, RSBA  
Executive Director

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CAER



## Financial Section



## **Independent Auditor's Report**

Members of the School Board  
Anchorage School District  
(A Component Unit of the Municipality of Anchorage, Alaska)  
Anchorage, Alaska

### **Report on the Financial Statements**

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

#### ***Management's Responsibility for the Financial Statements.***

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

#### ***Auditor's Responsibility***

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

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

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

#### ***Opinions***

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

#### ***Change in Accounting Principle***

As discussed in Note 10 to the financial statements, in 2015 the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement Number 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Prior-Year Comparative Information***

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, *budgetary comparison information* and schedules of net pension liability and pension contributions on pages 3 through 14, 63 through 66 and 67 through 73, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Anchorage School District's basic financial statements. The combining and individual fund financial statements and schedules, as listed in the table of contents as combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Governmental Auditing Standards*, we have also issued our report dated January 25, 2016 on our consideration of the Anchorage School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Anchorage School District's internal control over financial reporting and compliance.

*BDO USA, LLP*

Anchorage, Alaska  
January 25, 2016

## Management's Discussion and Analysis

As management of the Anchorage School District (district), we offer readers of the district's financial statements this narrative overview and analysis of the financial activities of the district for the year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v-viii of this report. Professional standards require the inclusion of certain comparative information in the Management's Discussion and Analysis (MD&A).

### Financial Highlights

#### Net Position

The district's opening net position was restated in FY 2014-2015 to reflect the change in accounting principle as the district adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. The net position of the district was \$545.4 million consisting of \$658.3 million in net investment in capital assets, \$27.3 million in restricted net position and a negative \$140.2 million in unrestricted net position. The negative \$140.2 million in unrestricted net position is primarily a result of recognizing the district's \$259.5 million share of the unfunded liability in the State's retirement systems.

The district's net position increased by \$73.6 million which represents an overall change in net position (revenues exceeding expenses) of the governmental activities of \$73.6 million. The increase in net position is reflected as increases in current assets of \$31.1 million and capital assets of \$39.6 million respectively, as well as an increase of deferred outflows of \$2.2 million and an increase of deferred inflows of \$32.4 million; which were offset by a decrease in liabilities of \$33.1 million.

#### Revenues and Expenses

Total government-wide program and general revenues increased by \$112.5 million with a \$78.3 million increase from operating grants and contributions, \$11.3 increase in capital grants revenue, and an increase in general revenues in the amount of \$22.8 million from appropriation from the Municipality of Anchorage, investment income, Public School Funding Program, and Federal Impact Aid.

Ninety-two percent of the \$78.3 million increase in operating grants and contributions is associated with the increase in the state pension on-behalf payments of \$72.2 million from the prior year. The balance of the increase is associated with state and federal grant contributions.

The increase in general revenues of \$22.8 is primarily driven by an increase in the State Public School Funding Program Base Student Allocation (BSA) of \$150 which translated into an increase in state and local revenue of \$15.4 million. Federal Impact Aid increased by \$3.9 million which was primarily driven by the receipt of funding from prior period applications.

Total government-wide expenses increased from the previous fiscal year, changing from \$823.1 million to \$899.0 million, or 9.2 percent. Expenses were reduced in Pupil Transportation, Community Service, and Interest Expense. Expenses were increased in General Administration, Instruction, Operation and Maintenance of Plant, and Food Services for a total year over year increase of \$75.9 million.

#### Fund Balance

At the close of the fiscal year, the district's governmental funds reported a combined ending fund balance of \$190.8 million, which includes:

- \$4.4 million in inventory and prepaid items.

- \$27.3 million in restricted funds associated with the bond rating, debt service requirements, and Federal Impact Aid Section 8003(d).
- \$128.6 million in committed and assigned funds associated with service, supplies and materials encumbrances, authorized construction, self-insurance, Federal Impact Aid Sections 8003 (b), pupil transportation, student activities, and food service.
- \$30.5 million of unassigned funds that are available for spending at the district's discretion which represents 2.5 percent of the total annual general fund expenditures.
- The district is maintaining a level of unrestricted fund balance in the General Fund of 5.7 percent, which is below the School Board adopted policy range of 8 to 10 percent of General Fund expenditures, (10 percent being the maximum allowed by the state). This is due to the retirement system employer relief paid by the State of Alaska on the District's behalf being \$601.3 million more than the previous year.

Major contributors to the overall increase in fund balance of \$35.4 million were proceeds from bond sales in the Capital Projects Fund exceeding current year capital outlays along with revenues and other financing sources over expenditures and other financing uses in the General Fund, Debt Service Fund and Special Revenue Funds.

## **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the district's basic financial statements. The district's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements** – the government-wide financial statements are designed to provide readers with a broad overview of the district's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on the district's assets, deferred outflows, liabilities and deferred inflows. The difference between assets plus deferred outflows and liabilities plus deferred inflows is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The Statement of Activities presents information showing how the district's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods; e.g., uncollected taxes.

Both of the government-wide financial statements distinguish functions of the district that are principally supported by taxes and intergovernmental revenues (governmental activities). The district does not currently have any activities that are considered business-type activities. The governmental activities of the district include general administration, instruction, pupil transportation, operation and maintenance of plant, community services, food services, and interest expense.



The government-wide financial statements include only the Anchorage School District. The district is a component unit of the Municipality of Anchorage (municipality).

The government-wide financial statements can be found on pages 15-16 of this report.

**Schedules of budgetary comparisons** – these schedules present comparisons of actual information to the legally adopted budget. The basis of budgeting is on the modified accrual basis.

The district's financial transactions are recorded on a modified accrual basis of accounting for the various governmental fund types. The modified accrual basis of accounting is defined as that method of accounting in which revenues are recorded in the accounting period in which they become susceptible to accrual; this is, when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for un-matured principal and interest on long-term debt.

**Fund financial statements** – a fund is a grouping of related accounts that is 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 compliance with finance-related legal requirements. All of the funds of the district can be divided into two categories: governmental funds and proprietary 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 fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements; therefore, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. 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 seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Grants Special Revenue Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds. Data from the other three governmental funds—Food Service, Student Activities and Pupil Transportation Special Revenue Funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual fund schedules elsewhere in this report.

The district adopts an annual appropriated budget for its General Fund, Grants and Food Service Special Revenue Funds and Debt Service Funds. Budgetary comparison schedules have been provided for the General Fund and Grants Special Revenue Fund. The combining and individual statements and schedules



also include budgetary information for the Food Service, Pupil Transportation Special Revenue Funds and Debt Service Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17-19 of this report.

**Proprietary funds** - the district maintains three Internal Service Funds for the financing of goods or services provided to other departments on a cost reimbursement basis. The Equipment Replacement Fund is used to account for the financing of government equipment and vehicles. The Health Insurance Fund is used to account for activity relating to the support services employees' health insurance plan. The Compensated Absences Fund is used to account for employees' earned and used leave. Because these services predominantly benefit governmental functions rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

The Internal Service Funds are presented in a single, aggregated presentation on pages 21-23 of this report. Individual fund data for each internal service fund can be found in the form of combining and individual fund statements and schedules elsewhere in this report.

**Notes to the basic 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 24-61 of this report.

**Other information** – in addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the district's budgetary data. A reconciliation from GAAP to budgetary basis is provided to present the actual amounts on a budgetary basis for the budget to actual comparison. Required supplementary information and accompanying notes to the required supplementary information can be found on pages 63-73 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and individual fund schedules can be found on pages 75-123 of this report. Detailed information on the district's Internal Service Funds can also be found on pages 125-127.

## **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as one indicator of a government's financial position. In the case of the district, assets and deferred outflow exceeded liabilities and deferred inflow by \$545,367,829 at the close of the most recent fiscal year. On the following page, Table 1 compares the net position of the most recent fiscal year to the prior fiscal year.

Table 1 – Net Position

|   | Governmental Activities |                       |
|---|-------------------------|-----------------------|
|   | 2014-2015               | 2013-2014             |
| <b>ASSETS</b>                             |                         |                       |
| Current and other assets                  | \$ 378,877,497          | \$ 347,768,740        |
| Capital assets                            | <u>1,230,895,340</u>    | <u>1,191,242,303</u>  |
| Total assets                              | <u>1,609,772,837</u>    | <u>1,539,011,043</u>  |
| <b>DEFERRED OUTFLOWS<br/>OF RESOURCES</b> |                         |                       |
| Pension related                           | 21,904,013              | --                    |
| Deferred charges on refundings            | <u>2,886,162</u>        | <u>1,268,018</u>      |
| Total deferred outflows of resources      | <u>24,790,175</u>       | <u>1,268,018</u>      |
| <b>LIABILITIES</b>                        |                         |                       |
| Bonds payable, net of premium/discount    | 542,455,085             | 591,551,332           |
| Net pension liability                     | 259,453,534             | --                    |
| Other liabilities                         | <u>135,038,598</u>      | <u>78,015,558</u>     |
| Total liabilities                         | <u>936,947,217</u>      | <u>669,566,890</u>    |
| <b>DEFERRED INFLOWS<br/>OF RESOURCES</b>  |                         |                       |
| Pension related                           | 32,542,482              | --                    |
| Tax appropriations                        | <u>119,705,484</u>      | <u>119,788,212</u>    |
| Total deferred inflows of resources       | <u>152,247,966</u>      | <u>119,788,212</u>    |
| <b>NET POSITION</b>                       |                         |                       |
| Invested in capital assets                | 658,250,945             | 612,993,191           |
| Restricted                                | 27,318,480              | 27,232,581            |
| Unrestricted                              | <u>(140,201,596)</u>    | <u>110,698,187</u>    |
| Total net assets                          | <u>\$ 545,367,829</u>   | <u>\$ 750,923,959</u> |

By far the largest portion of the district's total assets reflects its investment in capital assets; e.g., land, building, machinery and equipment, less any related debt used to acquire those assets that is still outstanding. The district uses these capital assets to provide services to students and citizens; consequently, these assets are not available for future spending. The district's net position invested in capital assets was \$658,250,945. Although the district's investment in its capital assets is reported net of debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves can't be used to liquidate the liabilities.

The unrestricted balance of negative \$140,201,596 of net position is the primary result of recognizing the district's share of the pension plan liability administered by the State of Alaska. The total year over year change associated with the liability is \$270.1 million - the net of \$21.9 million in deferred outflows, \$32.5 million in deferred outflows and the \$259.4 million net pension liability.

Table 2 highlights the district's revenues and expenses for the fiscal year 2014-2015. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method of accounting. Revenue is further divided into two major components: program revenues and general revenues. Program revenues are defined as charges for services, operating and capital grants and contributions. General revenues include taxes and non-categorical entitlements such as the Alaska Public School Funding Program. Expenses are shown in programs including general administration, instruction, pupil transportation, operation and maintenance of plant, community service, food services and interest expense.

The net increase in program revenues are mainly attributable to increases in retirement system relief on-behalf revenues, state capital grant revenues offset by reductions in charges for services. The net increase in general revenues are mainly attributable to increases in the Alaska Public School Funding Program, appropriations from the Municipality of Anchorage and Federal Impact Aid. The increase in the Alaska School Funding Program of \$9,136,024 from the prior year is attributable to legislation that contributed more funding to K-12 education. Additionally, the Municipality of Anchorage appropriation increased by \$6,292,143 primarily as a result of State legislation that increased the maximum funding which municipalities could contribute to local districts.

Government-wide expenses were \$898,995,284 a 9.2 percent increase from the prior year. Reductions were made in pupil transportation, community services, and interest expense which were offset by increases in general administration, instruction, operation and maintenance of plant, and food services.

Table 2 – Program Revenues and Expenses

|   | Governmental Activities |                       |
|---|-------------------------|-----------------------|
|   | 2014-2015               | 2013-2014             |
| Revenues:                                   |                         |                       |
| Program revenues:                           |                         |                       |
| Charges for services and sales              | \$ 4,809,087            | \$ 4,893,368          |
| Operating grants and contributions          | 291,396,193             | 213,075,640           |
| Capital grants and contributions            | 72,187,560              | 60,800,513            |
| General revenues:                           |                         |                       |
| Appropriation from                          |                         |                       |
| Municipality of Anchorage                   | 239,576,423             | 233,284,280           |
| Investment income                           | 1,147,782               | 1,059,852             |
| Public school funding program               | 327,797,266             | 318,661,242           |
| Federal impact aid                          | 22,116,652              | 18,251,918            |
| Other                                       | 13,587,963              | 10,084,602            |
| Total revenues                              | <u>\$ 972,618,926</u>   | <u>\$ 860,111,415</u> |
| Program expenses:                           |                         |                       |
| General administration                      | \$ 29,622,367           | \$ 27,427,601         |
| Instruction                                 | 722,027,966             | 647,413,175           |
| Pupil transportation                        | 22,286,749              | 22,871,359            |
| Operation and maintenance of plant          | 76,267,079              | 74,581,580            |
| Community services                          | 483,365                 | 3,619,453             |
| Food services                               | 23,430,716              | 21,551,586            |
| Interest expense                            | 24,877,042              | 25,679,718            |
| Total expenses                              | <u>898,995,284</u>      | <u>823,144,472</u>    |
| Increase in net position                    | 73,623,642              | 36,966,943            |
| Net position beginning of year, as restated | 471,744,187             | 713,957,016           |
| Net positions ending                        | <u>\$ 545,367,829</u>   | <u>\$ 750,923,959</u> |

Table 3 discloses cost of services for the governmental activities. The total cost of services column contains all costs related to the governmental functions, the program revenues column represents all categories of program revenues generally derived directly from the function or from sources other than local taxpayers, finally the net cost of services column shows how much of the total cost of service is not covered by program revenues. Succinctly put, net costs are costs that must be covered by unrestricted state revenues; e.g., Alaska Public School Funding Program or local taxes.

Table 3 – Cost of Services

| Governmental Activities            | Total Cost of<br>Services<br>2014-2015 | Program<br>Revenues<br>2014-2015 | Net Cost of<br>Services<br>2014-2015 |
|------------------------------------|--|----------------------------------|--------------------------------------|
| General administration             | \$ 29,622,367                          | \$ 5,134,762                     | \$ 24,487,605                        |
| Instruction                        | 722,027,966                            | 313,776,957                      | 408,251,009                          |
| Pupil transportation               | 22,286,749                             | 22,621,368                       | (334,619)                            |
| Operation and maintenance of plant | 76,267,079                             | 3,737,885                        | 72,529,194                           |
| Community service                  | 483,365                                | 696,184                          | (212,819)                            |
| Food service                       | 23,430,716                             | 22,425,684                       | 1,005,032                            |
| Interest expense                   | 24,877,042                             | --                               | 24,877,042                           |
| Total expenses                     | <u>\$ 898,995,284</u>                  | <u>\$ 368,392,840</u>            | <u>\$ 530,602,444</u>                |

### Financial Analysis of the Government's Funds

The district uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – the focus of the district's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the district's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Non-spendable, restricted, committed and assigned fund balance may serve as an indication of resources allocated to future expenditures.

The overall governmental funds fund balance increased by \$35,405,861 for the year ended June 30, 2015. This is attributable to increases in the fund balances within all governmental funds.

#### *General Operating Fund*

The General Fund is the primary operating fund of the district. At the end of the current fiscal year, the unassigned fund balance was \$30,517,600 while total fund balance was \$141,404,398. Total fund balance increased by \$18,777,002 from the prior fiscal year.

A measure of the general fund's liquidity would be the comparison of unrestricted fund balance to total expenditures. Unrestricted fund balance is comprised of committed, assigned and unassigned fund balance. For the current fiscal year the district's unrestricted fund balance was \$113,722,250 or 9.27 percent of expenditures. In addition, the level of unrestricted fund balance to expenditures as calculated on a state basis was 5.71 percent, which is below the School Board's adopted fund balance policy range of

8 to 10 percent and below the 10 percent maximum allowed under state law. While the fund balance increased, the percentage of expenditures has decreased substantially due to the \$721.6 million contribution from the State of Alaska into the retirement systems on the district's behalf.

Actual revenues on the budgetary basis were 100.9 percent of budgeted revenues while actual expenditures on the budgetary basis were 98.9 percent of budgeted expenditures. Actual expenditures for general administration and instructional related purchased services, salaries, benefits and supplies and materials were lower than anticipated.

The General Fund expenditure budget for the year ended June 30, 2015 was \$565,259,911, an increase of \$10,360,757 over the prior year budget of \$554,899,154.

#### *Special Revenue Fund*

Grants reported in the Grants Special Revenue Fund are cost reimbursable grants; therefore, expenditures are equal to revenues. Expenditures and revenues for the Grants Special Revenue Fund for the year were \$82,804,162, an increase of 62.4 percent from the prior year amount of \$50,986,033. This is primarily due to the increase in the retirement contributions from the State of Alaska recorded in the Grants Special Revenue Fund.

#### *Debt Service Fund*

The Debt Service Fund has a total fund balance of \$3,019,088 all of which is restricted for payment of debt service. The district projected higher than actual interest payments; due to issuance of a refunding bond, the district was able to realize interest savings during the year. This was partially offset by the district receiving less revenue from the State Debt Reimbursement program than expected. The net result was an overall positive budget variance of \$285,902.

#### *Capital Projects Fund*

The Capital Projects Fund closed the fiscal year with \$81,683,350 in expenditures. Proceeds from the current year general obligation bond sale and funds from state legislative grants primarily financed the activity for the year. Revenues were in excess of current year expenditures, which resulted in an increase to the total fund balance on June 30, 2015 of \$14,798,054 from \$25,097,689.

### **Capital Assets and Debt Administration**

**Capital assets** – the district's investment in capital assets for its governmental activities as of June 30, 2015 amounts to \$1,230,895,340 (net of accumulated depreciation). This investment in capital assets includes land, land improvement, buildings, equipment and vehicles, and construction in progress. The total increase in the district's investment in capital assets for the current year net of related debt was 3.3 percent.

As described in Note 2 of the Financial Statements, the district has a significant number of construction projects that are currently in various stages of planning or construction. A listing of the major projects is as follows:

- Service High School Renovations
- Gladys Wood Elementary Construction
- Mountain View Elementary Construction



Rabbit Creek Elementary Construction  
 Turnagain Elementary Construction  
 West High/Romig Middle Schools Renovation

The following table shows ending balances of capital assets (net of accumulated depreciation) invested in various categories. The district recognized a total increase of \$39,653,037 in capital assets net of accumulated depreciation in part due to completed construction projects.

Table 4 – Capital Assets as of June 30, 2015 (Net of Depreciation)

|                                   | Governmental Activities |                         |
|-----------------------------------|-------------------------|-------------------------|
|                                   | 2014-2015               | 2013-2014               |
| Land                              | \$ 42,357,063           | \$ 42,357,063           |
| Land improvements                 | 23,054,264              | 21,938,680              |
| Buildings, equipment and vehicles | 1,164,638,974           | 1,125,995,276           |
| Construction in progress          | 845,039                 | 951,284                 |
| Totals                            | <u>\$ 1,230,895,340</u> | <u>\$ 1,191,242,303</u> |

**Long-term debt** – as of June 30, 2015 the district had outstanding general obligation bonds totaling \$577,500,000. This entire amount of \$577,500,000 comprises debt backed by the full faith and credit of the municipality. Over the fiscal year, the district paid \$59,290,000 in principal. More detailed information about the district’s long-term debt liabilities is presented in Note 3, Changes in Long-Term Debt, in the basic financial statements.

Table 5 – Outstanding Debt, as of June 30, 2015

|                          | Governmental Activities |                       |          |
|--------------------------|-------------------------|-----------------------|----------|
|                          | 2014-2015               | 2013-2014             | Maturity |
| General obligation bonds | <u>\$ 577,500,000</u>   | <u>\$ 580,485,000</u> | 2035     |

As of June 30, 2015, the district’s available authorized but unissued general obligation school bonds amounted to \$127,782,000.

Outstanding debt on general obligation bonds of the municipality, including the district, is reflected in the municipality’s Comprehensive Annual Financial Report for their fiscal year ended December 31, 2015.

The municipality’s current bond ratings are as follows:

|                          | <u>Fitch’s</u> | <u>Standard and Poor’s</u> |
|--------------------------|----------------|----------------------------|
| General obligation bonds | AA+            | AAA                        |

## **Economic Factors and Next Year's Outlook**

On March 24, 2015 the Anchorage Assembly approved ordinance AO 2015-22 which provided local funding of \$241,627,624 and an upper limit of \$784,243,730. This was amended to \$239,410,965 in local funding and an upper limit of \$782,027,101 with AO 2015-41(S) based on an anticipated decrease in state funding that would reduce the amount of local taxes the municipality could collect on the district's behalf.

Revisions passed by the Alaska Legislature and the governor made a number of changes to state revenues including the reversal of incremental funding provided during the previous legislative session and the Debt Reimbursement program. These changes will have an anticipated reduction of \$12.98 million (excluding PERS/TRS on-behalf allocation) to district funding for fiscal year 2015-2016. A summary of the legislation is provided as follows:

- House Bill 72 – eliminated the operational grants provided outside of the State Foundation Funding Formula provided the previous year in House Bill 278 as well as reduced the total funding available to districts statewide by 1.4 percent. This resulted in an anticipated reduction of \$17,057,455 for the Anchorage School District.
- House Bill 2001 – reversed the provision in House Bill 72 that underfunded the foundation formula by 1.4 percent. This added approximately \$4,785,000 back to the district from the amount reduced under House Bill 72.
- Senate Bill 64 – placed a five year moratorium on school bond debt reimbursements for bonds approved by voters after January 01, 2015. Since this retroactive bill was enacted subsequent to the voters approving bonds in April and property tax rates being set, the district is expecting to cover the additional \$710,000 of fiscal year 2015-2016 interest costs from fund balance. Going forward, this may affect the district's ability to bond for needed projects for the next five years and place the entire burden of school bonds on local taxpayers.

In addition to the funding reductions above, the State chose not to provide any direct legislative grants to schools as it has in the past.

A major driving force of the district's financial outlook is student enrollment. The district initially anticipated an overall decrease in enrollment of 0.4 percent in fiscal year 2015-2016. Maturing of the Anchorage population coupled with an overall decline in birth rates has generally resulted in a gradual decline in student enrollment which has been mitigated by increased regional in-migration from outlying communities and immigration from other countries.

This year the district's enrollment at the end of September was 48,447 students which was 518 more students than 2014-2015. This preliminary enrollment data is above projected enrollment by approximately 1.5 percent, which represents an increase in State Public School Foundation Formula funding of roughly \$3.37 million.

The State of Alaska is primarily dependent on oil taxes and royalties to pay for state government, including education. As the price of oil remains depressed, the state is expected to contend with multibillion dollar budget deficits and will be tasked with the difficult decision of prioritizing programs and projects with limited revenue.

On the expense side, excessive workers' compensation and medical cost inflation continues to drive the cost of group medical coverage at a rate of 4 times the rate of general inflation. Management will continue

to monitor and manage group medical plan cost and value to ensure that employees receive good quality benefits at a reasonable price as part of a competitive total compensation package that enables the district to attract and retain quality employees.

The local heating and electrical markets, primarily supplied by local natural gas reserves in the Cook Inlet, appear likely to continue to experience price increases in excess of general inflation. The district budget for fiscal year 2015-2016 includes \$10.2 million for electricity across district facilities. The management team continues to monitor the energy price outlook and energy efficiency investment opportunities and pursue cost effective investments to improve energy efficiency. The district continues to replace heating/ventilation systems with new more efficient systems. In addition, the district continues to replace florescent lighting with new high efficiency LED lighting systems.

Rate increases, although less than prior years, for purchased services and products are expected to continue. Underlying costs to provide services are also anticipated to continue to be passed along to the district. The district continues to consider these trends when analyzing program costs in accordance to budget objectives.

The district has three indirect cost recovery rates, one that applies to most operating grants and pass-through funding (which includes charter schools up to a 4 percent cap) and two indirect rates for capital grants, aka “pro-rate”, based on the total dollar amount and type of project.<sup>1</sup> The rates are designed to cover necessary general and administrative expenses that are not readily identifiable to a particular grant, contract, program or activity and generally include an allocation from cost centers that includes utilities, accounting, human resources, information technology, facilities personnel, etc.

The indirect rate for operating grants and pass-through funding is based on the federal government cost principals outlined in OMB Circular A-87 as approved by the State of Alaska. The state approved indirect rate for fiscal year 2015-2016 is 4.15 percent.

The state allows an indirect rate of up to 9 percent for capital grants for fiscal year 2015-2016. The district generally charges the full 9 percent for design, planning, and building life extension projects, while large capital renewals, renovations, additions and replacement projects are typically charged 5 percent.

## **Requests for Information**

These financial statements and discussions are designed to provide our students, citizens, taxpayers, investors and creditors disclosure of the district’s finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please write to Chief Financial Officer, Anchorage School District, 5530 East Northern Lights Blvd., Anchorage, Alaska 99504-3135.

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<sup>1</sup> In some cases the indirect costs may be waived or prohibited by the district, grantors or other agencies.

CAFR



Basic Financial Statements

## Basic Financial Statements

June 30, 2015  
With Comparative Totals for  
June 30, 2014

## STATEMENT OF NET POSITION

|   | Governmental Activities |                |
|---|-------------------------|----------------|
|   | 2015                    | 2014           |
| <b>Assets</b>                                   |                         |                |
| Current assets:                                 |                         |                |
| Cash and investments                            | \$ 217,886,429          | \$ 183,922,960 |
| Cash and investments with paying agent          | 13,608,632              | 13,361,130     |
| Accounts receivable, net of allowances          | 2,670,020               | 4,303,516      |
| Interest receivable                             | 29,735                  | 8,155          |
| Due from other governments                      | 139,830,253             | 138,870,963    |
| Prepaid items                                   | 1,313,623               | 3,378,152      |
| Inventory, at weighted average cost             | 3,538,805               | 3,923,864      |
| Non-current assets:                             |                         |                |
| Capital assets:                                 |                         |                |
| Non-depreciable:                                |                         |                |
| Land  | 42,357,063              | 42,357,063     |
| Construction in progress                        | 845,039                 | 951,284        |
| Depreciable:                                    |                         |                |
| Land improvements                               | 66,689,804              | 63,578,613     |
| Buildings and equipment                         | 1,701,618,949           | 1,632,515,700  |
| Pupil transportation equipment                  | 10,992,133              | 10,263,597     |
| Accumulated depreciation                        | (591,607,648)           | (558,423,954)  |
| Capital assets, net of accumulated depreciation | 1,230,895,340           | 1,191,242,303  |
| Total assets                                    | 1,609,772,837           | 1,539,011,043  |
| <b>Deferred outflows of resources</b>           |                         |                |
| Pension related                                 | 21,904,013              | --             |
| Deferred charges on refunding loss              | 2,886,162               | 1,268,018      |
| Total deferred outflows of resources            | 24,790,175              | 1,268,018      |
| <b>Liabilities</b>                              |                         |                |
| Current liabilities:                            |                         |                |
| Accounts payable                                | 3,787,758               | 3,400,415      |
| Contracts payable                               | 4,706,613               | 7,359,638      |
| Medical claims payable, including IBNR          | 7,871,903               | 8,154,089      |
| Interest payable                                | 8,815,772               | 8,836,355      |
| Accrued salaries and related items:             |                         |                |
| Wages and salaries payable                      | 3,505,530               | 2,613,209      |
| Payroll taxes, other accrued and withheld items | 17,835,023              | 10,851,299     |
| Accrued compensated absences                    | 6,027,811               | 5,702,208      |
| Workers' compensation payable                   | 6,158,677               | 5,568,503      |
| Bonds payable                                   | 58,940,000              | 59,290,000     |
| Unearned revenue                                | 4,674,931               | 12,462,417     |
| Non-current liabilities:                        |                         |                |
| Accrued compensated absences                    | 5,025,343               | 5,159,410      |
| Workers' compensation payable                   | 7,689,237               | 7,908,015      |
| Bonds payable, net                              | 542,455,085             | 532,261,332    |
| Net pension liability                           | 259,453,534             | --             |
| Total liabilities                               | 936,947,217             | 669,566,890    |
| <b>Deferred inflows of resources</b>            |                         |                |
| Pension related                                 | 32,542,482              | --             |
| General property tax receipts                   | 100,301,268             | 100,106,500    |
| Debt service tax receipts                       | 19,404,216              | 19,681,712     |
| Total deferred inflows of resources             | 152,247,966             | 119,788,212    |
| <b>Net Position</b>                             |                         |                |
| Net investment in capital assets                | 658,250,945             | 612,993,191    |
| Restricted for:                                 |                         |                |
| Bond rating                                     | 23,941,097              | 23,957,642     |
| Debt service                                    | 3,019,088               | 2,733,186      |
| Federal Impact Aid 8003(d)                      | 358,295                 | 541,753        |
| Unrestricted                                    | (140,201,596)           | 110,698,187    |
| Total net position                              | \$ 545,367,829          | \$ 750,923,959 |

See accompanying notes to basic financial statements

For the Year Ended June 30, 2015

## STATEMENT OF ACTIVITIES

|  |                         | Program Revenues           |  |  | Net (Expenses)                            |
|--|-------------------------|----------------------------|--|--|---|
|  |                         | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Revenue and<br>Changes in<br>Net Position |
| <u>Functions/Programs</u>                      | <u>Expenses</u>         |                            |  |  |   |
| District-wide activities                       |                         |                            |  |  |   |
| General administration                         | \$ (29,622,367)         | \$ 1,242                   | \$ 5,133,520                             | \$ --                                  | \$ (24,487,605)                           |
| Instruction                                    | (722,027,966)           | 1,884,066                  | 239,705,331                              | 72,187,560                             | (408,251,009)                             |
| Pupil transportation                           | (22,286,749)            | --                         | 22,621,368                               | --                                     | 334,619                                   |
| Operation and maintenance of plant             | (76,267,079)            | --                         | 3,737,885                                | --                                     | (72,529,194)                              |
| Community services                             | (483,365)               | 676,985                    | 19,199                                   | --                                     | 212,819                                   |
| Food services                                  | (23,430,716)            | 2,246,794                  | 20,178,890                               | --                                     | (1,005,032)                               |
| Interest expense                               | (24,877,042)            | --                         | --                                       | --                                     | (24,877,042)                              |
| Total district-wide activities                 | <u>\$ (898,995,284)</u> | <u>\$ 4,809,087</u>        | <u>\$ 291,396,193</u>                    | <u>\$ 72,187,560</u>                   | <u>\$ (530,602,444)</u>                   |
| General revenues:                              |                         |                            |  |  |   |
| Unrestricted:                                  |                         |                            |  |  |   |
| Appropriation from Municipality of Anchorage   |                         |                            |  |  | 239,576,423                               |
| Investment income                              |                         |                            |  |  | 1,147,782                                 |
| Public School Funding Program                  |                         |                            |  |  | 327,797,266                               |
| Federal Impact Aid                             |                         |                            |  |  | 22,116,652                                |
| Other  |                         |                            |  |  | <u>13,587,963</u>                         |
| Total general revenues                         |                         |                            |  |  | <u>604,226,086</u>                        |
| Change in net position                         |                         |                            |  |  | 73,623,642                                |
| Net position at beginning of year, as restated |                         |                            |  |  | <u>471,744,187</u>                        |
| Net position at end of the year                |                         |                            |  |  | <u>\$ 545,367,829</u>                     |

See accompanying notes to basic financial statements

June 30, 2015  
With Comparative Totals for  
June 30, 2014

**BALANCE SHEET - GOVERNMENTAL FUNDS**

|   | General               | Grants Special<br>Revenue | Debt Service         | Capital Projects     | Non-Major<br>Governmental | Totals                |                       |
|---|-----------------------|---------------------------|----------------------|----------------------|---------------------------|-----------------------|-----------------------|
|   |                       |                           |                      |                      |                           | 2015                  | 2014                  |
| <b>Assets</b>   |                       |                           |                      |                      |                           |                       |                       |
| Cash and investments  | \$ 157,999,519        | \$ --                     | \$ --                | \$ 24,544,108        | \$ 3,204,021              | \$ 185,747,648        | \$ 161,489,960        |
| Cash with paying agent  | --                    | --                        | 8,269,540            | 5,339,092            | --                        | 13,608,632            | 13,361,130            |
| Accounts receivable (net of any<br>allowances for uncollectables)     | 2,594,575             | 7,183                     | --                   | 13,621               | 33,847                    | 2,649,226             | 2,205,650             |
| Interest receivable   | --                    | --                        | --                   | 29,414               | 321                       | 29,735                | 8,154                 |
| Due from other funds  | 19,965,185            | --                        | --                   | 15,491,257           | 3,622,216                 | 39,078,658            | 49,798,857            |
| Due from other governments  | 100,905,919           | 16,964,823                | 19,877,590           | 1,757,532            | 324,388                   | 139,830,252           | 139,711,055           |
| Prepaid items   | 1,291,720             | 17,852                    | --                   | --                   | 910                       | 1,310,482             | 3,358,628             |
| Inventory   | 2,091,036             | --                        | --                   | --                   | 1,447,770                 | 3,538,806             | 3,923,864             |
| Total assets  | <u>\$ 284,847,954</u> | <u>\$ 16,989,858</u>      | <u>\$ 28,147,130</u> | <u>\$ 47,175,024</u> | <u>\$ 8,633,473</u>       | <u>\$ 385,793,439</u> | <u>\$ 373,857,298</u> |
| <b>Liabilities</b>  |                       |                           |                      |                      |                           |                       |                       |
| Accounts payable  | \$ 2,581,360          | \$ 356,645                | \$ --                | \$ 808,606           | \$ 40,890                 | \$ 3,787,501          | \$ 3,187,915          |
| Contracts payable   | --                    | --                        | --                   | 4,706,613            | --                        | 4,706,613             | 7,359,638             |
| Medical claims and other<br>contracts payable                         | 1,650,746             | --                        | --                   | --                   | --                        | 1,650,746             | 1,490,997             |
| Due to other funds  | 19,113,473            | 14,177,115                | 5,723,826            | --                   | 64,244                    | 39,078,658            | 60,660,475            |
| Accrued salaries and<br>related items                                 | 19,778,473            | 1,248,693                 | --                   | 156,820              | 156,523                   | 21,340,509            | 13,464,508            |
| Unearned revenue  | 18,236                | 1,207,405                 | --                   | 1,607,242            | 1,842,048                 | 4,674,931             | 12,462,417            |
| Total liabilities   | <u>43,142,288</u>     | <u>16,989,858</u>         | <u>5,723,826</u>     | <u>7,279,281</u>     | <u>2,103,705</u>          | <u>75,238,958</u>     | <u>98,625,950</u>     |
| <b>Deferred inflows of resources</b>                                  |                       |                           |                      |                      |                           |                       |                       |
| General property tax appropriation                                    | 100,301,268           | --                        | --                   | --                   | --                        | 100,301,268           | 100,106,500           |
| Debt service tax appropriation  | --                    | --                        | 19,404,216           | --                   | --                        | 19,404,216            | 19,681,712            |
| Total deferred inflows of resources                                   | <u>100,301,268</u>    | <u>--</u>                 | <u>19,404,216</u>    | <u>--</u>            | <u>--</u>                 | <u>119,705,484</u>    | <u>119,788,212</u>    |
| <b>Fund balances:</b>   |                       |                           |                      |                      |                           |                       |                       |
| Non-spendable   | 3,382,756             | 17,852                    | --                   | --                   | 965,452                   | 4,366,060             | 6,771,445             |
| Restricted  | 24,299,392            | --                        | 3,019,088            | --                   | --                        | 27,318,480            | 27,232,581            |
| Committed   | 10,046,919            | --                        | --                   | 39,895,743           | --                        | 49,942,662            | 30,744,335            |
| Assigned  | 73,157,731            | --                        | --                   | --                   | 5,564,316                 | 78,722,047            | 53,631,921            |
| Unassigned  | 30,517,600            | (17,852)                  | --                   | --                   | --                        | 30,499,748            | 37,062,854            |
| Total fund balances   | <u>141,404,398</u>    | <u>--</u>                 | <u>3,019,088</u>     | <u>39,895,743</u>    | <u>6,529,768</u>          | <u>190,848,997</u>    | <u>155,443,136</u>    |
| Total liabilities, deferred inflows of<br>resources and fund balances | <u>\$ 284,847,954</u> | <u>\$ 16,989,858</u>      | <u>\$ 28,147,130</u> | <u>\$ 47,175,024</u> | <u>\$ 8,633,473</u>       | <u>\$ 385,793,439</u> | <u>\$ 373,857,298</u> |

See accompanying notes to basic financial statements



June 30, 2015  
With Comparative Totals for  
June 30, 2014

**RECONCILIATION OF THE BALANCE SHEET  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**

|  | 2015           | 2014           |
|--|----------------|----------------|
| Total governmental fund balances   | \$ 190,848,996 | \$ 155,443,136 |
| Amounts reported for governmental activities in the Statement of Net Position are different because:   |                |                |
| Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds | 1,222,835,614  | 1,184,366,980  |
| Other long-term liabilities not due and payable in the current period, and therefore not reported in the funds:  |                |                |
| Workers' compensation payable  | (13,847,913)   | (13,476,518)   |
| General obligation debt  | (577,500,000)  | (580,485,000)  |
| Accrued interest on general obligation debt  | (8,815,772)    | (8,836,355)    |
| Unamortized loss/(gain) on refunding bonds   | 2,886,162      | 1,268,018      |
| Unamortized general obligation bond premium  | (23,895,085)   | (11,066,332)   |
| Net pension liability  | (259,453,534)  | --             |
| Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:         |                |                |
| Deferred outflows of resources related to pensions   | 21,904,013     | --             |
| Deferred inflows of resources related to pensions  | (32,542,482)   | --             |
| Internal service fund net position   | 22,947,830     | 23,710,030     |
| Total reconciling items  | 354,518,833    | 595,480,823    |
| Net position of governmental activities  | \$ 545,367,829 | \$ 750,923,959 |

For the Year Ended June 30, 2015  
With Comparative Totals  
For the Year Ended June 30, 2014

**STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND  
BALANCES - GOVERNMENTAL FUNDS**

|  |                |                           |                 |                     | Non-Major<br>Governmental<br>Funds | Totals         |                |
|--|----------------|---------------------------|-----------------|---------------------|------------------------------------|----------------|----------------|
|  | General        | Grants<br>Special Revenue | Debt<br>Service | Capital<br>Projects |                                    | 2015           | 2014           |
| Revenues:  |                |                           |                 |                     |                                    |                |                |
| Local sources  | \$ 205,441,548 | \$ 775,714                | \$ 39,363,456   | \$ 69,047           | \$ 10,307,296                      | \$ 255,957,061 | \$ 250,705,339 |
| State sources  | 1,019,846,747  | 40,759,940                | 47,337,158      | 25,620,032          | 27,740,456                         | 1,161,304,333  | 532,700,403    |
| Federal sources  | 22,821,691     | 41,268,508                | 257,300         | 665,763             | 19,159,790                         | 84,173,052     | 76,231,876     |
| Total revenues   | 1,248,109,986  | 82,804,162                | 86,957,914      | 26,354,842          | 57,207,542                         | 1,501,434,446  | 859,637,618    |
| Expenditures:  |                |                           |                 |                     |                                    |                |                |
| Current:   |                |                           |                 |                     |                                    |                |                |
| General administration                                       | 35,074,968     | --                        | --              | --                  | --                                 | 35,074,968     | 26,964,679     |
| Instruction  | 1,105,273,782  | 82,804,162                | --              | --                  | 7,943,204                          | 1,196,021,148  | 606,791,232    |
| Pupil transportation   | --             | --                        | --              | --                  | 24,310,030                         | 24,310,030     | 22,931,732     |
| Operation and maintenance<br>of plant                        | 85,422,847     | --                        | --              | --                  | --                                 | 85,422,847     | 74,658,873     |
| Community services   | 576,814        | --                        | --              | --                  | --                                 | 576,814        | 3,628,420      |
| Food services  | --             | --                        | --              | --                  | 25,694,692                         | 25,694,692     | 21,297,939     |
| Debt service:  |                |                           |                 |                     |                                    |                |                |
| Refunding bond issuance cost                                 | --             | --                        | 80,973          | --                  | --                                 | 80,973         | --             |
| Principal  | --             | --                        | 59,290,000      | --                  | --                                 | 59,290,000     | 57,340,000     |
| Interest   | --             | --                        | 27,385,338      | --                  | --                                 | 27,385,338     | 27,354,466     |
| Fiscal agent fees  | --             | --                        | 6,547           | --                  | --                                 | 6,547          | 8,950          |
| Bond issuance cost   | --             | --                        | --              | 126,566             | --                                 | 126,566        | 180,923        |
| Capital outlays  | --             | --                        | --              | 81,556,784          | --                                 | 81,556,784     | 48,043,764     |
| Total expenditures   | 1,226,348,411  | 82,804,162                | 86,762,858      | 81,683,350          | 57,947,926                         | 1,535,546,707  | 889,200,978    |
| Excess (deficiency) of revenues<br>over (under) expenditures | 21,761,575     | --                        | 195,056         | (55,328,508)        | (740,384)                          | (34,112,261)   | (29,563,360)   |
| Other financing sources (uses):                              |                |                           |                 |                     |                                    |                |                |
| Proceeds from sale of property<br>and equipment              | 28,563         | --                        | --              | --                  | --                                 | 28,563         | 16,561         |
| Issuance of general obligation bonds                         | --             | --                        | --              | 59,075,000          | --                                 | 59,075,000     | 39,345,000     |
| Premium on issuance of general<br>obligation bonds           | --             | --                        | --              | 11,056,199          | --                                 | 11,056,199     | 3,845,552      |
| Issuance of refunding bonds                                  | --             | --                        | 37,150,000      | --                  | --                                 | 37,150,000     | --             |
| Premium on issuance of<br>refunding bonds                    | --             | --                        | 5,966,834       | --                  | --                                 | 5,966,834      | --             |
| Payments to refunding escrow                                 | --             | --                        | (43,030,625)    | --                  | --                                 | (43,030,625)   | --             |
| Transfers in   | --             | --                        | 4,637           | --                  | 2,285,287                          | 2,289,924      | 2,392,810      |
| Transfers out  | (3,013,136)    | --                        | --              | (4,637)             | --                                 | (3,017,773)    | (2,392,810)    |
| Total other financing sources (uses)                         | (2,984,573)    | --                        | 90,846          | 70,126,562          | 2,285,287                          | 69,518,122     | 43,207,113     |
| Net change in fund balances                                  | 18,777,002     | --                        | 285,902         | 14,798,054          | 1,544,903                          | 35,405,861     | 13,643,753     |
| Fund balances at beginning of year                           | 122,627,396    | --                        | 2,733,186       | 25,097,689          | 4,984,865                          | 155,443,136    | 141,799,383    |
| Fund balances at end of year                                 | \$ 141,404,398 | \$ --                     | \$ 3,019,088    | \$ 39,895,743       | \$ 6,529,768                       | \$ 190,848,997 | \$ 155,443,136 |

See accompanying notes to basic financial statements

For the Year Ended June 30, 2015  
 With Comparative Totals  
 For the Year Ended June 30, 2014

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES**

|   | 2015          | 2014          |
|---|---------------|---------------|
| Net change in fund balances - total governmental funds (page 19)  | \$ 35,405,861 | \$ 13,643,753 |
| Amounts reported for governmental activities in the statement of activities are different because:  |               |               |
| 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 which depreciation exceeded capital outlays in the current period.  |               |               |
| Capital outlay and equipment purchases  | 81,176,773    | 48,217,443    |
| Current depreciation expense  | (38,370,758)  | (37,426,133)  |
| Loss on disposal of assets  | (4,337,383)   | (4,563,206)   |
| Net adjustment for change in fund balance, total government funds to arrive at changes in net position of governmental activities   | 38,468,632    | 6,228,104     |
| The issuance of long-term debt on bonds provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unearned and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term and related items. |               |               |
| Issuance of general obligation bonds  | (59,075,000)  | (39,345,000)  |
| Premium on issuance of general obligation bonds   | (11,056,199)  | (3,845,552)   |
| Issuance of refunding general obligation bonds  | (37,150,000)  | --            |
| Payment to escrow agent for refunding   | 43,030,625    | --            |
| Premium on issuance of refunding general obligation bonds   | (5,966,834)   | --            |
| Principal payments on general obligation bonds and refunded bonds   | 59,290,000    | 57,340,000    |
| Net change in refunding loss  | 52,244        | 157,942       |
| Net change in general obligation bonds premium  | 2,649,556     | 1,792,156     |
| Accrued interest  | 20,583        | (346,716)     |
| Expenses and revenues that do not require the use of current financial resources are reported in the Statement of Activities, but they are not recorded as expenditures or revenues in the governmental funds:  |               |               |
| Accrued compensated absences  | --            | --            |
| Workers' compensation payable   | (371,396)     | 1,929,498     |
| Pension contributions   | (529,164,459) | --            |
| Cost of benefits earned net of employee contributions   | 538,252,228   | --            |
| Change in net position - Internal Service Funds   | (762,199)     | (587,242)     |
| Total reconciling items   | 38,217,781    | 23,323,190    |
| Change in net position of governmental activities (page 16)   | \$ 73,623,642 | \$ 36,966,943 |

June 30, 2015  
With Comparative Totals for  
June 30, 2014

INTERNAL SERVICE FUNDS  
STATEMENT OF NET POSITION

|  | Governmental Activities |               |
|--|-------------------------|---------------|
|  | 2015                    | 2014          |
| <b>Assets</b>                                    |                         |               |
| Current Assets:                                  |                         |               |
| Investments                                      | \$ 32,141,920           | \$ 22,452,523 |
| Accounts receivable                              | 20,795                  | 1,257,777     |
| Due from general fund                            | --                      | 10,861,618    |
| Total current assets                             | 32,162,715              | 34,571,918    |
| Non-current assets:                              |                         |               |
| Machinery and equipment                          | 31,848,886              | 29,618,369    |
| Accumulated depreciation                         | (23,789,160)            | (22,743,048)  |
| Capital assets (net of accumulated depreciation) | 8,059,726               | 6,875,321     |
| Total assets                                     | 40,222,441              | 41,447,239    |
| <b>Liabilities</b>                               |                         |               |
| Current liabilities:                             |                         |               |
| Medical claims and other payables                | 6,221,457               | 4,377,862     |
| Accrued compensated absences                     | 6,027,811               | 5,702,208     |
| Total current liabilities                        | 12,249,268              | 10,080,070    |
| Non-current liabilities                          |                         |               |
| Other contractual obligations payable            | --                      | 2,497,730     |
| Accrued compensated absences                     | 5,025,343               | 5,159,410     |
| Total non-current liabilities                    | 5,025,343               | 7,657,140     |
| Total liabilities                                | 17,274,611              | 17,737,210    |
| <b>Net Position</b>                              |                         |               |
| Net investment in capital assets                 | 8,059,726               | 6,875,321     |
| Unrestricted                                     | 14,888,104              | 16,834,708    |
| Total net position                               | \$ 22,947,830           | \$ 23,710,029 |

See accompanying notes to basic financial statements

For the Year Ended June 30, 2015  
 With Comparative Totals  
 For the Year Ended June 30, 2014

## INTERNAL SERVICE FUNDS

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION

|   | Governmental Activities |                      |
|---|-------------------------|----------------------|
|   | 2015                    | 2014                 |
| Operating revenues:                                   |                         |                      |
| Charges for services                                  | \$ 1,516,326            | \$ 1,281,803         |
| Charges for health insurance services                 | 34,285,197              | 33,152,418           |
| Charges for accrued compensated absences              | 13,219,517              | 12,275,732           |
| Total operating revenues                              | <u>49,021,040</u>       | <u>46,709,953</u>    |
| Operating expenses:                                   |                         |                      |
| Depreciation  | 1,516,326               | 1,281,803            |
| Costs of services                                     | 120,900                 | 135,841              |
| Medical plan administration                           | 5,413,714               | 2,700,378            |
| Medical claims  | 31,116,612              | 31,606,302           |
| Compensated absences expense                          | 13,324,126              | 12,275,732           |
| Total operating expenses                              | <u>51,491,678</u>       | <u>48,000,056</u>    |
| Operating (loss)                                      | <u>(2,470,638)</u>      | <u>(1,290,103)</u>   |
| Non-operating revenues:                               |                         |                      |
| Gain on sale of capital assets                        | 24,618                  | 4,677                |
| Insurance proceeds                                    | --                      | 24,258               |
| Investment income                                     | 240,354                 | 332,525              |
| Total non-operating revenues                          | <u>264,972</u>          | <u>361,460</u>       |
| Total loss before capital contributions and transfers | <u>(2,205,666)</u>      | <u>(928,643)</u>     |
| Capital contributions                                 | 715,618                 | 341,401              |
| Transfers in - General Fund                           | <u>727,849</u>          | <u>--</u>            |
| Total capital contributions and transfers             | <u>1,443,467</u>        | <u>341,401</u>       |
| Changes in net position                               | (762,199)               | (587,242)            |
| Net position at beginning of year                     | <u>23,710,029</u>       | <u>24,297,271</u>    |
| Net position at end of year                           | <u>\$ 22,947,830</u>    | <u>\$ 23,710,029</u> |

See accompanying notes to basic financial statements

For the Year Ended June 30, 2015  
With Comparative Totals  
For the Year Ended June 30, 2014

## INTERNAL SERVICE FUNDS

## STATEMENT OF CASH FLOWS

|   | Governmental Activities |                     |
|---|-------------------------|---------------------|
|   | 2015                    | 2014                |
| Cash flows from operating activities:   |                         |                     |
| Receipts from interfund activities  | \$ 49,021,040           | \$ 46,710,962       |
| Payments for interfund services used  | (13,132,590)            | --                  |
| Payments for medical claims and<br>other health insurance activity                    | (35,850,361)            | (46,823,320)        |
| Net cash flows provided by operating activities                                       | <u>38,089</u>           | <u>(112,358)</u>    |
| Cash flows from non-capital financing activities:                                     |                         |                     |
| Increase in due from other funds  | --                      | (390,123)           |
| Transfers from other funds  | 727,849                 | --                  |
| Net cash flows provided by non-capital<br>and related financing activities            | <u>727,849</u>          | <u>(390,123)</u>    |
| Cash flow from capital and related financing activities:                              |                         |                     |
| Acquisition of capital assets   | (2,197,614)             | (2,174,023)         |
| Sale of capital assets  | 19,101                  | 32,112              |
| Insurance proceeds  | --                      | 24,258              |
| Net cash used in capital and related<br>financing activities                          | <u>(2,178,513)</u>      | <u>(2,117,653)</u>  |
| Cash flows from investing activities:   |                         |                     |
| Sale of investments   | 1,172,221               | 2,287,609           |
| Interest earnings received  | 240,354                 | 332,525             |
| Net cash provided by investing activities   | <u>1,412,575</u>        | <u>2,620,134</u>    |
| Net increase in cash  | --                      | --                  |
| Cash at beginning of year   | --                      | --                  |
| Cash at end of year   | <u>\$ --</u>            | <u>\$ --</u>        |
| Reconciliation of operating income to net cash<br>used by operating activities:       |                         |                     |
| Operating loss  | \$ (2,470,638)          | \$ (1,290,103)      |
| Adjustments to reconcile operating income to<br>net cash used by operating activities |                         |                     |
| Depreciation expense  | 1,516,326               | 1,281,803           |
| Change in assets and liabilities  |                         |                     |
| Receivables, net  | 1,242,500               | (94,436)            |
| Accounts and other payables   | (250,099)               | (9,622)             |
| Net cash used by operating activities   | <u>\$ 38,089</u>        | <u>\$ (112,358)</u> |
| Non-cash investing, capital, and financing activities:                                |                         |                     |
| Contributed capital and equipment   | <u>\$ 715,618</u>       | <u>\$ 341,401</u>   |

See accompanying notes to basic financial statements

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Anchorage School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. Reporting Entity**

The accompanying financial statements include all the activities of the Anchorage School District. Based upon criteria developed by the Governmental Accounting Standards Board, the district is a component unit and integral part of the primary government, the Municipality of Anchorage, and has been included in their Comprehensive Annual Financial Report. The district is fiscally dependent upon the primary government because the Anchorage Assembly approves the municipal tax appropriation and the total budget, and levies and collects taxes for the district. The Anchorage Assembly also approves the borrowing of funds and issuance of bonds for the district.

The district is mandated by state statute to have a June 30 fiscal year, whereas the Municipality is required by Municipal Charter to have a December 31 fiscal year. Audited financial statements for the Municipality of Anchorage, including the district, are available upon request from their principal administrative office. There are no other organizations or agencies whose financial statements should be combined and presented with the district's financial statements.

**B. Basis of Presentation**

The district's basic financial statements consist of government-wide statements, including a statement of net position, a statement of activities, and the fund financial statements that provide a more detailed level of financial information.

Government-wide financial statements – The statement of net position and the statement of activities display information about the district as a whole. These statements include the financial activities of the governmental and proprietary funds. The district does not have any activities that are considered business-type activities.

The statement of net position presents the financial condition of governmental activities of the district at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the district's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the district. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the district.

Fund financial statements – During the year, the district segregates transactions related to certain district functions or activities in separate funds in order to aid financial management and to



demonstrate legal compliance. Fund financial statements are designed to present financial information of the district at this more detailed level. The focus of governmental fund financial statements is on major funds. The major funds are presented in separate columns. Non-major funds are aggregated and presented in a single column. The fund financials are accounted for using a flow of current financial resources measurement focus. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

### C. Fund Accounting

The accounts of the district are organized on the basis of funds each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The district resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The district has two categories of funds: governmental and proprietary. The various funds are grouped, in the financial statements in this report, into five generic fund types and two broad fund categories as follows:

#### Governmental Funds

The district reports major governmental funds based on quantitative criteria:

**General Fund** – this fund is the general operating fund of the district. It is used to account for all financial resources traditionally associated with school districts except those required to be accounted for in another fund.

**Debt Service Fund** – this fund is used to account for the accumulation of resources for, and payment of, general long-term bonded debt principal, interest and related costs.

The district reports the following funds as a major governmental fund for special interest criteria:

**Grants Special Revenue Fund** – this fund is used to account for revenues from sources which include categorical state and federal grants or contracts used to supplement educational programs.

**Capital Projects Fund** – this fund is used to account for financial resources to be used for major capital outlay relating to the acquisition, construction and renovation of capital facilities.

The other governmental funds of the district are considered non-major; the district's non-major governmental funds include Special Revenue Funds which are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are restricted by law or administrative action to expenditures for specified purpose. Brief descriptions of the district's three non-major special revenue funds are as follows:

**Food Service Fund** – this fund is used to account for the operations of the district's Student Nutrition program. Financing is provided by user fees and proceeds received under the National School Lunch and Breakfast Programs, as well as other state and federal sources.

**Student Activities Funds** – these funds include decentralized and centralized accounts. Decentralized student activities accounts are used to account for assets held by the district for the secondary school student body organizations. Decentralized student activities accounts maintain their own treasury to account for cash and investments and for daily operation. Centralized student activities accounts are used to account for assets held by the district for the various school student body organizations. Centralized student activities accounts use the district's central treasury to account for cash and investments and for daily operation.

**Pupil Transportation Fund** – this fund is used to account for the operations of the district's pupil transportation program. Financing is provided primarily through the State Pupil Transportation Program and supplemented by other general revenues.

Proprietary Funds

Internal Service Funds may be used to account for the financing of goods or services provided by one department to other departments of the primary government on a cost-reimbursement basis. Internal Service Funds distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the Internal Service Funds ongoing operations. The district's Internal Service Funds are also considered non-major and are as follows:

**Equipment Replacement Fund** – this fund is used to account for the management and replacement of the General Fund's equipment and vehicles.

**Health Insurance Fund** – this fund is used to account for the support services employees' health insurance plan. This includes six of the nine employee groups within the district.

**Compensated Absences Fund** – this fund is used to account for employees' earned, as well as used leave.

D. Basis of Accounting/Measurement Focus

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Financial transactions are recorded on the modified accrual basis of accounting for the various governmental fund types. The modified accrual basis of accounting is defined as that method of accounting in which revenues are recognized in the accounting period in which they become susceptible to accrual – that is, when they become both measurable and available to finance expenditures of the current period. "Measurable" means the amount of the transaction can be recognized when collectability is assured or losses can be reasonably estimated; and "available"

means collectible within sixty days of fiscal year-end or soon enough thereafter to be used to pay liabilities of the current period.

Application of the "susceptibility to accrual" criteria requires judgment, consideration of the materiality of the item in question, and due regard for the practicality of accrual, as well as consistency in application. Property taxes, charges for services and investment income are susceptible to accrual. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue sources are also considered susceptible to accrual. Some of the significant revenue sources susceptible to accrual are the Alaska Public School Funding Program, Non-Resident Tuition Program, Pupil Transportation Program, and the National School Lunch and Breakfast Programs. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured principal and interest on general long-term obligations, which is recognized when due.

The full-accrual basis of accounting is used for the proprietary fund type – Internal Service Funds; that is, revenues are recognized when they are earned and become measurable, and expenses are recognized in the period incurred, if measurable. Accruals and deferrals are used to match expenses to the period in which they generate revenues or otherwise benefit the organization. The principal operating revenue of the district's Internal Service Funds are charges for services. Operating expenses for the Equipment Replacement Fund primarily include depreciation in capital assets. The Health Insurance Fund operating expenses include direct plan costs such as claim payments and administrative costs, while the Compensated Absences Fund's operating expenses include leave expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Use of Estimates – the preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. This also requires the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. Significant accounting estimates include those for the allowance for doubtful accounts, reserves for claims incurred but not reported for self-insured workers' compensation and health care plans, and reserves for the ultimate cost of the settlement of litigation.

#### E. Assets, Liabilities and Fund Equity

##### Cash and Investments

A central treasury is used to account for all cash and investments, except for the decentralized Student Activities Funds that have investments with independent banking institutions. Investments in the decentralized portion of the Student Activities Funds are not subject to school board policy and are handled by the principals of each secondary school who have full discretionary authority over the management of investments.

In the central treasury, investments to be held to maturity are reported at cost or amortized cost, while all other investments are reported at fair value. Investment income is allocated to General Fund, Capital Projects Fund, Debt Service Fund, Centralized Student Activity Fund and Internal Service Funds at the end of every month according to each funds' respective investment balance.

The district can invest excess funds held in the central treasury through direct investments allowed by board policy. Board policy requires direct investments, in excess of any insured amount, to be collateralized at all times with United States Government guaranteed securities having a fair value, plus accrued interest, which equals or exceeds the collateralized amount of the investment. Collateral needs to be held in the district's name by the district's agent, the bank's trust department, or the bank's agent. The district does not have a formal policy relating to interest rate risk but manages the risk by mainly investing in the externally managed Municipal Investment Pool and short-term, highly liquid investments. The district is authorized to secure direct investments including:

1. Obligations of, or obligations insured or guaranteed by, the United States of America or an agency or instrumentality of the United States.
2. Repurchase agreements secured by obligations insured or guaranteed by the United States of America or agencies or instrumentalities of the United States.

The district is also authorized to secure investments through the Municipality of Anchorage either by trading in the open market or participating in the Municipal Investment Pool. The Municipal Investment Pool is not registered with the Securities and Exchange Commission. The fair value of the pool is the same as the value of pool shares. As of June 30, 2015, the district holds equity total of \$184,226,999, about 25.77% of the total investment pool. The Anchorage Municipal Code 6.50.030 functions as the regulation oversight of the investment pool. According to AMC 6.50.030, the Municipality is authorized to purchase investments which meet the following rating and issuer requirements:

1. Obligations issued or guaranteed by the U.S. government, U.S. agencies or U.S. government-sponsored corporations and agencies.
2. Corporate debt securities that are guaranteed by the U.S. government or the Federal Deposit Insurance Corporation (FDIC) as to principal and interest.
3. Taxable and tax-exempt municipal securities having a long term rating of at least "A-" by a nationally recognized rating agency or a taxable or tax-exempt municipal security having a short term rating of at least "A-1" by S&P, "P-1" by Moody's or "F-1" by Fitch.
4. Debt securities issued and guaranteed by the International Bank for Reconstruction and Development (IBRD) and rated "AAA" by a nationally recognized rating agency.
5. Commercial paper rated at least "A-1" by S&P, "P-1" by Moody's or "F-1" by Fitch.
6. Bank debt obligations, including unsecured certificates of deposit, notes, time deposits and bankers' acceptance (with maturities of not more than 365 days), and deposits with any bank, short-term obligations of which are rated at least "A-1" by S&P, "P-1" by Moody's or "F-1" by Fitch and is either:
  - a. Incorporated under the laws of the United States of America, or any state thereof, and subject to supervision and examination by federal or state banking authorities; or
  - b. Issued through a foreign bank with a branch or agency licensed under the laws of the United States of America, or any state thereof, or under the laws of a country with a Moody's sovereign rating for bank deposits of "Aaa", or an S&P sovereign rating of "AAA", or a Fitch national rating of "AAA", and subject to supervision and examination by federal or state banking authorities.
7. Repurchase agreements secured by obligations of the U.S. government, U.S. agencies or U.S. government-sponsored corporations and agencies.
8. Dollar denominated corporate debt instruments rated "BBB-" or better by S&P's Rating Service (investment grade) or the equivalent by another nationally recognized rating agency.

9. Dollar denominated corporate debt instruments rated below “BBB-” by S&P’s Rating Service or the equivalent by another nationally recognized rating agency, including emerging market.
10. Dollar denominated debt instruments of foreign governments rated “BBB” or better by S&P’s Rating Service or the equivalent by another nationally recognized rating agency.
11. Asset-backed securities (ABS), other than commercial paper, collateralized by credit cards, automobile loans, leases and other receivables which must have a credit rating of “AA-” or above by S&P’s Rating Service or the equivalent by another nationally recognized rating agency.
12. Mortgage-backed securities (MBS), including generic mortgage-backed pass-through securities issued by GNMA, FHLMC, FNMA, non-agency mortgage-backed securities, collateralized mortgage obligations (CMOs), or commercial mortgage-backed securities (CMBS), which must have a credit rating of “AA-” or above by S&P’s Rating Service or the equivalent by another nationally recognized rating agency.
13. Debt issued by the Tennessee Valley Authority.
14. Money market mutual funds rated “Am” or better by S&P Rating Service, or the equivalent by another nationally recognized rating agency, and consisting of any or all of the securities authorized for investment in this section of the Code.
15. Alaska Municipal League Investment Pool (AMLIP), consistent with all other provisions of this Code.
16. Mutual fund investments as long as the overall nature of the fund is generally consistent with this section of the Code.
17. Interfund loans from a Municipal Cash Pool to a Municipal Fund.

A summary of the demand and time deposits is as follows:

| Fund  | Carrying<br>Amount | Bank<br>Balance  |
|---|--------------------|------------------|
| Insured (FDIC, NCUSIF) or collateralized by securities held by the Municipality or its agents in the Municipality's name: |                    |                  |
| Demand deposits:  |                    |                  |
| Student Activities Special Revenue Fund   | \$ 2,643,305       | \$ 2,699,775     |
| Time deposits:  |                    |                  |
| Student Activities Special Revenue Fund   | 243,436            | 243,436          |
| Total   | <u>2,886,741</u>   | <u>2,943,211</u> |

Collateralized with securities held by the bank's trust department in the district's name:

|   |                     |                      |
|---|---------------------|----------------------|
| Demand deposits:  |                     |                      |
| General Fund, Special Revenue Fund, and Capital Projects Fund | 6,432,581           | 18,481,039           |
| Grand total   | <u>\$ 9,319,322</u> | <u>\$ 21,424,250</u> |

The district's investments are not subject to custodial credit risk. A summary of the district's investments as of June 30, 2015 is as follows:

|  | Carrying<br>Amount    |
|--|-----------------------|
| Investments through Municipality:          |                       |
| Certificate of deposit                     | 102,000               |
| Commercial paper                           | --                    |
| Investment premium                         | 12,755                |
| Accrued interest                           | 3,140                 |
| Money Market                               | 6,732                 |
| United States Agency                       | 24,225,000            |
| Municipal Investment Pool                  | 184,226,999           |
| Investments through decentralized accounts |                       |
| Investment premium                         | 1,911                 |
| Cash with paying agent:                    |                       |
| U.S. government securities                 | 13,608,632            |
| Total district investments                 | <u>\$ 222,187,169</u> |

The following is a schedule of investments by fund including the equity position in the Municipal Investment Pool of the governmental fund type and proprietary fund type at June 30, 2015. All discounted notes issued by the U.S. Government agencies have implied ratings of "A-1+" by S&P, "P-1" by Moody's or "F1+" by Fitch.

|                                     | <u>Date<br/>Acquired</u> | <u>Interest<br/>Rate</u> | <u>Maturity Date</u> | <u>Carrying<br/>Amount</u> |
|-------------------------------------|--------------------------|--------------------------|----------------------|----------------------------|
| <b>General Fund</b>                 |                          |                          |                      |                            |
| Municipal Investment Pool           |                          |                          |                      | \$ 151,575,228             |
| <b>Capital Projects Fund</b>        |                          |                          |                      |                            |
| United States Agency                |                          |                          |                      |                            |
| FHLMC Discount Note                 | 5/8/2015                 | 0.50%                    | 8/28/2015            | 930,000                    |
| FHLMC Discount Note                 | 5/8/2015                 | 0.50%                    | 8/28/2015            | 2,300,000                  |
| FHLB Discount Note                  | 11/7/2014                | 0.15%                    | 9/2/2015             | 18,495,000                 |
| FNMA Discount Note                  | 11/7/2014                | 2.20%                    | 9/16/2015            | 2,500,000                  |
| Total United States Agency          |                          |                          |                      | <u>24,225,000</u>          |
| Accrued Interest                    |                          |                          |                      | 3,140                      |
| Investment premium                  |                          |                          |                      | 12,755                     |
| Municipal Investment Pool           |                          |                          |                      | <u>303,213</u>             |
| <b>Total Capital Projects Fund</b>  |                          |                          |                      | <u>\$ 24,544,108</u>       |
| <b>Internal Service Fund</b>        |                          |                          |                      |                            |
| Municipal Investment Pool           |                          |                          |                      |                            |
| Health Insurance Fund               |                          |                          |                      | \$ 12,424,900              |
| Equipment Replacement Fund          |                          |                          |                      | 8,663,866                  |
| Compensated Absences Fund           |                          |                          |                      | <u>11,053,154</u>          |
| <b>Total Internal Service Funds</b> |                          |                          |                      | <u>\$ 32,141,920</u>       |



**Special Revenue Fund**

## Certificate of Deposit

|                              |           |       |            |    |         |
|------------------------------|-----------|-------|------------|----|---------|
| Proctor & Gamble             | 1/13/2014 | 4.85% | 12/15/2015 | \$ | 92,000  |
| Municipality of Anchorage    | 10/8/2013 | 0.25% | 7/31/2015  |    | 10,000  |
| Total certificate of deposit |           |       |            |    | 102,000 |

Investment premium 1,911

Money Market 6,731

Municipal Investment Pool 206,638

**Total Special Revenue Fund** \$ 317,280

Cash with Paying Agent

The total amount of cash with paying agent at June 30 is \$13,608,632, which is recorded in the Capital Projects Fund and Debt Service

Due from Other Governments

The amounts due from the Municipality of Anchorage are generally for funds appropriated from local property taxes levied by Municipal Ordinance in support of the district. The amounts recorded in the General Fund and Debt Service Fund at June 30 are \$100,301,268 and \$19,404,216, respectively. In addition there is \$1,811,203 due from the municipality and State of Alaska for State of Alaska Legislative grants which are passed through the Municipality for the district.

The amounts due from the United States Government recorded in the General Fund include \$604,651 for Federal Impact Aid. The amounts due from the State of Alaska in the Special Revenue Funds include \$1,205,326 for 2015 reimbursements under cost reimbursable grants and \$324,388 for amounts earned under the United States School Lunch and Breakfast Programs. The amounts due from the State of Alaska in the Debt Service Fund mainly include \$473,374 for 2015 reimbursements under the Aid for School Construction Program. The amounts due from the United States Government in the Grants Special Revenue Fund and Capital Projects Fund includes \$15,705,826 for 2015 reimbursements under cost reimbursable grants.

Property Taxes

The Anchorage Assembly has approved an ordinance, which levied taxes on real and personal properties for calendar year 2015 in support of the district. Property taxes levied by the Municipality of Anchorage attach a lien on property on the first day of the tax year in which taxes are levied. For 2015, taxes were levied on May 1. Real property taxes are payable in two installments on June 15 and August 15, and personal property taxes in two installments on August 31 and October 31.

The amount of funds appropriated from local property taxes by Municipal ordinance is an established amount based on estimated assessed valuations of real property and estimated personal property. Remittance of funds is based upon an installment schedule mutually agreed upon between the Municipality and the district.

A summary of the amount levied in support of the district is as follows:

**Contribution from Real and Personal Property Taxes**

Amount required by the district to fund the second half of the fiscal year 2014-2015 budget:

|                                       |                     |   |               |
|---------------------------------------|---------------------|---|---------------|
| January 1, 2015 through June 30, 2015 | \$239,576,423 x 50% | = | \$119,788,212 |
|---------------------------------------|---------------------|---|---------------|

Amount required by the district to fund the first half of the fiscal year 2015-2016 budget:

|  |                     |   |                      |
|--|---------------------|---|----------------------|
| July 1, 2015 through December 31, 2015 | \$239,410,216 x 50% | = | <u>\$119,705,484</u> |
|--|---------------------|---|----------------------|

|  |  |  |                      |
|--|--|--|----------------------|
| Total amount required by the district for calendar year 2015 |  |  | <u>\$239,493,696</u> |
|--|--|--|----------------------|

**Computation of Mill Rate Required to Fund Calendar Year 2015**

|  |               |
|--|---------------|
| Total amount required by the district for calendar year 2015 | \$239,493,696 |
|--|---------------|

|                    |                  |
|--------------------|------------------|
| Assessed valuation | \$35,029,181,874 |
|--------------------|------------------|

|  |      |
|--|------|
| Mill rate assessment for schools during calendar year 2015 | 6.84 |
|--|------|

The district has accrued the taxes of \$100,301,268 and \$19,404,216 for funding of the first half of the fiscal year 2015-2016 budget as of June 30, 2015 in the General Fund and Debt Service Fund, respectively. The corresponding deferred inflow of resources has been established.

**Prepaid Items**

Prepaid items primarily represent supplies paid for in advance of the period to which they apply. Supplies are prepaid due to the time required for transportation, as it is necessary to order certain supplies in advance in order to ensure that the supplies are available when school begins the following year. The district accounts for prepaid items under the purchase method and is reflected as non-spendable fund balance.

**Inventories**

Inventories of purchased supplies and materials are valued based on weighted average cost. Inventories for use in the district's student nutrition program are valued using the first in first out method (FIFO). Commodities that are received from the United States Department of Agriculture (USDA) consist of food to be used in the district's student nutrition program. The commodities are valued at the allocated cost provided by the State of Alaska, which approximates fair value. These commodities become the property of the district and recorded as inventory when received. The district maintains two methods of inventory - purchase method and consumption method.

Inventories for building and grounds maintenance use are maintained under the purchase method of inventory. The expenditures are recorded in the General Fund upon acquisition. The value of the purchase method of inventory at June 30 is \$1,620,300 and is equally offset as non-spendable fund balance.

Inventories for miscellaneous supplies are maintained under the consumption method of inventory and are recorded as inventory initially and charged as expenditures when used. The value of the consumption method of inventory at June 30 in the General Fund and Food Service Special Revenue Fund is \$470,736 and \$964,542, respectively, and are equally offset as non-spendable fund balance. The value of USDA food commodities under the consumption method was \$483,228 at June 30. This amount is also reported as unearned revenue at June 30. The total non-spendable fund balance for inventory in the General Fund is \$2,091,036.

#### Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available and updated for additions, retirements and deletions during the year. Donated capital assets are recorded at their estimated fair value on the date donated. The district maintains a capitalization threshold of \$5,000. The district does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

| Description          | Governmental Activities Estimated<br>Lives (in years) |
|----------------------|---|
| Land Improvements    | 20  |
| Buildings            | 45  |
| Equipment            | 5 – 20  |
| Pupil transportation | 15  |

#### Compensated Absences

It is the district's policy to allow employees to accumulate earned but unused vacation pay benefits. Eight of the nine employee group agreements of the district allow for the payment of varying amounts of unused personal leave subject to certain restrictions and maximum accumulations. All other employees are paid for any accumulated personal leave upon request or at termination. The district records its liability for accrued leave in the compensated absences internal service fund for the amounts equal to the value of the accrued leave at June 30. The liability for the compensated absences includes salary-related payments in accordance with the provisions of GASB Cod. Sec. C60.108.

Sick leave pay is recorded as an expenditure when used. Sick leave may accumulate indefinitely. Upon resignation, outstanding sick leave is generally lost except for its use as an increase in service credit for those employees who are members of the Alaska Teachers' Retirement System as well as being partially cashable for Anchorage Council of Education and Exempt employees.

Pensions

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

Deferred Outflows of Resources

Deferred outflows of resources for the loss on refunding debt are recorded on the government-wide Statement of Net position.

Deferred Inflows of Resources

Deferred inflows of resources for property taxes are recorded in the General Fund and Debt Service Fund. These are funds appropriated from local property taxes levied by Municipal Ordinance in support of the district. Additional deferred inflows of resources may be recorded for out-of-district tuition received for the next fiscal year within the General Fund.

Unearned Revenue

Grant proceeds received prior to incurring the related expenditures are generally unearned in the Special Revenue Fund until such expenditures are incurred.

USDA commodities are considered donated commodities and reported as inventory when received. The fair market value of donated commodities used during the year is reported as an expense, with a like amount reported as revenue. All unused donated commodities are reported as unearned revenue. These donated commodities are recorded in the Food Service Special Revenue Fund.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and refunding gains or losses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuances costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance Classifications

Anchorage School Board Policy Sec. 724.4.2 governs the district's fund balance classifications and order of spending in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The district classifies fund balance within the governmental funds as follows:

**Non-spendable** – This classification includes amounts associated with inventory or prepaid items. The cash outlay for these types of items have already been made and

therefore the resources represented by this fund balance category cannot be spent again and deemed “not in spendable form”.

**Restricted** – This classification includes amounts that can be spent only on the specific purposes stipulated by law or by the external providers of those resources.

**Committed** – This classification includes amounts that can be used only for the specific purposes determined by a formal action of the district’s highest level of decision making authority. This formal action is the approval of memoranda by the School Board, creating, modifying, or rescinding an action.

**Assigned** – This classification includes amounts constrained by the district’s intent to be used for a specific purpose and do not meet the criteria of being reported as committed or restricted fund balance. Assignments of fund balance can be made by the board or by another individual or person to whom the board gives authority to do so, such as the Superintendent or Chief Financial Officer.

**Unassigned** – This classification is the residual amount of the General Fund not included as non-spendable, restricted, committed or assigned. Any deficit balances in the other governmental fund types are reported as unassigned.

Each fund has been analyzed to classify fund balance in accordance with GASB Statement No. 54. Funds are established by the board and money is authorized to be transferred to the fund for a particular purpose. At this point, balances in these funds are at least committed, and may further be restricted, depending on whether there is an external party or enabling legislation constraint imposed on the amounts.

When an expenditure has been incurred for which restricted, committed, assigned, or unassigned fund balance is available, the district will first reduce the restricted amount then any amounts committed and assigned for that expenditure with residual amounts reducing unassigned fund balance.

The following shows the composition of fund balance of the governmental funds as of June 30, 2015:

|                                 | General Fund   | Grants<br>Special<br>Revenue<br>Fund | Debt Service<br>Fund | Capital<br>Projects Fund | Non-major<br>Governmental<br>Funds | Totals         |
|---------------------------------|----------------|--------------------------------------|----------------------|--------------------------|------------------------------------|----------------|
| Non-spendable                   |                |                                      |                      |                          |                                    |                |
| Inventory                       | \$ 2,091,036   | \$ --                                | \$ --                | \$ --                    | \$ 964,542                         | \$ 3,055,578   |
| Prepaid Items                   | 1,291,720      | 17,852                               | --                   | --                       | 910                                | 1,310,482      |
| Total non-spendable             | 3,382,756      | 17,852                               | --                   | --                       | 965,452                            | 4,366,060      |
| Restricted                      |                |                                      |                      |                          |                                    |                |
| Bond rating                     | 23,941,097     | --                                   | --                   | --                       | --                                 | 23,941,097     |
| Debt service                    | --             | --                                   | 3,019,088            | --                       | --                                 | 3,019,088      |
| Federal Impact Aid - 8003(d)    | 358,295        | --                                   | --                   | --                       | --                                 | 358,295        |
| Total restricted                | 24,299,392     | --                                   | 3,019,088            | --                       | --                                 | 27,318,480     |
| Committed                       |                |                                      |                      |                          |                                    |                |
| Services [1]                    | 4,255,467      | --                                   | --                   | --                       | --                                 | 4,255,467      |
| Supplies [1]                    | 2,690,104      | --                                   | --                   | --                       | --                                 | 2,690,104      |
| Equipment [1]                   | 3,101,348      | --                                   | --                   | --                       | --                                 | 3,101,348      |
| Authorized construction - other | --             | --                                   | --                   | 39,895,743               | --                                 | 39,895,743     |
| Total committed                 | 10,046,919     | --                                   | --                   | 39,895,743               | --                                 | 49,942,662     |
| Assigned                        |                |                                      |                      |                          |                                    |                |
| Federal Impact Aid - 8003(b)    | 17,786,624     | --                                   | --                   | --                       | --                                 | 17,786,624     |
| Self-insurance                  | 19,650,171     | --                                   | --                   | --                       | --                                 | 19,650,171     |
| Subsequent year's expenditure   | 18,000,000     | --                                   | --                   | --                       | --                                 | 18,000,000     |
| Services [1]                    | 6,353,531      | --                                   | --                   | --                       | --                                 | 6,353,531      |
| Supplies [1]                    | 4,662,464      | --                                   | --                   | --                       | --                                 | 4,662,464      |
| Equipment [1]                   | 6,704,941      | --                                   | --                   | --                       | --                                 | 6,704,941      |
| Pupil Transportation            | --             | --                                   | --                   | --                       | 288,898                            | 288,898        |
| Student activities              | --             | --                                   | --                   | --                       | 5,275,418                          | 5,275,418      |
| Total assigned                  | 73,157,731     | --                                   | --                   | --                       | 5,564,316                          | 78,722,047     |
| Unassigned                      | 30,517,600     | (17,852)                             | --                   | --                       | --                                 | 30,499,748     |
| Total fund balance              | \$ 141,404,398 | \$ --                                | \$ 3,019,088         | \$ 39,895,743            | \$ 6,529,768                       | \$ 190,848,997 |

[1] All items in these categories have been encumbered as of June 30, 2015

### Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings and deferred outflows and inflows of resources used for the acquisition, construction or improvement of those assets. Net position invested in capital assets, net of related debt excludes unspent debt proceeds. Net position is 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. Restricted resources are used first to fund appropriations.

The district first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flow of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and other non-operating revenues/expenses in proprietary fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented to the financial statements.

Generally, the effect of internal activity has been eliminated in the government-wide statement of activities. Allocations of administrative overhead expenses from one function to another, and within one function, are eliminated in the statement of activities so that allocated expenses are reported only by the function to which they were allocated. Interfund services provided and used in the governmental funds are not eliminated in the process of consolidation.

All interfund receivables and payables are recorded as advances to and from other funds. The balances are for short-term operations and subsidies and are expected to be settled within the next fiscal year.

The district transferred \$4,637 from the Capital Projects Fund to the Debt Service Fund obtained from unused cost of issuance funds. Transfers of \$2,285,287 were made from the General Fund to the Food Service Fund to cover the deficiency of expenditures under revenues for the past two years. Other transfers of \$700,000 and \$27,849 were made from the General Fund to the Equipment Replacement and Compensated Absences Funds, respectively to fund additional equipment purchases and fund the total liability of employee accrued leave.



A summary of interfund receivables and payables as of June 30, 2015 is as follows:

|                             | Interfund<br>receivable | Interfund<br>payable |
|-----------------------------|-------------------------|----------------------|
| Major funds                 |                         |                      |
| General Fund                | \$ 19,965,185           | \$ 19,113,473        |
| Grants Special Revenue Fund | --                      | 14,177,115           |
| Debt Service Fund           | --                      | 5,723,826            |
| Capital Projects Fund       | 15,491,257              | --                   |
| Non-major funds             | 3,622,216               | 64,244               |
| <b>Total</b>                | <u>\$ 39,078,658</u>    | <u>\$ 39,078,658</u> |

A summary of interfund transfers for the year ended June 30, 2015 is as follows:

|                        | Transfers In        | Transfers Out       |
|------------------------|---------------------|---------------------|
| Major funds            |                     |                     |
| General Fund           | --                  | 3,013,136           |
| Debt Service Fund      | 4,637               | --                  |
| Capital Projects Fund  | --                  | 4,637               |
| Non-major funds        | 2,285,287           | --                  |
| Internal service funds | 727,849             |                     |
| <b>Total</b>           | <u>\$ 3,017,773</u> | <u>\$ 3,017,773</u> |

#### F. Reclassification

Certain amounts included in the prior year financial statements have been reclassified to conform to current year classification. The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the district's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

**NOTE 2 – CHANGES IN CAPITAL ASSETS**

The capital assets activity for the fiscal year ended June 30, 2015 is as follows:

|  | Balance<br>July 1, 2014 | Additions/<br>Transfers | Deductions/<br>Transfers | Balance<br>June 30, 2015 |
|--|-------------------------|-------------------------|--------------------------|--------------------------|
| Governmental activities:                     |                         |                         |                          |                          |
| Capital assets, not being depreciated:       |                         |                         |                          |                          |
| Land   | \$ 42,357,063           | \$ --                   | \$ --                    | \$ 42,357,063            |
| Construction in progress                     | 951,284                 | 80,487,061              | 80,593,306               | 845,039                  |
| Total capital assets not being depreciated   | 43,308,347              | 80,487,061              | 80,593,306               | 43,202,102               |
| Capital assets being depreciated:            |                         |                         |                          |                          |
| Land improvements                            | 63,578,613              | 3,111,191               | --                       | 66,689,804               |
| Buildings and equipment                      | 1,632,515,700           | 80,120,511              | 11,017,262               | 1,701,618,949            |
| Pupil transportation equipment               | 10,263,597              | 787,536                 | 59,000                   | 10,992,133               |
| Total capital assets being depreciated       | 1,706,357,910           | 84,019,238              | 11,076,262               | 1,779,300,886            |
| Less accumulated depreciation for:           |                         |                         |                          |                          |
| Land improvements                            | (41,639,933)            | (1,995,607)             | --                       | (43,635,540)             |
| Buildings and equipment                      | (508,112,021)           | (37,689,729)            | (6,644,390)              | (539,157,360)            |
| Pupil transportation equipment               | (8,672,000)             | (201,748)               | (59,000)                 | (8,814,748)              |
| Total accumulated depreciation               | (558,423,954)           | (39,887,084)            | (6,703,390)              | (591,607,648)            |
| Total capital assets, being depreciated, net | 1,147,933,956           | 44,132,154              | 4,372,872                | 1,187,693,238            |
| Governmental activities capital assets, net  | <u>\$ 1,191,242,303</u> | <u>\$ 124,619,215</u>   | <u>\$ 84,966,178</u>     | <u>\$ 1,230,895,340</u>  |

The depreciation expense charged to functions of the governmental activities is as follows:

| Governmental activities:                            | Amount               |
|---|----------------------|
| General administration                              | \$ 912,878           |
| Instruction   | 37,937,113           |
| Pupil transportation                                | 189,302              |
| Operation and maintenance of plant                  | 594,553              |
| Community services                                  | --                   |
| Food services                                       | 253,238              |
| Total depreciation expense, governmental activities | <u>\$ 39,887,084</u> |

Construction in progress, less projects completed in 2015 is comprised of the following:

|  | Project<br>Authorization | Expended to<br>June 30, 2015 | Committed  |
|--|--------------------------|------------------------------|------------|
| Secondary schools:                           |                          |                              |            |
| Bartlett High School Kitchen Renovation      | \$ 5,298,538             | \$ 315                       | \$ 267,524 |
| Begich Middle School Construction            | 1,508,536                | 1                            | 448,814    |
| Benny Benson Intercom Upgrades               | 71,674                   | --                           | 5,091      |
| Central Middle School Improvements           | 3,797,435                | 560                          | 1,248,871  |
| Chugiak High School HVAC                     | 2,548,068                | 295                          | 906,479    |
| Clark Middle School HVAC                     | 14,353                   | 952                          | --         |
| Dimond High School Sidewalk                  | 734,697                  | 2,100                        | 189,597    |
| Eagle River Stadium Lighting                 | 122,053                  | 20,429                       | 71,406     |
| East High School Stadium Seating/Scoreboard  | 2,215,035                | 6,969                        | 940,372    |
| Goldenview Middle School                     | 422,586                  | 2,930                        | 98,501     |
| Gruening Middle School Planning              | 3,204,949                | 1,385                        | 40,008     |
| Hanshaw Middle School Lighting Upgrades      | 458,528                  | 3,000                        | 177,833    |
| Marthin Luther King Jr. Career Center        | 513,719                  | --                           | 156,676    |
| Mears Middle School Fire Alarm Upgrades      | 666,947                  | --                           | 26,662     |
| Mirror Lake Middle School Construction       | 40,387                   | --                           | --         |
| Romig Middle School Electrical Upgrades      | 294,812                  | 18,000                       | 2,346      |
| Save High School Security Upgrades           | 159,029                  | --                           | 4,164      |
| Service High School Renovations              | 5,796,613                | 71,843                       | 4,876,741  |
| South High School Field Improvements         | 2,275,125                | 3,885                        | 1,401,317  |
| Steller Secondary School Electrical Upgrades | 1,486,533                | --                           | 23,700     |
| Wendler Middle School Technology Lab         | 2,543,245                | 12,075                       | 4,829      |
| West HS & Romig MS CTE                       | 14,271,733               | --                           | 6,746,166  |
| Whaley Middle School                         | 312,864                  | 947                          | --         |
|  | 48,757,459               | 145,686                      | 17,637,097 |
| Elementary schools:                          |                          |                              |            |
| Abbott Loop Elementary School                | 434,887                  | 686                          | 2,823      |
| Airport Heights Cable Upgrades               | 21,482,864               | 1,963                        | 17,450,540 |
| Aplenglow Elem Heat Upgrades                 | 520,581                  | --                           | 5,045      |
| Aquarian Charter School Lighting Upgrades    | 31,849                   | 113                          | 3,074      |
| Aurora Elem Gym                              | 2,151,848                | --                           | 447,636    |
| Baxter Elem Renovation                       | 122,884                  | 2,990                        | 3,795      |
| Bayshore Elementary School                   | 5,345,491                | 37                           | 4,458,877  |
| Bear Valley Elem Boiler Upgrades             | 198,664                  | --                           | 18,215     |
| Birchwood Elem Gym                           | 96,713                   | 500                          | 7,272      |
| Bowman Elem Ice Rink                         | 350,166                  | (193)                        | 132,116    |
| Campbell Elem Ice Rink                       | 252,516                  | --                           | 12,709     |
| Chester Valley Elementary ADA                | 14,092                   | 10,000                       | --         |
| Chinook Elementary School Lighting           | 338,232                  | 1,440                        | 4,783      |
| Chugach Elementary School Playground         | 113,328                  | --                           | 4,193      |
| Chugiak Elem Doors & Windows Upgrades        | 42,898                   | --                           | 5,971      |
| College Gate Elem HVAC                       | 963,373                  | --                           | 12,932     |
| Creekside Park Renovations                   | 257,783                  | 2,434                        | 53,714     |
| Denali Elem Security Upgrades                | 20,264                   | --                           | 1,333      |
| Eagle River Elem Renew Doors & Windows       | 5,371,828                | --                           | 1,839,145  |
| Fairview Elem Site Improvement               | 251,232                  | --                           | 4,634      |
| Fire Lake Elem Roof                          | 971,504                  | --                           | 2,562      |
| Girdwood Elem Construction                   | 5,780,127                | 320                          | 3,426,737  |
| Gladys Wood Addition                         | 18,547,027               | 4,063                        | 381,222    |
| Government Hill Security Cameras             | 171,688                  | --                           | 1,000      |
| Homestead Elementary School                  | (25,141)                 | --                           | 4,509      |
| Huffman Renovation                           | 6,735,026                | 1,926                        | 668,372    |
| Inlet View Elem Equipment & Upgrades         | 810,498                  | --                           | 51,052     |
| Kasuun CCTV Upgrades                         | 105,303                  | 121                          | 5,817      |
| Kincaid Elementary SRTS                      | 13,735                   | --                           | --         |
| Klatt Elementary School                      | 338,093                  | 1,200                        | 12,932     |
| Lake Hood Elem Fire Upgrades                 | 261,391                  | --                           | --         |
| Lake Otis Elementary School                  | 9,502                    | --                           | 1,886      |
| Mountain View Elementary Renovation          | 13,453,646               | 456                          | 11,272,767 |

## Construction in progress (continued):

|   |                       |                   |                      |
|---|-----------------------|-------------------|----------------------|
| Mt. Illiamna Fire Alarm Upgrades          | 1,243,050             | 56,224            | 104,783              |
| Mt. Spurr Elem Emergency Upgrades         | 254,365               | --                | 70,581               |
| Muldoon Elem Intercom & Equipment         | 88,051                | --                | --                   |
| North Star Elem HVAC                      | 205,870               | 19                | 6,138                |
| Northern Lights ABC Elementary School     | 18,713                | --                | --                   |
| Northwood Elem Doors and Windows          | 1,039,575             | --                | 423,773              |
| Nunaka Valley Elem Gym                    | 343,881               | 1,785             | 5,277                |
| Ocean View Elementary School              | 131,984               | 411               | --                   |
| O'Malley Elem School Design               | 1,463,861             | 337               | 133,521              |
| Orion Elem Fire Alarm Upgrades            | 407,415               | --                | 109,805              |
| Polaris Elementary School                 | 449,118               | --                | 3,203                |
| Ptarmigan Elementary School               | 104,336               | 2,000             | --                   |
| Rabbit Creek Elem Renovation              | 11,838,871            | --                | 8,598,184            |
| Ravenwood Elem Security Cameras           | 34,610                | --                | 2,013                |
| Rogers Park Elementary School             | 377,899               | --                | --                   |
| Russian Jack Elementary School            | 97,095                | --                | --                   |
| Sand Lake Elem Wall Replacement           | 46,987                | --                | 11,665               |
| Scenic Park Elem CCTV Upgrades            | 368,778               | --                | 30,295               |
| Spring Hill Elem CCTV Upgrades            | 390,541               | --                | 31,886               |
| Susitna Elem School Renovation            | 4,430,756             | --                | 2,995,293            |
| Taku Elementary School                    | 39,205                | 100               | --                   |
| Trailside Elem Playgrounds                | 131,447               | --                | --                   |
| Tudor Elementary School                   | 839,884               | 963               | 13,948               |
| Turnagain Elementary School               | 16,012,704            | --                | 276,992              |
| Ursa Major Elem HVAC                      | 228,601               | --                | 45,708               |
| Ursa Minor Elem Stair Upgrades            | 76,027                | --                | 45,436               |
| William Tyson Elem Roof                   | 801,143               | --                | 448,931              |
| Willwaw Elementary School                 | 3,212                 | --                | --                   |
| Willow Crest Elementary School            | 307,945               | --                | --                   |
| Wonder Park Elem Security System Upgrades | 2,169,331             | --                | 952,989              |
|   | <u>129,479,147</u>    | <u>89,895</u>     | <u>54,608,084</u>    |
| Other capital projects:                   |                       |                   |                      |
| District-wide Asbestos, ADA               | 192,364               | 168,051           | --                   |
| District-wide Building Life Extension     | 479,492               | 276,756           | --                   |
| District-wide CTE                         | 1,002,019             | --                | --                   |
| District-wide Efficiency                  | 3,466,947             | --                | --                   |
| District-wide Electric Upgrades           | 301,924               | 9,848             | 22,048               |
| District-wide Emergency Prep              | 289,166               | --                | --                   |
| District-wide Facility Assessments        | 173,852               | --                | 90,487               |
| District-wide Federal Impact Aid          | 517,422               | --                | --                   |
| District-wide Library Books               | (130)                 | --                | --                   |
| District-wide Maintenance Equip           | 11,851                | --                | --                   |
| District-wide Mechanical Upgrades         | 1,873,680             | 47,801            | 158,384              |
| District-wide Relocatables                | 81,906                | --                | 17,495               |
| District-wide Roof and Replacements       | 26,268                | --                | --                   |
| District-wide Safety/Security             | 1,551,371             | 870               | 831,641              |
| District-wide Site Acquisition            | 22,480                | --                | --                   |
| District-wide Traffic Safety              | --                    | --                | --                   |
| District-wide Underground Storage Tank    | 519,449               | 303               | 387,427              |
| Other capital projects                    | 2,916,406             | 105,829           | 891,332              |
|   | <u>13,426,467</u>     | <u>609,458</u>    | <u>2,398,814</u>     |
|   | <u>\$ 191,663,073</u> | <u>\$ 845,039</u> | <u>\$ 74,643,995</u> |

**NOTE 3 – CHANGES IN LONG-TERM OBLIGATIONS****A. General Obligation Bonds**

The district does not have authority to issue debt independently. Therefore, all long-term debt is issued with the full faith and credit of the Municipality of Anchorage using general obligation bonds. These bonds provide funds for the acquisition and construction of major capital facilities for the district. There are a number of restrictions contained in the various bond indentures and the district is in compliance with all significant restrictions.

The following is a summary of long-term debt transactions of the district for the fiscal year ended June 30, 2015 (in thousands):

|                                       | Balance<br>July 1, 2014 | Additions         | Reductions        | Balance<br>June 30, 2015 |
|---------------------------------------|-------------------------|-------------------|-------------------|--------------------------|
| General obligation bonds              | \$ 580,485              | \$ 96,225         | \$ 99,210         | \$ 577,500               |
| Unamortized premium/discount on bonds | 11,066                  | 17,023            | 4,194             | 23,895                   |
|                                       | <u>\$ 591,551</u>       | <u>\$ 113,248</u> | <u>\$ 103,404</u> | <u>\$ 601,395</u>        |

**Defeasance of Debt**

The district has defeased certain general obligation bonds by placing the proceeds of new bonds and other available funds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for defeased bonds are not included in the district's financial statements. At June 30, 2015 the amount of general obligation bonds considered defeased is \$44,900,000.

**B. Bonds Payable**

Bonds payable at June 30, 2015 are comprised of the following individual issues (in thousands):

| General Obligation Bonds   | Amount   | Due within<br>One year |
|--|----------|------------------------|
| \$60,000,000 1995 series A school construction serial bonds due in annual installments of \$4,710,000 to \$5,030,000 through October 2015; interest at 5.0 percent to 6.0 percent        | \$ 5,030 | \$ 5,030               |
| \$80,735,000 2004 series B school construction refunding bonds due in annual installments of \$3,000,000 to \$27,390,000 through December 2017; interest at 3.80 percent to 5.25 percent | 59,980   | 13,850                 |
| \$29,155,000 2005 series B school construction refunding bonds due in annual installments of \$55,000 to \$8,140,000 through December 2020; interest at 4.0 percent to 5.0 percent       | 21,845   | 3,730                  |
| \$14,790,000 2005 series E school construction refunding bonds due in annual installments of \$3,3735,000 to \$4,110,000 through December 2018; interest at 5.0 percent                  | 11,755   | --                     |
| \$48,495,000 2006 series A school construction serial bonds due in annual installments of \$2,000,000 to \$3,640,000 through October 2016; interest at 4.0 percent to 5.0 percent        | 4,420    | 2,165                  |
| \$28,885,000 2006 series B school construction refunding bonds due in annual installments of \$5,890,000 to \$6,185,000 through October 2020; interest at 5.0 percent                    | 8,890    | --                     |
| \$51,705,000 2006 series C school construction refunding bonds due in annual installments of \$65,000 to \$9,770,000 through July 2021; interest at 4.0 percent to 5.0 percent           | 43,615   | 7,175                  |
| \$171,155,000 2007 series B school construction refunding bonds due in annual installments of \$60,000 to \$29,530,000 through September 2024; interest at 4.0 percent to 5.0 percent    | 169,665  | 6,395                  |
| \$63,790,000 2007 series D school construction serial bonds due in annual installments of \$2,450,000 to \$4,885,000 through August 2027; interest at 4.25 percent to 5.0 percent        | 47,935   | 2,700                  |
| \$29,840,000 2008 series B school construction serial bonds due in annual installments of \$1,105,000 to \$2,285,000 through August 2028; interest at 4.0 percent to 5.25 percent        | 23,575   | 1,205                  |
| \$20,025,000 2010 series B school construction serial bonds due in annual installments of \$830,000 to \$1,345,000 through April 2030; interest at 2.0 percent to 5.91 percent           | 16,065   | 860                    |
| \$4,940,000 2011 series B school construction serial bonds due in annual installments of \$460,000 to \$550,000 through August 2021; interest at 2.0 percent to 3.0 percent              | 3,565    | 475                    |
| \$28,310,000 2011 series C school construction refunding bonds due in annual installments of \$1,285,000 to \$10,050,000 through August 2020; interest at 4.0 percent to 5.0 percent     | 8,675    | --                     |
| \$14,425,000 2012 series C school construction serial bonds due in annual installments of \$615,000 to \$975,000 through August 2032; interest at 2.0 percent to 5.0 percent             | 13,255   | 570                    |

## Bonds payable (continued):

|   |                   |                  |
|---|-------------------|------------------|
| \$24,080,000 2012 series D school construction refunding bonds due in annual installments of \$4,290,000 to \$15,265,000 through August 2015; interest at 2.0 percent to 5.0 percent    | 4,525             | 4,525            |
| \$39,345,000 2013 series A school construction serial bonds due in annual installments of \$865,000 to \$2,920,000 through August 2033; interest at 4.0 percent to 5.0 percent          | 38,480            | 1,265            |
| \$59,075,000 2014 series CA school construction serial bonds due in annual installments of \$1,795,000 to \$4,555,000 through September 2034; interest at 1.25 percent to 5.0 percent   | 59,075            | 1,795            |
| \$13,150,000 2013 series A school construction refunding bonds due in annual installments of \$2,120,000 to \$7,200,000 through September 2026; interest at 1.25 percent to 5.0 percent | 37,150            | 7,200            |
|   | <u>\$ 577,500</u> | <u>\$ 58,940</u> |

The annual requirements to amortize all general obligation debt outstanding for the year ended June 30, 2015, including interest payments in the amount of \$170,115,411 are as follows (in thousands):

|           | Principal         | Interest          | Total             |
|-----------|-------------------|-------------------|-------------------|
| 2016      | \$ 58,940         | \$ 26,506         | \$ 85,446         |
| 2017      | 56,880            | 23,821            | 80,701            |
| 2018      | 53,995            | 21,064            | 75,059            |
| 2019      | 53,135            | 18,419            | 71,554            |
| 2020      | 51,500            | 15,845            | 67,345            |
| 2021-2025 | 201,845           | 45,531            | 247,376           |
| 2026-2030 | 66,725            | 15,145            | 81,870            |
| 2031-2035 | 34,480            | 3,784             | 38,264            |
|           | <u>\$ 577,500</u> | <u>\$ 170,115</u> | <u>\$ 747,615</u> |

## C. Bonds Authorized But Unissued

For the year ended June 30, 2015, the Municipality has the following authorized but unissued general obligation bonds for schools (in thousands):

| Purpose   | Election Date  | Interest Limitation | Authorized Amount | Amount Issued     | Remaining Authorization |
|---|----------------|---------------------|-------------------|-------------------|-------------------------|
| Construction/renovation/<br>replacement/major maintenance | April 03, 2007 | none                | \$ 85,000         | \$ 83,690         | \$ 1,310                |
| Construction/renovation/<br>replacement/major maintenance | April 01, 2008 | none                | 43,710            | 41,020            | 2,690                   |
| Construction/renovation/<br>replacement/major maintenance | April 01, 2011 | none                | 17,000            | 14,370            | 2,630                   |
| Construction/renovation/<br>replacement/major maintenance | April 03, 2012 | none                | 59,077            | 46,665            | 12,412                  |
| Construction/renovation/<br>replacement/major maintenance | April 02, 2013 | none                | 54,825            | 34,135            | 20,690                  |
| Construction/renovation/<br>replacement/major maintenance | April 01, 2014 | none                | 57,285            | 28,485            | 28,800                  |
| Construction/renovation/<br>replacement/major maintenance | April 07, 2015 | none                | 59,250            | --                | 59,250                  |
|   |                |                     | <u>\$ 376,147</u> | <u>\$ 248,365</u> | <u>\$ 127,782</u>       |

Subsequent to fiscal year end June 30, 2015, the Municipality of Anchorage issued \$69,170,000 general obligation school bonds on November 19, 2015.

#### D. Refunded Bonds

In the fiscal year ended June 30, 2015, the Municipality of Anchorage issued \$37,150,000 general obligation refunding school bonds to refund \$39,920,000 of general obligation school bonds, resulting in a decrease of \$4,247,874 in total debt service. The economic gain of this refunding is \$3,628,808. The bonds refunded are as follows (in thousands):

|  | Total Issue       | Refunded Principal |
|--|-------------------|--------------------|
| 2004 General Obligation School Bonds, Series D | \$ 86,240         | \$ 4,170           |
| 2005 General Obligation School Bonds, Series A | 63,850            | 3,050              |
| 2006 General Obligation School Bonds, Series A | 48,495            | 29,515             |
| 2006 General Obligation Refunding School Bonds | 28,885            | 3,185              |
|  | <u>\$ 227,470</u> | <u>\$ 39,920</u>   |

Subsequent to fiscal year end June 30, 2015, the Municipality of Anchorage issued \$81,040,000 general obligation refunding bonds to refund \$87,695,000 of general obligation school bonds, resulting in a decrease of \$10,155,939 in total debt service. The economic gain of this refunding on November 19, 2015 is \$9,196,297.



## E. Compensated Absences

Beginning in 2014, the district began recording compensated absences in the Compensated Absences Internal Service Fund. The balance of compensated absences for the fiscal year ended June 30, 2015 is as follows:

| Beginning<br>Balance | Increases     | Decreases     | Ending<br>Balance | Due Within<br>One Year |
|----------------------|---------------|---------------|-------------------|------------------------|
| \$ 10,861,618        | \$ 13,515,662 | \$ 13,324,126 | \$ 11,053,154     | \$ 6,027,811           |

## F. Workers' Compensation Payable

General Fund, Grants Special Revenue Fund, Food Service Special Revenue Fund and Capital Projects Fund will liquidate the liability of workers' compensation. The balance of workers' compensation for the fiscal year ended June 30, 2015 is as follows:

| Beginning<br>Balance | Increases    | Decreases    | Ending<br>Balance | Due Within<br>One Year |
|----------------------|--------------|--------------|-------------------|------------------------|
| \$ 13,476,518        | \$ 6,236,802 | \$ 5,865,407 | \$ 13,847,913     | \$ 6,158,677           |

**NOTE 4 – RETIREMENT PLANS**Historical Context and Special Funding Situation

As of June 30, 2015, substantially all employees of the district are either members of the Alaska Public Employees' Retirement System (PERS) or the Alaska Teachers' Retirement System (TRS). Both plans are either defined benefit or defined contribution pension plans, dependent on the date of membership. The TRS is a cost-sharing multiple employer plan which covers teachers and other eligible participants. The PERS was originally established as an agent multiple employer plan, but was converted by legislation to a cost-sharing plan, effective July 1, 2008. PERS covers eligible state and local government employees, other than teachers. Both plans were established and are administered by the State of Alaska to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by state law and may be amended only by the state legislature. In addition to PERS, the Alaska Teamster-Employer Pension Trust Fund also covers bus drivers and attendants. The Alaska Teamster-Employer Pension Trust Fund Plan is a multi-employer cost-sharing defined benefit plan created and administered by Teamster Local 959.

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

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

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

PERS and TRS issue publicly available financial reports every year that include financial statements and required supplementary information. The report may be obtained by writing to the State of Alaska, Department of Administration, Division of Retirement and Benefits, P. O. Box 110203, Juneau, Alaska, 99811-0203 or by calling (907) 465-4460. Please also see <http://www.state.ak.us/drb/>.

The Alaska Teamster-Employer Pension Trust Fund prepares an annual financial report and can be obtained by writing to the plan administrator at 520 East 34<sup>th</sup> Avenue, Anchorage, Alaska 99503.

#### A. State Retirement Systems

##### **Public Employees' Retirement System (PERS)**

###### Plan Description and Provisions

The Alaska Public Employees' Retirement System was created by state statute and political subdivision; participation is optional. PERS is a tiered retirement system. Employees hired before July 1, 2006 participate in Tiers I-III, a defined benefit cost sharing plan that acts as a common investment and administrative agent for political subdivisions within the State of Alaska. Employees hired on or after July 1, 2006 participate in Tier IV, a defined contribution plan.

###### Pension Benefits

Benefits vest after five years of credited service. Employees hired prior to July 1, 1986 with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 55 or early retirement age 50. For employees hired after June 30, 1986 the normal and early retirement ages are 60 and 55, respectively. The normal annual pension benefit for PERS Tiers I-III is based on years of service and average compensation. The pension benefit is equal to 2 percent of the member's highest three-year average monthly compensation for the first ten years of service, 2-1/4 percent for the second ten years of service, and 2-1/2 percent for the third ten years of service. All service earned prior to July 1, 1986 is calculated using the 2 percent multiplier. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit.

Pension benefits for PERS Tiers I-III are adjusted each year based upon increases in the Consumer Price Index (CPI) for the prior year. Post retirement pension adjustments are applied automatically to all retirees who were hired before July 1, 1986, who are at least of age 60, who are on disability, or who have been receiving benefits for at least five years. Starting at age 65, or at any age for those employed before July 1, 1986, a retired employee who remains in Alaska is eligible for an additional allowance equal to 10 percent of the base benefit or \$50 a month, whichever is greater.

For PERS Tier IV, employees can invest in a variety of mutual funds selected by the Alaska Retirement Management Board or rollover the plan balance to other qualified plans. Distribution of vested plan balance is allowed after an employee has been terminated for at least 60 days.

#### Postemployment Health Care Benefits

For PERS Tiers I-III, when pension benefits begin, major medical benefits are provided without cost to all employees first hired before July 1, 1986 and to employees who are disabled or age 60 or older, regardless of their initial hire dates. Employees first hired after June 30, 1986, but before July 1, 1996, and who have five years of credited service may receive major medical benefits prior to age 60 by paying premiums. Employees first hired after June 30, 1996, but before July 1, 2006, who have at least ten years of credited service, may receive major medical benefits prior to age 60 by paying premiums. Postemployment healthcare benefits are provided by the payment of insurance premiums from the Plan. Beginning July 1, 1997, the Plan became self-insured under a professionally administered program.

Employees hired after July 1, 2006, who have at least ten years of credited services, are eligible for medical benefits after retirement. If they are not eligible for Medicare, they must pay full premium. After eligible for Medicare, the retiree will be responsible for premium at a reduced percentage depending on the years of services. Retirees may use health reimbursement arrangement (HRA) account to pay premium. After the HRA is exhausted, retirees need to pay the premium by themselves.

#### PERS Conversion to Cost Sharing

In April 2008 the Alaska Legislature passed Senate Bill (SB) 125 which converted the existing Public Employees' Retirement System (PERS) from an agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. Under the cost-sharing arrangement, the State of Alaska Division of Retirement and Benefits will no longer track individual employer assets and liabilities. Rather, all plan costs and past service liabilities will be shared among all participating employers. The cost-sharing plan requires a uniform employer contribution rate of 22% of active member wages, subject to a wage floor. In addition, the legislation provides for state contributions in the event that the annually calculated and board adopted rate, which includes a provision to pay down the past-service liability, exceeds 22%. Any such additional contributions will be recognized by each employer as an on-behalf payment.

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

### **Teachers Retirement System (TRS)**

#### Plan Description and Provisions

The Alaska Teachers' Retirement System is created and administered by the State of Alaska to provide benefits for teachers of the State of Alaska. Benefit and contribution provisions are established by Alaska law and may be amended only by the Alaska State Legislature. All the district's certificated employees are participants in TRS. Similar to PERS, TRS is also a tiered retirement system. Employees hired before July 1, 2006 participate in Tiers I-II, a multi-employer cost-sharing defined benefit public retirement plan. Employees hired on or after July 1, 2006 participate in Tiers

III, a defined contribution retirement plan. The payroll for employees covered by TRS for the year ended June 30, 2015 was \$259,242,742 which compares to the district's total payroll of \$371,689,280.

Membership in TRS is compulsory for each certificated elementary or secondary teacher or other certificated personnel who are employed on a full-time basis or part-time basis in positions that require teaching or administrative certificates as a condition of employment.

#### Pension Benefits

For TRS Tiers I-II, employees with eight years or more of credited service are vested in the retirement system. Pension benefits are accrued annually at 2 percent for all years of service prior to July 1, 1990 or the first 20 years of service, and 2.5 percent for all the years after. Annual pension benefit is based the accrued service credits and the average of three highest contract salaries. Employees hired before July 1, 1990 may retire normally at age 55 with early retirement at age 50. Employees hired between July 1, 1990 and July 1, 2006 may retire normally at age 60 with early retirement at age 55. Employees with 20 or more years of credited service may retire at any age and receive a normal benefit.

Pension benefits for TRS Tiers I-II are adjusted each year based upon increases in the Consumer Price Index (CPI) for the prior year. Post retirement pension adjustments are applied automatically to retirees who are at least of age 60, who are on disability, or who have been receiving benefits for at least eight years. Starting at age 65, or at any age for those employed before July 1, 1990, a retired employee who remains in Alaska is eligible for an additional allowance equal to 10 percent of the base benefit or \$50 a month, whichever is greater.

For TRS Tier III, employees are fully vested after five years of credited service. Employees can invest in a variety of mutual funds selected by the Alaska Retirement Management Board or rollover the plan balance to other qualified plans. Distribution of vested plan balance is allowed after an employee has been terminated for at least 60 days.

#### Postemployment Health Care Benefits

For TRS Tiers I-II, when pension benefits begin, major medical benefits are provided without cost to all employees first hired before July 1, 1990, who are disabled or age 60 or older regardless of their initial hiring dates, or who have at least 25 years of credited service. Other retirees must pay the full premium to have the medical coverage.

TRS Tier III employees, who have at least ten years of credited services, are eligible for medical benefits after retirement. If they are not eligible for Medicare, they must pay full premium. After eligible for Medicare, the retiree will be responsible for premium at a reduced percentage depending on the years of services. Retirees may use health reimbursement arrangement (HRA) account to pay premium. After the HRA is exhausted, retirees need to pay the premium by themselves.

### **Funding Policy**

#### Employee Contribution Rate

Regular employees are required to contribute 6.75% of their annual covered salary (2.97% for pension and 3.78% for healthcare) for PERS and 8.65% (4.45% for pension and 4.20% for healthcare) for TRS. The funding policy provides for periodic employer contributions based on actuarially

determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate sufficient assets to pay both pension and postemployment healthcare benefits when due.

#### Employer Effective Rate

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

#### ARM Board Adopted Rate

This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Prior to July 1, 2015, there were no constraints or restrictions on the actuarial cost method or other assumptions used in the ARM Board valuation. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2039. This will result in lower ARM Board rates in future years.

#### On-behalf Contribution Rate

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

#### GASB Rate

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

The district's contribution rates for the year ended June 30, 2015 were determined as part of the June 30, 2013 actuarial valuation and are as follows:

|                                | Contractual  |   | ARM Board    |   | State        |   | GASB         |
|--------------------------------|--------------|---|--------------|---|--------------|---|--------------|
| <b>PERS</b>                    | Rate         |   | Adopted Rate |   | Contribution |   | Rate         |
| Pension                        | 12.54        | % | 25.09        | % | 42.41        | % | 33.05        |
| Postemployment healthcare      | 9.46         |   | 18.94        |   | --           |   | 55.07        |
| <b>Total contribution rate</b> | <u>22.00</u> | % | <u>44.03</u> | % | <u>42.41</u> | % | <u>88.12</u> |

|                                | Contractual  |   | ARM Board    |   | State         |   | GASB          |
|--------------------------------|--------------|---|--------------|---|---------------|---|---------------|
| <b>TRS</b>                     | Rate         |   | Adopted Rate |   | Contribution  |   | Rate          |
| Pension                        | 7.22         | % | 40.33        | % | 212.24        | % | 59.21         |
| Postemployment healthcare      | 5.34         |   | 30.42        |   | 43.05         |   | 70.04         |
| <b>Total contribution rate</b> | <u>12.56</u> | % | <u>70.75</u> | % | <u>255.29</u> | % | <u>129.25</u> |

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

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

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

#### Annual Pension and Postemployment Healthcare Cost – PERS

The district is required to contribute 22% of covered payroll, subject to a wage floor. In addition, the State of Alaska contributed approximately 42.41% of covered payroll to the Plan. In accordance with the provisions of GASB Statement Number 24, the district has recorded the State-on-behalf payment in the amount of \$43,233,749 as revenue and expenditure in these financial statements. However, because the district is not statutorily obligated for these payments, this amount is excluded from pension and OPEB cost as described here. The district's annual pension and other postemployment benefit (OPEB) costs for the years ending June 30, 2015, 2014, and 2013, respectively, were equal to the contractually agreed upon rate for each year.

| Year ended | Annual Pension | Annual OPEB  | Total Benefit | District      | Percent of |
|------------|----------------|--------------|---------------|---------------|------------|
| June 30    | Cost           | Cost         | Cost (TBC)    | Contributions | TBC        |
| 2015       | \$ 11,797,452  | \$ 8,899,832 | \$ 20,697,284 | \$ 20,697,284 | 100        |
| 2014       | 10,537,921     | 11,252,651   | 21,790,572    | 21,790,572    | 100        |
| 2013       | 9,173,046      | 11,698,504   | 20,871,550    | 20,871,550    | 100        |

Annual Pension and Postemployment Healthcare Cost - TRS

The district is required to contribute 12.56% of covered payroll, subject to a wage floor. In addition, the State of Alaska contributed approximately 255.29% of covered payroll to the Plan. In accordance with the provisions of GASB Statement Number 24, the district has recorded the State-on-behalf payment in the amount of \$678,385,446 as revenue and expenditure in these financial statements. However, because the district is not statutorily obligated for these payments, this amount is excluded from pension and OPEB cost as described here. The district's annual pension and other postemployment benefit (OPEB) costs for the years ending June 30, 2015, 2014, and 2013, respectively, were equal to the contractually agreed upon rate for each year.

| Year ended<br>June 30 | Annual Pension<br>Cost | Annual OPEB<br>Cost | Total Benefit<br>Cost (TBC) | District<br>Contributions | Percent of<br>TBC<br>Contributed |
|-----------------------|------------------------|---------------------|-----------------------------|---------------------------|----------------------------------|
| 2015                  | \$ 18,797,804          | \$ 13,905,404       | \$ 32,703,208               | \$ 32,703,208             | 100                              |
| 2014                  | 17,593,407             | 15,582,922          | 33,176,329                  | 33,176,329                | 100                              |
| 2013                  | 16,747,499             | 15,816,177          | 32,563,676                  | 32,563,676                | 100                              |

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

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

| <b>Net Pension Liability</b>                                       | PERS                  | TRS                     |
|--|-----------------------|-------------------------|
| District's proportionate share of NPL                              | \$ 101,941,409        | \$ 157,512,125          |
| State's proportionate share of NPL<br>associated with the district | 92,597,159            | 857,033,106             |
| <b>Total net pension liability</b>                                 | <b>\$ 389,077,136</b> | <b>\$ 1,014,545,231</b> |

The net pension liabilities were measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability for each Plan was determined by an actuarial valuation as of that date. The district's proportion of the net pension liabilities were based on a projection of the district's long-term share of contributions to the pension plans relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2014, the district's proportion of PERS was 2.18564285 percent, which was a decrease of 0.048038380 from its proportion measured as of June 30, 2013. For TRS the district's proportion was 5.252045750 percent, representing a decrease of 0.282023200 from the prior year.

For the year ended June 30, 2015, the district recognized pension expense of \$13,831,116 for PERS and \$77,024,754 for TRS. In addition, the district recognized on-behalf revenue from the State of Alaska in the amounts of \$7,614,660 and \$70,430,538 for PERS and TRS, respectively. At June 30, 2015, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience  | \$ --                                | \$ --                               |
| Changes in assumptions   | --                                   | --                                  |
| Net difference between projected and actual earnings<br>on pension plan investments                              | --                                   | 25,839,656                          |
| Changes in proportion and differences between District<br>contributions and proportionate share of contributions | --                                   | 6,702,826                           |
| District contributions subsequent to the measurement date  | 21,904,013                           | --                                  |
| <b>Total</b>   | <u>\$ 21,904,013</u>                 | <u>\$ 32,542,482</u>                |

\$21,904,013 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

|                       |               |
|-----------------------|---------------|
| Years Ending June 30, |               |
| 2016                  | \$ 11,615,934 |
| 2017                  | 8,006,720     |
| 2018                  | 6,459,914     |
| 2019                  | 6,459,914     |

#### Actuarial Assumptions

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

|                                   |  |
|-----------------------------------|--|
| Inflation                         | 3.12%  |
| Salary Increases                  | Graded by age and service, from 9.6% to 3.62% for PERS<br>Graded by service, from 6.11% to 3.62% for TRS                               |
| Investment Return / Discount Rate | 8.00% net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and real rate of return over 4.88%. |



**Mortality**

Rates based on the 1994 Group Annuity Mortality Table, sex distinct, 1994 Base year without margin projected to 2013 using Projection Scale AA:

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

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

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

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

**Discount Rate**

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

**Discount Rate Sensitivity**

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

|  | Proportional<br>Share | 1% Decrease<br>(7.00%) | Current<br>Discount Rate<br>(8.00%) | 1% Increase<br>(9.00%) |
|--|-----------------------|------------------------|-------------------------------------|------------------------|
| <b>PERS</b>  |                       |                        |                                     |                        |
| System net pension liability                                   | 100%                  | \$ 6,115,581,980       | \$ 4,664,148,458                    | \$ 3,441,888,494       |
| District's proportionate share<br>of the net pension liability | 2.18564285%           | \$ 133,664,780         | \$ 101,941,409                      | \$ 75,227,390          |
| <b>TRS</b>   |                       |                        |                                     |                        |
| System net pension liability                                   | 100%                  | \$ 3,776,983,113       | \$ 2,999,062,314                    | \$ 2,346,163,638       |
| District's proportionate share<br>of the net pension liability | 5.25204575%           | \$ 198,368,881         | \$ 157,512,125                      | \$ 123,221,588         |

Pension Plan Fiduciary Net Position

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

Defined Contribution Pension Plan

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

|  | PERS<br>Tier IV | TRS Tier<br>III |
|--|-----------------|-----------------|
| Individual account                         | 5.00 %          | 7.00 %          |
| Retiree medical                            | 0.48            | 0.47            |
| Occupational death and disability benefits | 0.20            | --              |
|  | <u>5.68 %</u>   | <u>7.47 %</u>   |

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

The district and employee contributions to PERS including the HRA contribution for the year ended June 30, 2015 were \$4,801,658 and \$3,170,701 respectively. The district and employee contributions to TRS for the year ended June 30, 2015 were \$10,415,883 and \$6,849,839, respectively.

District contributions are recognized as pension expense/expenditures.

Investment - PERS, TRS and Teamster Pension

The PERS, TRS and Teamster Pension Plans do not own any notes, bonds or other instruments of the district.

**B. Alaska Teamster – Employer Pension Trust Fund**

The Alaska Teamster-Employer Pension Trust Fund is a cost-sharing multi-employer defined benefit plan for bus drivers and attendants. Under the Teamster Local 959 collective bargaining agreement, which has an expiration date of June 30, 2015, the district contributes two dollars (\$2.68) for each hour of compensation earned by each permanent bus driver and attendant with more than 6 years of continuous regular experience with the district, and one dollar (\$1.34) for each hour of compensation earned by each permanent bus driver and attendant with 6 or fewer years of continuous regular experience with the district. The district contributed \$307,268 in 2015, \$303,470 in 2014, and \$265,122 in 2013 to this union administered plan. The actual contributions amount to 100 percent of the required contributions. The payroll for employees covered by Alaska Teamster-Employer Pension Trust Fund for the year ended June 30, 2015 was \$2,862,496, which compares to the district's total of \$371,689,280. Employees are not required to make contributions towards the trust fund.

**NOTE 5 – POSTEMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 4, the district provides basic postemployment health care benefits, in accordance with state statutes, to all employee groups who retired through the State of Alaska retirement plans. The district also provides supplemental post-employment health care benefits, in accordance with the employment contract settlement agreement, to all employee groups who retired and elected to participate in the plan as of September 1974 through June 30, 1977. The number of retirees covered under this plan is 46 as of June 30, 2015. The cost of the retiree supplemental health benefits is recognized as expenditure when incurred. The total amount expended for the year ended June 30, 2015 is \$117,556.

**NOTE 6 – RISK MANAGEMENT**

The district is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; illness of and injuries to employees; unemployment; and natural disasters. The district utilizes a self-insurance program primarily maintained in the General Fund to account for and finance its uninsured risks of loss.

The district self-insures to the extent of \$1,500,000 per occurrence for school bus, auto, and general liability, \$1,000,000 per occurrence on workers' compensation, and \$100,000 per occurrence on property losses with coverage in excess thereof provided by private carriers. The district is self-insured for earthquake or flood damage. The district has maintained the same insurance coverage and reflected no reduction of insurance coverage in the prior year by major categories of risk. In addition, there are no settlements that exceeded insurance coverage for each of the prior three fiscal years.

The district's healthcare program for support services employees is a self-funded plan for medical costs, while premiums are paid by the district to cover dental and vision insurance for these employees. The district is required to make contributions to fund the plan based on negotiated collective bargaining agreements. The activity of this plan is recorded in the Health Insurance Internal Service Fund.

The district has established estimated liabilities for claims incurred but not reported and a liability for estimated future payments on reported claims based on information provided by the claims servicing agent.

The district has reflected an assignment of fund balance in the General Fund to account for workers' compensation and other liability claims and incurred but not reported claims. The assignment for self-insurance in the General Fund also provides for emergency funds to cover the self-insured retention in the event of multiple losses. The portion has been set at \$19,650,171. The balance in this account does not represent a contingent liability, but rather signifies the availability of funds should such a casualty occur.

Unemployment compensation expenditure is based on actual claims filed with the State of Alaska and reimbursed by the district.

Claims payable represents estimates of claims to be paid based upon past experience modified for current trends and information. The ultimate amount of losses incurred through June 30, 2015 is dependent upon future developments. The district has no settlements that exceeded the amount of insurance coverage.

Changes in the funds' claims liability amounts in 2015, 2014, and 2013 are as follows:

|      |               | Liability<br>Balance<br>July 1 | Current Year<br>Claims and<br>Changes in<br>Estimates | Claims<br>Payment    | Liability<br>Balance<br>June 30 |
|------|---------------|--------------------------------|---|----------------------|---------------------------------|
| 2015 | Health        | \$ 8,154,089                   | \$ 30,834,726   | \$ 31,116,612        | \$ 7,872,203                    |
|      | Unemployment  | 70,800                         | 285,844   | 307,763              | 48,881                          |
|      | Workers' Comp | 13,476,518                     | 6,236,802   | 5,865,407            | 13,847,913                      |
|      |               | <u>\$ 21,701,407</u>           | <u>\$ 37,357,372</u>                                  | <u>\$ 37,289,782</u> | <u>\$ 21,768,997</u>            |
| 2014 | Health        | \$ 7,041,335                   | \$ 32,719,056   | \$ 31,606,302        | \$ 8,154,089                    |
|      | Unemployment  | 86,383                         | 356,708   | 372,291              | 70,800                          |
|      | Workers' Comp | 15,406,016                     | 3,373,838   | 5,303,336            | 13,476,518                      |
|      |               | <u>\$ 22,533,734</u>           | <u>\$ 36,449,602</u>                                  | <u>\$ 37,281,929</u> | <u>\$ 21,701,407</u>            |
| 2013 | Health        | \$ 9,164,719                   | \$ 30,806,770   | \$ 32,930,154        | \$ 7,041,335                    |
|      | Unemployment  | 58,536                         | 522,346   | 494,499              | 86,383                          |
|      | Workers' Comp | 15,909,819                     | 4,988,250   | 5,492,053            | 15,406,016                      |
|      |               | <u>\$ 25,133,074</u>           | <u>\$ 36,317,366</u>                                  | <u>\$ 38,916,706</u> | <u>\$ 22,533,734</u>            |

**NOTE 7 – COMMITMENTS**

Commitments under lease agreements for the various administration buildings provide for minimum annual rental payments of \$3,238,541. Rent expenditures for the year ended June 30, 2015 were \$8,521,243.

**NOTE 8 – CONTINGENT LIABILITIES**Grants

The district participates in a variety of state and federal assistance and revenue sharing programs. These programs are subject to program compliance review by the grantors or their representatives. The audits of some of these programs before and including the year ended June 30, 2015 have not been concluded. Accordingly, the district's compliance with applicable grantor revenue sharing programs will be established at some future date. Any disallowed claims, including amounts already collected, would become a liability of the General Fund or other applicable fund. In management's opinion, disallowed claims, if any, will be immaterial.

Property Tax Limitation

On October 4, 1983, the Anchorage voters approved a charter amendment, which sets a limitation on the amount of taxes the municipality can levy. The amendment limits taxes, with certain exceptions, to the amount levied in the previous year, increased by inflation (Anchorage CPI – 5-year average) and

population (5-year average) growth). In the opinion of management, the municipality and the district are in compliance with the intent of the amendment.

#### Litigation

In the normal course of activities, the district is involved in various other claims and litigation. In the opinion of management and the district's attorneys, the disposition of the claims and litigation are not presently expected to have a material adverse effect on the district's financial statements.

#### **NOTE 9 – RELATED PARTY TRANSACTIONS**

The Municipality of Anchorage is responsible for assessing and collecting property taxes and remitting the amount approved by the Anchorage Assembly to the district. In addition, there are various services that are performed by the municipality on behalf of the district.

The following is a summary of related party transactions with the municipality:

|   |                |
|---|----------------|
| Property taxes collected  |                |
| General Fund  | \$ 200,213,000 |
| Debt Service Fund   | 39,363,423     |
| Grant revenues received from the Municipality of Anchorage  |                |
| State and Federal Grants Special Revenue Fund   | \$ 1,237       |
| Charges for services:   |                |
| Operations of swimming pools  | \$ (333,675)   |
| Joint property and liability insurance:   |                |
| Purchase of a single property and liability policy, which covers both the municipality and district | \$ (2,173,120) |

The Anchorage School District, under Alaska law, cannot legally hold title to real property nor incur long-term debt. However, the Municipality of Anchorage has delegated the district, the construction management of school projects. In order to reflect all the capital assets used for school purposes and the related obligations serviced by the district, real property and the associated obligations have been reported in the accompanying financial statements.

#### **NOTE 10 – CHANGE IN ACCOUNTING PRINCIPLE**

As discussed in Note 4 to the financial statements, the District participates in three defined benefit plans: The Alaska Public Retirement System (PERS) plan and the Teachers Retirement System (TRS) plan and the Alaska Teamster – Employer Pension Trust Fund. In 2015 the District adopted the provisions of GASB Statement No. 68 Accounting and Financial Reporting for Pensions, which, among other accounting and reporting criteria, requires the District to recognize its proportional share of the Net Pension Liability (and related deferred inflow/outflow accounts), as of the beginning of the District's fiscal year. As a result of the implementation of this statement, the District has recorded an opening balance adjustment to reflect opening balance pension liabilities and related accounts and to decrease opening net position as follows:

|                         | Opening net<br>position, as<br>originally<br>presented | Change in<br>accounting<br>principle<br>adjustment | Opening net<br>position, as<br>restated |
|-------------------------|--|--|---|
| Governmental Activities | \$ 750,923,959   | \$ (279,179,772)                                   | \$ 471,744,187                          |

**NOTE 11 – NEW ACCOUNTING PRONOUNCEMENTS**

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

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

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

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

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

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## Required Supplementary Information

For the Year Ended June 30, 2015

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BASIS) AND ACTUAL**

|  | Actual         | Adjustment<br>to Basis of<br>Budgeting | Actual on<br>Basis of<br>Budgeting | Budgeted Amounts |                | Variance<br>with<br>Final<br>Budget<br>Positive<br>(Negative) |
|--|----------------|--|------------------------------------|------------------|----------------|---|
|  |                |  |                                    | Original         | Final          |   |
| <b>Revenues:</b>   |                |  |                                    |                  |                |   |
| Revenues from local sources:                                 |                |  |                                    |                  |                |   |
| Appropriation from Municipality<br>of Anchorage              | \$ 200,213,000 | \$ --                                  | \$ 200,213,000                     | \$ 200,213,000   | \$ 200,213,000 | \$ --   |
| Reimbursement for school<br>facilities rental                | 676,985        | --                                     | 676,985                            | 707,000          | 707,000        | (30,015)  |
| Nonresident tuition  | 10,080         | --                                     | 10,080                             | 50,000           | 50,000         | (39,920)  |
| Investment income  | 442,549        | --                                     | 442,549                            | 1,000,000        | 1,000,000      | (557,451)   |
| E-Rate   | 1,924,496      | --                                     | 1,924,496                          | 1,724,000        | 1,724,000      | 200,496   |
| Other revenues   | 2,174,438      | 1,621,000                              | 3,795,438                          | 3,251,008        | 3,251,008      | 544,430   |
| Total revenues from<br>local sources                         | 205,441,548    | 1,621,000                              | 207,062,548                        | 206,945,008      | 206,945,008    | 117,540   |
| Revenues from state sources:                                 |                |  |                                    |                  |                |   |
| Public school funding program                                | 327,797,266    | --                                     | 327,797,266                        | 329,750,257      | 329,750,257    | (1,952,991)   |
| School improvement grant                                     | 12,660,878     | --                                     | 12,660,878                         | 12,807,120       | 12,807,120     | (146,242)   |
| Retirement systems employer relief                           | 678,980,119    | (678,980,119)                          | --                                 | --               | --             | --  |
| On-Base tuition  | 408,484        | --                                     | 408,484                            | 405,000          | 405,000        | 3,484   |
| Total revenues from<br>state sources                         | 1,019,846,747  | (678,980,119)                          | 340,866,628                        | 342,962,377      | 342,962,377    | (2,095,749)   |
| Revenues from federal sources:                               |                |  |                                    |                  |                |   |
| Reserve Officers Training Corps                              | 848,021        | --                                     | 848,021                            | 589,000          | 589,000        | 259,021   |
| Federal Impact Aid   | 21,484,208     | --                                     | 21,484,208                         | 14,661,000       | 14,661,000     | 6,823,208   |
| Medicaid reimbursement                                       | 489,462        | --                                     | 489,462                            | 500,000          | 500,000        | (10,538)  |
| Total revenues from<br>federal sources                       | 22,821,691     | --                                     | 22,821,691                         | 15,750,000       | 15,750,000     | 7,071,691   |
| Total revenues   | 1,248,109,986  | (677,359,119)                          | 570,750,867                        | 565,657,385      | 565,657,385    | 5,093,482   |
| <b>Expenditures:</b>   |                |  |                                    |                  |                |   |
| Current:   |                |  |                                    |                  |                |   |
| General administration                                       | 35,074,968     | (8,912,988)                            | 26,161,980                         | 30,128,775       | 29,393,568     | 3,231,588   |
| Instruction  | 1,105,273,782  | (647,671,813)                          | 457,601,969                        | 460,148,523      | 459,939,687    | 2,337,718   |
| Operation and maintenance of plant                           | 85,422,847     | (10,550,770)                           | 74,872,077                         | 74,543,090       | 75,462,798     | 590,721   |
| Community services   | 576,814        | (107,607)                              | 469,207                            | 463,750          | 463,858        | (5,349)   |
| Total expenditures   | 1,226,348,411  | (667,243,178)                          | 559,105,233                        | 565,284,138      | 565,259,911    | 6,154,678   |
| Excess (deficiency) of revenues<br>over (under) expenditures | 21,761,575     | (10,115,941)                           | 11,645,634                         | 373,247          | 397,474        | 11,248,160  |

See accompanying notes to required supplementary information  
(Continued)

For the Year Ended June 30, 2015

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BASIS) AND ACTUAL (Continued)**

|   | Actual         | Adjustment<br>to Basis of<br>Budgeting | Actual on<br>Basis of<br>Budgeting | Budgeted Amounts |           | Variance<br>with<br>Final<br>Budget<br>Positive<br>(Negative) |
|---|----------------|--|------------------------------------|------------------|-----------|---|
|   |                |  |                                    | Original         | Final     |   |
| Other financing sources (uses):   |                |  |                                    |                  |           |   |
| Proceeds from sale of property<br>and equipment   | \$ 28,563      | \$ --                                  | \$ 28,563                          | \$ --            | \$ --     | \$ 28,563   |
| Transfers out - Compensated Absences Fund   | (27,849)       | --                                     | (27,849)                           | --               | --        | (27,849)  |
| Transfers out - Equipment Replacement Fund  | (700,000)      | --                                     | (700,000)                          | --               | --        | (700,000)   |
| Transfers out - Food Service Fund   | (2,285,287)    | --                                     | (2,285,287)                        | --               | --        | (2,285,287)   |
| Transfers out - Pupil Transportation Fund   | --             | --                                     | --                                 | (373,247)        | (397,474) | 397,474   |
| Total other financing<br>sources and (uses)   | (2,984,573)    | --                                     | (2,984,573)                        | (373,247)        | (397,474) | (2,587,099)   |
| Excess (deficiency) of revenues<br>over (under) expenditures and other<br>financing sources | 18,777,002     | \$ (10,115,941)                        | \$ 8,661,061                       | \$ --            | \$ --     | \$ 8,661,061  |
| Fund balance at beginning of year   | 122,627,396    |  |                                    |                  |           |   |
| Fund balance at end of year   | \$ 141,404,398 |  |                                    |                  |           |   |

**BASIS OF BUDGETING** - The General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget (Non-GAAP Basis) and Actual has been prepared on a legally prescribed basis of budgeting which differs from accounting principles generally accepted in the United States of America (GAAP). The purpose of the basis of budgeting is to demonstrate compliance with the legal requirements of the local, state, and federal programs. The difference between the two methods is set forth below:

|   |               |                  |
|---|---------------|------------------|
| Revenues reported on the basis of GAAP                              |               | \$ 1,248,109,986 |
| Add: budgeted fund balance  | \$ 1,621,000  |                  |
| Deduct: retirement systems employer relief                          | (678,980,119) |                  |
|   |               | (677,359,119)    |
| Revenues reported on the basis of budgeting                         |               | 570,750,867      |
| Expenditures reported on the basis of GAAP                          |               | 1,226,348,411    |
| Add: current year encumbrances                                      | \$ 18,974,019 |                  |
| Deduct: retirement systems employer relief                          | (678,980,119) |                  |
| Deduct: expenditures on prior year's encumbrances                   | (7,237,078)   |                  |
|   |               | (667,243,178)    |
| Expenditures and encumbrances reported on<br>the basis of budgeting |               | 559,105,233      |
| Excess of revenues over expenditures on<br>the basis of budgeting   |               | \$ 11,645,634    |

See accompanying notes to required supplementary information

SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BASIS) AND ACTUAL

For the Year Ended June 30, 2015

|   | Actual     | Adjustment<br>to Basis of<br>Budgeting | Actual on<br>Basis of<br>Budgeting | Budgeted Amounts |             | Variance<br>Positive<br>(Negative) |
|---|------------|--|------------------------------------|------------------|-------------|------------------------------------|
|   |            |  |                                    | Original         | Final       |                                    |
| Revenues:   |            |  |                                    |                  |             |                                    |
| Revenues from local grants:                       |            |  |                                    |                  |             |                                    |
| Charter School Supplemental                       | \$ 16,985  | \$ --                                  | \$ 16,985                          | \$ 16,909        | \$ 16,909   | \$ (76)                            |
| Community Partners Diversity Project              | 1,604      | --                                     | 1,604                              | 1,975            | 1,975       | 371                                |
| Donations From Local Agencies                     | 406,229    | (14,360)                               | 391,869                            | 297,262          | 297,262     | (94,607)                           |
| Graduation Support Services                       | 11,207     | --                                     | 11,207                             | --               | --          | (11,207)                           |
| MOA Recycling                                     | 1,237      | --                                     | 1,237                              | --               | --          | (1,237)                            |
| NoVo Foundation Social and Emotional Learning     | 338,452    | 9,683                                  | 348,135                            | 134,939          | 134,939     | (213,196)                          |
| Contingency                                       | --         | --                                     | --                                 | (4,489,006)      | (4,489,006) | (4,489,006)                        |
| Total revenues from local grants                  | 775,714    | (4,677)                                | 771,037                            | (4,037,921)      | (4,037,921) | (4,808,958)                        |
| Revenues from state grants:                       |            |  |                                    |                  |             |                                    |
| Designated Legislative Grants                     |            |  |                                    |                  |             |                                    |
| Senate Bill 18                                    | 426,214    | 630,196                                | 1,056,410                          | --               | --          | (1,056,410)                        |
| Senate Bill 46                                    | 136,098    | (31,147)                               | 104,951                            | --               | --          | (104,951)                          |
| Senate Bill 119                                   | 1,051,407  | 186,095                                | 1,237,502                          | 2,615,350        | 2,615,350   | 1,377,848                          |
| Senate Bill 160                                   | 630,563    | 324,431                                | 954,994                            | --               | --          | (954,994)                          |
| Senate Bill 230                                   | 112,237    | --                                     | 112,237                            | --               | --          | (112,237)                          |
| Total Designated Legislative Grants               | 2,356,519  | 1,109,575                              | 3,466,094                          | 2,615,350        | 2,615,350   | (850,744)                          |
| Alaska Railroad Summer Youth Program              | 18,070     | 1,115                                  | 19,185                             | 19,500           | 19,500      | 315                                |
| Alaska State School for the the Deaf              | 228,512    | --                                     | 228,512                            | 319,000          | 319,000     | 90,488                             |
| Alternative Schools Health and Wellness           | 36,057     | --                                     | 36,057                             | 56,620           | 56,620      | 20,563                             |
| Anchorage Construction Academy                    | 338,402    | --                                     | 338,402                            | 338,693          | 338,693     | 291                                |
| ANSEP Grant                                       | 23,546     | --                                     | 23,546                             | 24,000           | 24,000      | 454                                |
| BBBS Mentoring                                    | 34,414     | --                                     | 34,414                             | 37,636           | 37,636      | 3,222                              |
| Cultural Collaboration Project                    | 7,487      | --                                     | 7,487                              | 22,693           | 22,693      | 15,206                             |
| Early Literacy K-3                                | 119,399    | --                                     | 119,399                            | 119,399          | 119,399     | --                                 |
| Farm to School                                    | 3,895      | --                                     | 3,895                              | --               | --          | (3,895)                            |
| Pre-school Kindergarten Program                   | 325,413    | --                                     | 325,413                            | 330,943          | 330,943     | 5,530                              |
| Providence Heights                                | 121,167    | --                                     | 121,167                            | 145,000          | 145,000     | 23,833                             |
| Retirement Systems Employer Relief                | 36,638,640 | (36,638,640)                           | --                                 | --               | --          | --                                 |
| Suicide Awareness                                 | 25,620     | --                                     | 25,620                             | 29,100           | 29,100      | 3,480                              |
| Youth in Detention                                | 482,799    | 765                                    | 483,564                            | 512,252          | 512,252     | 28,688                             |
| Total revenues from state grants                  | 40,759,940 | (35,527,185)                           | 5,232,755                          | 4,570,186        | 4,570,186   | (662,569)                          |
| Revenues from federal grants:                     |            |  |                                    |                  |             |                                    |
| Access to Education for Homeless Children Program | \$ 33,933  | \$ --                                  | \$ 33,933                          | \$ 45,000        | \$ 45,000   | \$ 11,067                          |
| Alaska Family Directory Website                   | 23,632     | --                                     | 23,632                             | 29,000           | 29,000      | 5,368                              |
| Alaska Mentorship Project                         | 676,302    | 1,503                                  | 677,805                            | 234,061          | 234,061     | (443,744)                          |
| Alaska State School for Deaf Program              | 64,765     | --                                     | 64,765                             | 65,000           | 65,000      | 235                                |
| Alaska Sea Grant                                  | 3,015      | --                                     | 3,015                              | 10,000           | 10,000      | 6,985                              |
| Artist in Schools                                 | 5,639      | --                                     | 5,639                              | 5,639            | 5,639       | --                                 |
| Big Brothers Big Sisters Mentoring                | 30,160     | --                                     | 30,160                             | 4,500            | 4,500       | (25,660)                           |
| Carl Perkins Vocational Education Basic           | 1,227,128  | (8,845)                                | 1,218,283                          | 1,227,260        | 1,227,260   | 8,977                              |
| Community Centers Learning Program                | 1,653,459  | (195)                                  | 1,653,264                          | 1,805,168        | 1,805,168   | 151,904                            |
| Confucious Grant                                  | --         | --                                     | --                                 | 10,000           | 10,000      | 10,000                             |
| ESEA Consolidated                                 | 786,836    | --                                     | 786,836                            | 787,021          | 787,021     | 185                                |
| Lets Do History                                   | 6,001      | --                                     | 6,001                              | 6,000            | 6,000       | (1)                                |
| Military Impacted Students                        | 553,570    | 56,877                                 | 610,447                            | 1,747,157        | 1,747,157   | 1,136,710                          |
| Pre-School Handicapped                            | 307,281    | --                                     | 307,281                            | 311,091          | 311,091     | 3,810                              |
| Project Aware                                     | 21,322     | --                                     | 21,322                             | 398,631          | 398,631     | 377,309                            |
| Project Ki'l                                      | 297,374    | (8,101)                                | 289,273                            | --               | --          | (289,273)                          |
| Project MORE                                      | 493,436    | --                                     | 493,436                            | --               | --          | (493,436)                          |
| Project Puqigtut                                  | 640,007    | 16,130                                 | 656,137                            | 558,697          | 558,697     | (97,440)                           |
| Refugee Support Services                          | 51,064     | (72)                                   | 50,992                             | 43,000           | 43,000      | (7,992)                            |
| StarTalk - Language Culture Summer Camp           | 87,868     | (133)                                  | 87,735                             | 88,344           | 88,344      | 609                                |

See accompanying notes to required supplementary information  
(Continued)

For the Year Ended June 30, 2015

SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BASIS) AND ACTUAL (Continued)

|   | Actual        | Adjustment<br>to Basis of<br>Budgeting | Actual on<br>Basis of<br>Budgeting | Budgeted Amounts |                | Variance<br>Positive<br>(Negative) |
|---|---------------|--|------------------------------------|------------------|----------------|------------------------------------|
|   |               |  |                                    | Original         | Final          |                                    |
| Title I -No Child Left Behind Act                                   |               |  |                                    |                  |                |                                    |
| Delinquent and At-Risk Youth Program                                | \$ 138,306    | \$ --                                  | \$ 138,306                         | \$ 174,353       | \$ 174,353     | \$ 36,047                          |
| District-wide   | 12,538,275    | 16,711                                 | 12,554,986                         | 15,831,503       | 15,831,503     | 3,276,517                          |
| Highly Qualified Program  | 3,070         | --                                     | 3,070                              | 10,000           | 10,000         | 6,930                              |
| McLaughlin Youth Center   | 137,423       | --                                     | 137,423                            | 148,481          | 148,481        | 11,058                             |
| Parent Involvement Program  | 170,659       | --                                     | 170,659                            | 223,112          | 223,112        | 52,453                             |
| School Improvement Program  | 40,032        | --                                     | 40,032                             | 43,828           | 43,828         | 3,796                              |
| Total Title I - No Child Left Behind                                | 13,027,765    | 16,711                                 | 13,044,476                         | 16,431,277       | 16,431,277     | 3,386,801                          |
| Title I -Migrant Education  |               |  |                                    |                  |                |                                    |
| Book Program  | 14,947        | --                                     | 14,947                             | 14,950           | 14,950         | 3                                  |
| District-wide   | 1,545,604     | --                                     | 1,545,604                          | 1,558,124        | 1,558,124      | 12,520                             |
| Parent Involvement Program  | --            | --                                     | --                                 | 1,000            | 1,000          | 1,000                              |
| Summer Program  | 433,969       | (49,844)                               | 384,125                            | 339,958          | 339,958        | (44,167)                           |
| Total Title I -Migrant Education                                    | 1,994,520     | (49,844)                               | 1,944,676                          | 1,914,032        | 1,914,032      | (30,644)                           |
| Title II-A - Professional Development Program                       | 3,366,680     | (65,415)                               | 3,301,265                          | 5,444,342        | 5,444,342      | 2,143,077                          |
| Title III - English Language Acquisition                            | 295,189       | --                                     | 295,189                            | 482,038          | 482,038        | 186,849                            |
| Title VI-B - Education of All Handicapped Children Act              | 12,635,643    | (12,761)                               | 12,622,882                         | 15,209,578       | 15,209,578     | 2,586,696                          |
| Title VII - Indian, Native Hawaiian, and Alaska<br>Native Education | 2,962,373     | (1,741)                                | 2,960,632                          | 2,990,899        | 2,990,899      | 30,267                             |
| Youth Risk Behavior Survey  | 23,546        | 2,099                                  | 25,645                             | 25,000           | 25,000         | (645)                              |
| Total revenues from federal grants                                  | 41,268,508    | (53,787)                               | 41,214,721                         | 49,872,735       | 49,872,735     | 8,658,014                          |
| Total revenues  | \$ 82,804,162 | \$ (35,585,649)                        | \$ 47,218,513                      | \$ 50,405,000    | \$ 50,405,000  | \$ 3,186,487                       |
| Expenditures:   |               |  |                                    |                  |                |                                    |
| Current:  |               |  |                                    |                  |                |                                    |
| Instruction:  |               |  |                                    |                  |                |                                    |
| Local grants  | \$ 775,714    | \$ (4,677)                             | \$ 771,037                         | \$ (4,037,921)   | \$ (4,037,921) | \$ (4,808,958)                     |
| State grants  | 40,759,940    | (35,527,185)                           | 5,232,755                          | 4,570,186        | 4,570,186      | (662,569)                          |
| Federal grants  | 41,268,508    | (53,787)                               | 41,214,721                         | 49,872,735       | 49,872,735     | 8,658,014                          |
| Total expenditures  | 82,804,162    | (35,585,649)                           | 47,218,513                         | 50,405,000       | 50,405,000     | 3,186,487                          |
| Excess of revenues over expenditures                                | --            | --                                     | --                                 | --               | --             | --                                 |
| Fund balance at beginning of year                                   | --            | --                                     | --                                 | --               | --             | --                                 |
| Fund balance at end of year   | \$ --         | \$ --                                  | \$ --                              | \$ --            | \$ --          | \$ --                              |

BASIS OF BUDGETING - State and Federal Grants Special Revenue Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual has been prepared on a legally prescribed basis of budgeting which differs from accounting principles generally accepted in the United States of America (GAAP). The purpose of the basis of budgeting is to demonstrate compliance with the legal requirements of the local, state, and federal programs. The difference between the two methods is set forth below:

|   |              |               |
|---|--------------|---------------|
| Revenues reported on the basis of GAAP                              |              | \$ 82,804,162 |
| Add revenues from current year encumbrances                         | \$ 1,631,571 |               |
| Deduct retirement systems employer relief                           | (36,638,640) |               |
| Deduct revenues on prior year encumbrances                          | (578,580)    |               |
|   |              | (35,585,649)  |
| Revenues reported on the basis of budgeting                         |              | 47,218,513    |
| Expenditures reported on the basis GAAP                             |              | 82,804,162    |
| Add current year encumbrances                                       | \$ 1,631,571 |               |
| Deduct retirement systems employer relief                           | (36,638,640) |               |
| Deduct expenditures on prior year encumbrances                      | (578,580)    |               |
|   |              | (35,585,649)  |
| Expenditures and encumbrances reported on<br>the basis of budgeting |              | 47,218,513    |
| Excess of revenue over expenditures on<br>the basis of budgeting    |              | \$ --         |

See accompanying notes to required supplementary information

**SCHEDULE OF THE DISTRICT'S INFORMATION  
ON THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)**

For the Year Ended June 30, 2015

---

|  |                    |
|--|--------------------|
| District's proportion of the net pension liability   | 2.18564285%        |
| District's proportionate share of the net pension liability                                    | \$ 101,941,409     |
| State of Alaska proportionate share of the net pension liability                               | 92,597,159         |
| Total net pension liability  | <u>194,538,568</u> |
| District's covered employee payroll  | \$ 58,475,120      |
| District's proportionate share of the net pension liability as a percentage of covered payroll | 174.33%            |
| Plan fiduciary net position as a percentage of the total pension liability                     | 62.37%             |

See accompanying notes to required supplementary information

## SCHEDULE OF DISTRICT CONTRIBUTIONS

For the Year Ended June 30, 2015

## PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

|  |                     |
|--|---------------------|
| Contractually required contributions                                 | \$ 9,072,746        |
| Contributions in relation to the contractually required contribution | <u>\$ 9,072,746</u> |
| Contribution deficiency (excess)                                     | \$ --               |
| District's covered-employee payroll                                  | \$ 54,356,180       |
| Contributions as a percentage of covered payroll                     | 16.691%             |

See accompanying notes to required supplementary information

**SCHEDULE OF THE DISTRICT'S INFORMATION  
ON THE NET PENSION LIABILITY  
TEACHERS RETIREMENT SYSTEM (TRS)**

For the Year Ended June 30, 2015

---

|  |                      |
|--|----------------------|
| District's proportion of the net pension liability   | 5.25204575%          |
| District's proportionate share of the net pension liability                                    | \$ 157,512,125       |
| State of Alaska proportionate share of the net pension liability                               | 857,033,106          |
| Total net pension liability  | <u>1,014,545,231</u> |
| District's covered employee payroll  | \$ 178,950,613       |
| District's proportionate share of the net pension liability as a percentage of covered payroll | 88.02%               |
| Plan fiduciary net position as a percentage of the total pension liability                     | 55.70%               |

See accompanying notes to required supplementary information



## SCHEDULE OF DISTRICT CONTRIBUTIONS

For the Year Ended June 30, 2015

## TEACHERS RETIREMENT SYSTEM (TRS)

---

|  |    |                   |
|--|----|-------------------|
| Contractually required contributions                                 | \$ | 12,831,267        |
| Contributions in relation to the contractually required contribution | \$ | <u>12,831,267</u> |
| Contribution deficiency (excess)                                     | \$ | --                |
| District's covered-employee payroll                                  | \$ | 173,788,753       |
| Contributions as a percentage of covered payroll                     |    | 7.383%            |

See accompanying notes to required supplementary information

## SCHEDULE OF DISTRICT CONTRIBUTIONS

For the Last Ten Years

## ALASKA TEAMSTER - EMPLOYER TRUST FUND

| <u>Fiscal<br/>Year</u> | <u>Annual Pension<br/>Cost</u> | <u>District<br/>Contributions</u> | <u>Percent<br/>Contributed</u> |
|------------------------|--------------------------------|-----------------------------------|--------------------------------|
| 2005-2006              | \$ 195,871                     | \$ 195,871                        | 100                            |
| 2006-2007              | 189,058                        | 189,058                           | 100                            |
| 2007-2008              | 195,914                        | 195,914                           | 100                            |
| 2008-2009              | 213,887                        | 213,887                           | 100                            |
| 2009-2010              | 218,867                        | 218,867                           | 100                            |
| 2010-2011              | 224,444                        | 224,444                           | 100                            |
| 2011-2012              | 250,452                        | 250,452                           | 100                            |
| 2012-2013              | 265,122                        | 265,122                           | 100                            |
| 2013-2014              | 303,470                        | 303,470                           | 100                            |
| 2014-2015              | 307,268                        | 307,268                           | 100                            |

**BUDGETARY DATA**

The district follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Superintendent submits to the School Board, at such time as the Board directs, a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the board to obtain the comments of residents of the Municipality of Anchorage.
3. The proposed budget is approved and revised by the board and submitted to the Anchorage Assembly on but not later than or prior to the first Monday in March of each year.
4. The Assembly shall approve the upper spending authorization of the budget for the district, and appropriate and establish by ordinance the necessary municipal tax appropriation within thirty (30) days after receipt. If the Assembly fails to make the necessary appropriation within the time stated, the budget as submitted to the Assembly becomes the budget and appropriation for the fiscal year of the district without further Assembly action as stated in the Municipal Charter, Article VI, Section 6.05.
5. The board shall conduct at least one public hearing following the Assembly action on the budget if the amount approved by the Assembly is different than the amount submitted.

The legal level on which expenditures may not exceed the aggregate total budget of the combined budgets is the total of the following funds: General Fund, Grants Special Revenue Fund, Food Service Special Revenue Fund, Pupil Transportation Special Revenue Fund and Debt Service Fund.

Budgetary control by the district is maintained by fund, organization and object in the General Fund, Food Service and Pupil Transportation Special Revenue Funds only. Budgetary control in the Grants Special Revenue Fund is authorized and maintained by the granting agencies. Under the Grants Special Revenue Fund, the management of the district may request budget revisions and transfers within a grant subject to the approval of the granting agencies. In addition, under the Grants Special Revenue Fund, the district may revise a grant within the state code line item budget without the approval of the granting agencies. The Board may amend the upper limit of the aggregate total budget, by budget revision subject to the approval of the Assembly.

On March 11, 2014, the Assembly approved Assembly Ordinance AO NO. 2014-33 determining and approving the district's combined budget of \$743,449,248 with \$233,776,423 in local tax appropriation for the following funds: General Fund, Grants Special Revenue Fund, Food Service Special Revenue Fund, Student Activities Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

On May 19, 2014 the School Board approved the revised financial plan with ASD Memorandum No. 222 (2013-2014) to account for increases in funding totaling \$22,979,521. The Assembly approved the revised financial plan increasing the upper limit from \$743,449,248 to \$766,728,769 with Assembly Ordinance NO. 2014-59 on June 10, 2014.

The encumbrance system of accounting is used wherein encumbrances outstanding at year-end are not reported as expenditures in the financial statements, but are reported as commitments or assignments of fund balance for subsequent years' expenditures based on the encumbered appropriation authority carried over. District policy requires recording of an encumbrance as a charge against appropriation in the accounting period in which a purchase requisition or purchase order is issued, rather than in the accounting period when goods or services are received as required by generally accepted accounting principles.

Appropriations for capital improvement projects carryover at year-end; all other appropriations lapse at year-end to the extent that they have not been expended or encumbered.

On-behalf payments and corresponding expenditures for TRS and PERS are not cash transactions; therefore, they have been excluded from the upper limit budget and are shown as reconciling items.

#### Budgetary Comparison Schedules

The budgetary comparison schedules are presented on the modified accrual basis of accounting.

#### Schedule of the District's Information on the Net Pension Liability - PERS

Information in this table is presented based on the Plan measurement date. For June 30, 2015, the plan measurement date is June 30, 2014.

#### Schedule of District Contributions – Public Employees Retirement System - PERS

This table reports the District's pension contributions to PERS during fiscal year 2015. These contributions are reported as a deferred outflow on the June 30, 2015 basic financial statements.

#### Schedule of the District's Information on the Net Pension Liability - TRS

Information in this table is presented based on the Plan measurement date. For June 30, 2015, the plan measurement date is June 30, 2014.

#### Schedule of District Contributions – Public Employees Retirement System - TRS

This table reports the District's pension contributions to TRS during fiscal year 2015. These contributions are reported as a deferred outflow on the June 30, 2015 basic financial statements.

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

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

Neither plan is reporting any changes in assumptions from the prior measurement period.

#### Schedule of District Contributions – Alaska Teamster – Employer Trust Fund

This table reports the District's pension contributions to the Alaska Teamster – Employer Trust Fund for the last ten years. This plan has been given the critical status designation under the Pension Protection Act and, therefore, the district was required to make supplemental contributions to plan of 34 percent for every dollar contributed in FY 2014-2015. Additionally, the district was required to make supplemental contributions of 14 percent in FY 2012-13 and 24 percent in FY 2013-2014.

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## **Combining and Individual Fund Statements and Schedules**



## General Fund

To account for resources traditionally associated with school districts which are not required to be accounted for in another fund.

June 30, 2015  
With Comparative Totals for  
June 30, 2014

**BALANCE SHEET**

|   | 2015                         | 2014                         |
|---|------------------------------|------------------------------|
| <b>Assets</b>   |                              |                              |
| Cash and investments  | \$ 157,999,519               | \$ 141,881,195               |
| Accounts receivable (net of any allowances for uncollectables)        | 2,594,575                    | 2,096,039                    |
| Due from other funds:   |                              |                              |
| State and Federal Grants Special Revenue Fund                         | 14,177,115                   | 12,105,247                   |
| Student Activity Special Revenue Fund                                 | 64,244                       | 68,086                       |
| Food Service Special Revenue Fund                                     | --                           | 779,991                      |
| Debt Service Fund   | 5,723,826                    | 11,049,287                   |
| Due from other governments:   |                              |                              |
| Municipality of Anchorage   | 100,301,268                  | 100,106,500                  |
| United States Government  | 604,651                      | 840,092                      |
| Prepaid items   | 1,291,720                    | 3,327,638                    |
| Inventory, at weighted average cost                                   | 2,091,036                    | 2,172,107                    |
| Total assets  | <u>\$ 284,847,954</u>        | <u>\$ 274,426,182</u>        |
| <b>Liabilities</b>  |                              |                              |
| Accounts payable  | \$ 2,581,360                 | \$ 2,203,990                 |
| Medical claims and other contracts payable                            | 1,650,746                    | 1,490,997                    |
| Due to other funds:   |                              |                              |
| Food Service Special Revenue Fund                                     | 1,110,715                    | --                           |
| Student Activity Special Revenue Fund                                 | 2,138,392                    | 2,015,009                    |
| Capital Projects Fund   | 15,491,257                   | 23,171,399                   |
| Compensated Absences Internal Service Fund                            | --                           | 10,861,618                   |
| Pupil Transportation Special Revenue Fund                             | 373,109                      | 609,838                      |
| Accrued salaries and related items:                                   |                              |                              |
| Wages and salaries payable  | 2,720,849                    | 1,551,156                    |
| Payroll taxes, other accrued and withheld items                       | 17,057,624                   | 9,788,045                    |
| Unearned revenue  | 18,236                       | 234                          |
| Total liabilities   | <u>43,142,288</u>            | <u>51,692,286</u>            |
| <b>Deferred inflows of resources</b>                                  |                              |                              |
| General property tax appropriations                                   | 100,301,268                  | 100,106,500                  |
| Total deferred inflows of resources                                   | <u>100,301,268</u>           | <u>100,106,500</u>           |
| <b>Fund balance</b>   |                              |                              |
| Non-spendable   | 3,382,756                    | 5,499,745                    |
| Restricted  | 24,299,392                   | 24,499,395                   |
| Committed   | 10,046,919                   | 5,276,897                    |
| Assigned  | 73,157,731                   | 48,598,520                   |
| Unassigned  | 30,517,600                   | 38,752,839                   |
| Total fund balance  | <u>141,404,398</u>           | <u>122,627,396</u>           |
| <br>Total liabilities, deferred inflows of resources and fund balance | <u><u>\$ 284,847,954</u></u> | <u><u>\$ 274,426,182</u></u> |



For the Year Ended June 30, 2015  
 With Comparative Totals  
 For the Year Ended June 30, 2014

**SCHEDULE OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - GAAP BASIS**

|   | 2015           | 2014           |
|---|----------------|----------------|
| Revenues:   |                |                |
| Revenues from local sources:  |                |                |
| Appropriation from Municipality of Anchorage                                  | \$ 200,213,000 | \$ 192,465,884 |
| Reimbursement for school facilities rental                                    | 676,985        | 826,989        |
| Non-resident tuition  | 10,080         | 21,432         |
| Investment income   | 442,549        | 1,663,677      |
| E-Rate  | 1,924,496      | 2,040,475      |
| Other revenues  | 2,174,438      | 1,922,052      |
| Total revenues from local sources   | 205,441,548    | 198,940,509    |
| Revenues from state sources:  |                |                |
| Public school funding program   | 327,797,266    | 318,661,242    |
| School improvement grant  | 12,660,878     | 7,473,360      |
| Retirement systems employer relief  | 678,980,119    | 112,068,352    |
| On-Base tuition   | 408,484        | 408,484        |
| Total revenues from state sources   | 1,019,846,747  | 438,611,438    |
| Revenues from federal sources:  |                |                |
| Reserve Officers Training Corps   | 848,021        | 763,088        |
| Federal Impact Aid  | 21,484,208     | 18,141,547     |
| Medicaid reimbursement  | 489,462        | 688,750        |
| Total revenues from federal sources   | 22,821,691     | 19,593,385     |
| Total revenues  | 1,248,109,986  | 657,145,332    |
| Expenditures:   |                |                |
| Current:  |                |                |
| General administration  | 35,074,968     | 26,964,679     |
| Instruction   | 1,105,273,782  | 548,117,491    |
| Operation and maintenance of plant  | 85,422,847     | 74,658,873     |
| Community services  | 576,814        | 3,628,420      |
| Total expenditures  | 1,226,348,411  | 653,369,463    |
| Excess of revenues over expenditures  | 21,761,575     | 3,775,869      |
| Other financing sources (uses):   |                |                |
| Proceeds from sale of property and equipment                                  | 28,563         | 16,561         |
| Transfers out - Capital Projects Fund   | --             | (1,450,000)    |
| Transfers out - Food Service Fund   | (2,285,287)    | (220,000)      |
| Transfers out - Pupil Transportation Fund                                     | --             | (713,175)      |
| Transfers out - Compensated Absences Fund                                     | (27,849)       | --             |
| Transfers out - Equipment Replacement Fund                                    | (700,000)      | --             |
| Total other financing sources and (uses)                                      | (2,984,573)    | (2,366,614)    |
| Excess of revenues<br>over expenditures and other<br>financing sources (uses) | 18,777,002     | 1,409,255      |
| Fund balance at beginning of year   | 122,627,396    | 121,218,141    |
| Fund balance at end of year   | \$ 141,404,398 | \$ 122,627,396 |

For the Year Ended June 30, 2015  
 With Comparative Totals  
 For the Year Ended June 30, 2014

## SCHEDULE OF EXPENDITURES - GAAP BASIS

|   | 2015                 | 2014               |
|---|----------------------|--------------------|
| Current:                                  |                      |                    |
| General administration:                   |                      |                    |
| Anchorage School Board                    | \$ 750,309           | \$ 627,673         |
| Superintendent                            | 1,768,913            | 1,115,100          |
| Instruction                               | 1,675,718            | 366,332            |
| Support services                          | 4,831,426            | 3,790,701          |
| Planning, communications and development  | 1,056,360            | 946,285            |
| Business management                       | 3,947,964            | 3,120,825          |
| Employee relations                        | 4,064,384            | 3,262,459          |
| Assessment and evaluation                 | 1,693,080            | 1,175,418          |
| Technology/management information systems | 15,698,908           | 12,582,779         |
| Other general administration              | (412,094)            | (22,893)           |
| Total general administration              | <u>35,074,968</u>    | <u>26,964,679</u>  |
| Instruction:                              |                      |                    |
| Instructional support:                    |                      |                    |
| Educational technology                    | --                   | 2,301,828          |
| Curriculum and staff development          | 23,698,043           | 13,716,063         |
| Instructional media                       | 1,833,211            | 1,957,379          |
| Technology/management information systems | 4,132,551            | 1,413,688          |
| Total instructional support               | 29,663,805           | 19,388,958         |
| Elementary education                      | 429,247,633          | 192,940,003        |
| Charter schools                           | 39,067,424           | 18,486,682         |
| Middle school education                   | 124,358,165          | 60,827,821         |
| High school education                     | 235,108,309          | 113,114,023        |
| Special education services:               |                      |                    |
| Special services                          | 51,922,717           | 33,922,419         |
| Special education                         | 157,859,984          | 86,823,537         |
| Total special education services          | 209,782,701          | 120,745,956        |
| English language learners                 | 23,004,621           | 14,485,724         |
| Gifted education                          | 13,354,576           | 7,030,443          |
| Native education                          | 755,369              | 659,526            |
| Other instruction                         | 931,179              | 438,355            |
| Total instruction                         | <u>1,105,273,782</u> | <u>548,117,491</u> |

(Continued)

For the Year Ended June 30, 2015  
 With Comparative Totals  
 For the Year Ended June 30, 2014

**SCHEDULE OF EXPENDITURES - GAAP BASIS (Continued)**

|   | <u>2015</u>                    | <u>2014</u>                  |
|---|--------------------------------|------------------------------|
| Operation and maintenance of plant:       |                                |                              |
| Elementary schools                        | \$ 13,076,794                  | \$ 11,789,607                |
| Charter schools                           | 5,830,643                      | 3,211,890                    |
| Middle schools                            | 3,991,399                      | 3,508,394                    |
| High schools                              | 7,952,448                      | 7,320,270                    |
| Custodial services                        | 22,804,861                     | 19,513,050                   |
| Facilities                                | 24,315,775                     | 22,210,999                   |
| Vehicle maintenance                       | 1,677,384                      | 1,499,921                    |
| Other operations and maintenance of plant | <u>5,773,543</u>               | <u>5,604,742</u>             |
| Total operations and maintenance of plant | <u>85,422,847</u>              | <u>74,658,873</u>            |
| Community services                        | <u>576,814</u>                 | <u>3,628,420</u>             |
| Total expenditures                        | <u><u>\$ 1,226,348,411</u></u> | <u><u>\$ 653,369,463</u></u> |

For the Year Ended June 30, 2015

SCHEDULE OF EXPENDITURES,  
BUDGET (NON-GAAP BASIS) AND ACTUAL

|   | Actual     | Adjustment<br>to Basis of<br>Budgeting | Actual on<br>Basis of<br>Budgeting | Budgeted Amounts |            | Variance<br>with<br>Final<br>Budget<br>Positive<br>(Negative) |
|---|------------|--|------------------------------------|------------------|------------|---|
|   |            |  |                                    | Original         | Final      |   |
| Current:  |            |  |                                    |                  |            |   |
| General administration:                           |            |  |                                    |                  |            |   |
| Anchorage school board:                           |            |  |                                    |                  |            |   |
| Salaries  | \$ 259,231 | \$ --                                  | \$ 259,231                         | \$ 256,625       | \$ 256,992 | \$ (2,239)  |
| Employee benefits                                 | 175,317    | (92,173)                               | 83,144                             | 81,921           | 82,073     | (1,071)   |
| Purchased services                                | 312,077    | 26,654                                 | 338,731                            | 356,950          | 354,440    | 15,709  |
| Supplies and materials                            | 3,684      | --                                     | 3,684                              | 2,948            | 4,983      | 1,299   |
| Total anchorage school board                      | 750,309    | (65,519)                               | 684,790                            | 698,444          | 698,488    | 13,698  |
| Superintendent:                                   |            |  |                                    |                  |            |   |
| Salaries  | 326,346    | --                                     | 326,346                            | 361,100          | 326,376    | 30  |
| Employee benefits                                 | 529,717    | (401,168)                              | 128,549                            | 152,396          | 130,629    | 2,080   |
| Purchased services                                | 904,964    | 10,941                                 | 915,905                            | 1,163,400        | 1,156,133  | 240,228   |
| Supplies and materials                            | 7,886      | (590)                                  | 7,296                              | 7,972            | 7,239      | (57)  |
| Total superintendent                              | 1,768,913  | (390,817)                              | 1,378,096                          | 1,684,868        | 1,620,377  | 242,281   |
| Instruction:                                      |            |  |                                    |                  |            |   |
| Salaries  | 535,656    | --                                     | 535,656                            | 841,745          | 539,412    | 3,756   |
| Employee benefits                                 | 967,681    | (793,192)                              | 174,489                            | 245,575          | 183,902    | 9,413   |
| Purchased services                                | 23,355     | (1)                                    | 23,354                             | 162,800          | 164,974    | 141,620   |
| Supplies and materials                            | 149,026    | 46,079                                 | 195,105                            | 358,610          | 407,017    | 211,912   |
| Capital outlay                                    | --         | --                                     | --                                 | 20,500           | 6,727      | 6,727   |
| Total instruction                                 | 1,675,718  | (747,114)                              | 928,604                            | 1,629,230        | 1,302,032  | 373,428   |
| Support services:                                 |            |  |                                    |                  |            |   |
| Salaries  | 2,229,677  | --                                     | 2,229,677                          | 2,326,973        | 2,231,117  | 1,440   |
| Employee benefits                                 | 2,290,598  | (986,937)                              | 1,303,661                          | 1,362,783        | 1,317,076  | 13,415  |
| Purchased services                                | 166,979    | (31,815)                               | 135,164                            | 121,476          | 188,443    | 53,279  |
| Supplies and materials                            | 35,020     | 92,669                                 | 127,689                            | 221,011          | 221,011    | 93,322  |
| Capital outlay                                    | 109,152    | (19,727)                               | 89,425                             | 5,000            | 94,116     | 4,691   |
| Total support services                            | 4,831,426  | (945,810)                              | 3,885,616                          | 4,037,243        | 4,051,763  | 166,147   |
| Planning, communications<br>and development:      |            |  |                                    |                  |            |   |
| Salaries  | 418,167    | --                                     | 418,167                            | 496,162          | 419,046    | 879   |
| Employee benefits                                 | 433,058    | (195,286)                              | 237,772                            | 297,224          | 246,551    | 8,779   |
| Purchased services                                | 166,084    | (48,913)                               | 117,171                            | 110,660          | 120,023    | 2,852   |
| Supplies and materials                            | 21,919     | 22                                     | 21,941                             | 34,694           | 21,942     | 1   |
| Capital outlay                                    | 17,132     | (8,312)                                | 8,820                              | 9,130            | 9,130      | 310   |
| Total planning, communications<br>and development | 1,056,360  | (252,489)                              | 803,871                            | 947,870          | 816,692    | 12,821  |
| Business management:                              |            |  |                                    |                  |            |   |
| Salaries  | 1,850,293  | --                                     | 1,850,293                          | 1,903,900        | 1,850,995  | 702   |
| Employee benefits                                 | 1,855,288  | (832,013)                              | 1,023,275                          | 1,096,592        | 1,034,663  | 11,388  |
| Purchased services                                | 219,300    | (820)                                  | 218,480                            | 12,803           | 222,988    | 4,508   |
| Supplies and materials                            | 23,083     | (8,379)                                | 14,704                             | 15,501           | 15,092     | 388   |
| Total business management                         | 3,947,964  | (841,212)                              | 3,106,752                          | 3,028,796        | 3,123,738  | 16,986  |
| Employee relations:                               |            |  |                                    |                  |            |   |
| Salaries  | 1,990,805  | --                                     | 1,990,805                          | 1,980,534        | 1,991,532  | 727   |
| Employee benefits                                 | 1,931,838  | (835,419)                              | 1,096,419                          | 1,139,914        | 1,103,772  | 7,353   |
| Purchased services                                | 130,509    | 155,205                                | 285,714                            | 176,750          | 277,991    | (7,723)   |
| Supplies and materials                            | 11,232     | 608                                    | 11,840                             | 10,980           | 13,480     | 1,640   |
| Total employee relations                          | 4,064,384  | (679,606)                              | 3,384,778                          | 3,308,178        | 3,386,775  | 1,997   |
| Assessment and evaluation:                        |            |  |                                    |                  |            |   |
| Salaries  | 652,309    | --                                     | 652,309                            | 690,345          | 652,746    | 437   |
| Employee benefits                                 | 952,302    | (665,027)                              | 287,275                            | 318,432          | 291,917    | 4,642   |
| Purchased services                                | 11,193     | 9,166                                  | 20,359                             | 39,225           | 39,225     | 18,866  |
| Supplies and materials                            | 77,276     | (45,467)                               | 31,809                             | 16,200           | 46,200     | 14,391  |
| Total assessment and evaluation                   | 1,693,080  | (701,328)                              | 991,752                            | 1,064,202        | 1,030,088  | 38,336  |

(continued)

For the Year Ended June 30, 2015

SCHEDULE OF EXPENDITURES,  
BUDGET (NON-GAAP BASIS) AND ACTUAL

|  | Actual       | Adjustment<br>to Basis of<br>Budgeting | Actual on<br>Basis of<br>Budgeting | Budgeted Amounts |              | Variance<br>with<br>Final<br>Budget<br>Positive<br>(Negative) |
|--|--------------|--|------------------------------------|------------------|--------------|---|
|  |              |  |                                    | Original         | Final        |   |
| Technology/management<br>information systems:      |              |  |                                    |                  |              |   |
| Salaries   | \$ 5,761,428 | \$ --                                  | \$ 5,761,428                       | \$ 6,015,396     | \$ 5,766,352 | \$ 4,924  |
| Employee benefits                                  | 5,751,975    | (2,549,009)                            | 3,202,966                          | 3,495,491        | 3,252,159    | 49,193  |
| Purchased services                                 | 1,671,332    | (583,029)                              | 1,088,303                          | 1,184,847        | 1,124,069    | 35,766  |
| Supplies and materials                             | 1,828,187    | (1,044,635)                            | 783,552                            | 1,020,200        | 783,978      | 426   |
| Capital outlay                                     | 685,986      | (71,066)                               | 614,920                            | 482,615          | 614,920      | --  |
| Total technology/management<br>information systems | 15,698,908   | (4,247,739)                            | 11,451,169                         | 12,198,549       | 11,541,478   | 90,309  |
| Other general administration:                      |              |  |                                    |                  |              |   |
| Salaries   | 128,898      | --                                     | 128,898                            | (3,089,036)      | 128,923      | 25  |
| Employee benefits                                  | 156,238      | (45,852)                               | 110,386                            | (548,028)        | 111,248      | 862   |
| Purchased services                                 | (2,522,882)  | (23,500)                               | (2,546,382)                        | 3,709,927        | (422,988)    | 2,123,394   |
| Supplies and materials                             | --           | --                                     | --                                 | 14,500           | 7,647        | 7,647   |
| Capital outlay                                     | --           | 25,000                                 | 25,000                             | 25,000           | 25,000       | --  |
| Other  | 1,825,652    | 2,998                                  | 1,828,650                          | 1,419,032        | 1,972,307    | 143,657   |
| Total other general administration                 | (412,094)    | (41,354)                               | (453,448)                          | 1,531,395        | 1,822,137    | 2,275,585   |
| Total general administration                       | 35,074,968   | (8,912,988)                            | 26,161,980                         | 30,128,775       | 29,393,568   | 3,231,588   |
| Instruction:                                       |              |  |                                    |                  |              |   |
| Curriculum & staff development:                    |              |  |                                    |                  |              |   |
| Salaries   | 6,166,791    | --                                     | 6,166,791                          | 7,300,949        | 6,179,584    | 12,793  |
| Employee benefits                                  | 15,280,834   | (13,242,371)                           | 2,038,463                          | 2,413,818        | 2,092,811    | 54,348  |
| Purchased services                                 | 411,028      | (46,876)                               | 364,152                            | 425,142          | 406,491      | 42,339  |
| Supplies and materials                             | 1,834,165    | 2,006,133                              | 3,840,298                          | 1,913,165        | 3,919,252    | 78,954  |
| Capital outlay                                     | 5,225        | --                                     | 5,225                              | 48,503           | 48,503       | 43,278  |
| Total curriculum<br>and staff development          | 23,698,043   | (11,283,114)                           | 12,414,929                         | 12,101,577       | 12,646,641   | 231,712   |
| Instructional media:                               |              |  |                                    |                  |              |   |
| Salaries   | 663,208      | --                                     | 663,208                            | 666,095          | 663,240      | 32  |
| Employee benefits                                  | 719,402      | (297,318)                              | 422,084                            | 422,345          | 422,187      | 103   |
| Purchased services                                 | 303,744      | 39,197                                 | 342,941                            | 351,963          | 354,909      | 11,968  |
| Supplies and materials                             | 136,907      | 23,816                                 | 160,723                            | 155,352          | 152,406      | (8,317)   |
| Capital outlay                                     | 9,950        | (9,950)                                | --                                 | --               | --           | --  |
| Total instructional media                          | 1,833,211    | (244,255)                              | 1,588,956                          | 1,595,755        | 1,592,742    | 3,786   |
| Technology/management<br>information systems:      |              |  |                                    |                  |              |   |
| Salaries   | 654,293      | --                                     | 654,293                            | 733,482          | 654,369      | 76  |
| Employee benefits                                  | 1,926,867    | (1,681,068)                            | 245,799                            | 287,803          | 247,676      | 1,877   |
| Purchased services                                 | 1,545,662    | 1,526,201                              | 3,071,863                          | 1,775,014        | 3,075,014    | 3,151   |
| Supplies and materials                             | 5,729        | 6,103,111                              | 6,108,840                          | 10,785           | 6,111,335    | 2,495   |
| Total technology/management<br>information systems | 4,132,551    | 5,948,244                              | 10,080,795                         | 2,807,084        | 10,088,394   | 7,599   |
| Total instructional support                        | 29,663,805   | (5,579,125)                            | 24,084,680                         | 16,504,416       | 24,327,777   | 243,097   |
| Elementary education:                              |              |  |                                    |                  |              |   |
| Salaries   | 112,679,888  | --                                     | 112,679,888                        | 113,047,452      | 112,697,613  | 17,725  |
| Employee benefits                                  | 314,331,620  | (268,666,569)                          | 45,665,051                         | 46,194,334       | 45,781,118   | 116,067   |
| Purchased services                                 | 449,792      | 309,410                                | 759,202                            | 809,642          | 773,602      | 14,400  |
| Supplies and materials                             | 1,786,333    | (21,904)                               | 1,764,429                          | 1,774,324        | 1,908,307    | 143,878   |
| Total elementary education                         | 429,247,633  | (268,379,063)                          | 160,868,570                        | 161,825,752      | 161,160,640  | 292,070   |
| Charter schools:                                   |              |  |                                    |                  |              |   |
| Salaries   | 10,360,530   | --                                     | 10,360,530                         | 9,680,629        | 10,360,563   | 33  |
| Employee benefits                                  | 26,228,948   | (21,911,598)                           | 4,317,350                          | 4,173,869        | 4,317,367    | 17  |
| Purchased services                                 | 1,445,021    | 2,675,446                              | 4,120,467                          | 7,179,305        | 4,718,226    | 597,759   |
| Supplies and materials                             | 1,032,925    | 1,100,104                              | 2,133,029                          | 1,105,464        | 2,133,060    | 31  |
| Total charter schools                              | 39,067,424   | (18,136,048)                           | 20,931,376                         | 22,139,267       | 21,529,216   | 597,840   |
| Middle school education:                           |              |  |                                    |                  |              |   |
| Salaries   | 32,692,242   | --                                     | 32,692,242                         | 33,587,026       | 32,707,076   | 14,834  |
| Employee benefits                                  | 90,632,915   | (77,200,527)                           | 13,432,388                         | 13,944,980       | 13,522,684   | 90,296  |
| Purchased services                                 | 428,143      | (28,684)                               | 399,459                            | 476,279          | 416,929      | 17,470  |
| Supplies and materials                             | 597,067      | 4,198                                  | 601,265                            | 688,758          | 632,840      | 31,575  |
| Capital outlay                                     | 7,798        | 3,300                                  | 11,098                             | --               | --           | (11,098)  |
| Total middle school education                      | 124,358,165  | (77,221,713)                           | 47,136,452                         | 48,697,043       | 47,279,529   | 143,077   |

(continued)

For the Year Ended June 30, 2015

SCHEDULE OF EXPENDITURES,  
BUDGET (NON-GAAP BASIS) AND ACTUAL

|                                      | Actual        | Adjustment<br>to Basis of<br>Budgeting | Actual on<br>Basis of<br>Budgeting | Budgeted Amounts |               | Variance<br>with<br>Final<br>Budget<br>Positive<br>(Negative) |
|--------------------------------------|---------------|--|------------------------------------|------------------|---------------|---|
|                                      |               |  |                                    | Original         | Final         |   |
| High school education:               |               |  |                                    |                  |               |   |
| Salaries                             | \$ 62,745,072 | \$ --                                  | \$ 62,745,072                      | \$ 62,391,931    | \$ 62,752,018 | \$ 6,946  |
| Employee benefits                    | 168,606,088   | (143,768,614)                          | 24,837,474                         | 25,121,535       | 24,924,031    | 86,557  |
| Purchased services                   | 1,970,870     | (51,868)                               | 1,919,002                          | 2,247,215        | 2,052,483     | 133,481   |
| Supplies and materials               | 1,604,989     | 4,780                                  | 1,609,769                          | 1,688,722        | 1,749,300     | 139,531   |
| Capital outlay                       | 225           | (225)                                  | --                                 | --               | --            | --  |
| Other                                | 181,065       | --                                     | 181,065                            | 187,346          | 181,515       | 450   |
| Total high school education          | 235,108,309   | (143,815,927)                          | 91,292,382                         | 91,636,749       | 91,659,347    | 366,965   |
| Special services:                    |               |  |                                    |                  |               |   |
| Salaries                             | 14,490,005    | --                                     | 14,490,005                         | 14,788,337       | 14,425,969    | (64,036)  |
| Employee benefits                    | 36,519,685    | (29,876,566)                           | 6,643,119                          | 7,219,091        | 6,713,767     | 70,648  |
| Purchased services                   | 766,954       | (27,819)                               | 739,135                            | 220,847          | 850,629       | 111,494   |
| Supplies and materials               | 146,073       | 15,520                                 | 161,593                            | 158,002          | 178,661       | 17,068  |
| Total special services               | 51,922,717    | (29,888,865)                           | 22,033,852                         | 22,386,277       | 22,169,026    | 135,174   |
| Special education:                   |               |  |                                    |                  |               |   |
| Salaries                             | 46,519,073    | --                                     | 46,519,073                         | 48,764,680       | 46,544,369    | 25,296  |
| Employee benefits                    | 109,352,253   | (84,770,309)                           | 24,581,944                         | 27,444,973       | 24,986,375    | 404,431   |
| Purchased services                   | 1,527,682     | 51,790                                 | 1,579,472                          | 1,387,955        | 1,637,278     | 57,806  |
| Supplies and materials               | 460,976       | 54,742                                 | 515,718                            | 575,621          | 567,063       | 51,345  |
| Total special education              | 157,859,984   | (84,663,777)                           | 73,196,207                         | 78,173,229       | 73,735,085    | 538,878   |
| Total special education services     | 209,782,701   | (114,552,642)                          | 95,230,059                         | 100,559,506      | 95,904,111    | 674,052   |
| English language learners:           |               |  |                                    |                  |               |   |
| Salaries                             | 7,172,639     | --                                     | 7,172,639                          | 7,440,916        | 7,173,215     | 576   |
| Employee benefits                    | 15,511,335    | (11,040,084)                           | 4,471,251                          | 4,921,635        | 4,531,371     | 60,120  |
| Purchased services                   | 37,672        | 35,000                                 | 72,672                             | 84,000           | 84,000        | 11,328  |
| Supplies and materials               | 282,975       | 28,809                                 | 311,784                            | 34,857           | 325,407       | 13,623  |
| Total english language learners      | 23,004,621    | (10,976,275)                           | 12,028,346                         | 12,481,408       | 12,113,993    | 85,647  |
| Gifted program:                      |               |  |                                    |                  |               |   |
| Salaries                             | 3,435,947     | --                                     | 3,435,947                          | 3,340,961        | 3,341,898     | (94,049)  |
| Employee benefits                    | 9,801,042     | (8,427,792)                            | 1,373,250                          | 1,398,386        | 1,377,147     | 3,897   |
| Purchased services                   | 29,317        | (7,768)                                | 21,549                             | 18,791           | 22,441        | 892   |
| Supplies and materials               | 88,270        | 35,469                                 | 123,739                            | 131,434          | 126,617       | 2,878   |
| Total gifted program                 | 13,354,576    | (8,400,091)                            | 4,954,485                          | 4,889,572        | 4,868,103     | (86,382)  |
| Native education:                    |               |  |                                    |                  |               |   |
| Salaries                             | 351,769       | --                                     | 351,769                            | 368,845          | 351,965       | 196   |
| Employee benefits                    | 395,136       | (156,642)                              | 238,494                            | 332,696          | 252,440       | 13,946  |
| Purchased services                   | 8,464         | --                                     | 8,464                              | 9,052            | 9,052         | 588   |
| Total native education               | 755,369       | (156,642)                              | 598,727                            | 710,593          | 613,457       | 14,730  |
| Other instruction:                   |               |  |                                    |                  |               |   |
| Salaries                             | 277,849       | --                                     | 277,849                            | 501,940          | 280,453       | 2,604   |
| Employee benefits                    | 201,279       | (128,047)                              | 73,232                             | 100,162          | 77,335        | 4,103   |
| Purchased services                   | 326,325       | (326,240)                              | 85                                 | --               | --            | (85)  |
| Capital outlay                       | 125,726       | --                                     | 125,726                            | 102,115          | 125,726       | --  |
| Total other instruction              | 931,179       | (454,287)                              | 476,892                            | 704,217          | 483,514       | 6,622   |
| Total instruction                    | 1,105,273,782 | (647,671,813)                          | 457,601,969                        | 460,148,523      | 459,939,687   | 2,337,718   |
| Operations and maintenance of plant: |               |  |                                    |                  |               |   |
| Elementary education:                |               |  |                                    |                  |               |   |
| Salaries                             | 2,467,572     | --                                     | 2,467,572                          | 2,343,997        | 2,376,776     | (90,796)  |
| Employee benefits                    | 2,919,780     | (1,085,118)                            | 1,834,662                          | 1,835,965        | 1,836,607     | 1,945   |
| Purchased services                   | 7,668,325     | 21,618                                 | 7,689,943                          | 8,626,806        | 7,829,447     | 139,504   |
| Supplies and materials               | 21,117        | --                                     | 21,117                             | 23,320           | 28,305        | 7,188   |
| Total elementary education           | 13,076,794    | (1,063,500)                            | 12,013,294                         | 12,830,088       | 12,071,135    | 57,841  |
| Charter schools:                     |               |  |                                    |                  |               |   |
| Salaries                             | 129,793       | --                                     | 129,793                            | 111,054          | 129,794       | 1   |
| Employee benefits                    | 148,237       | (54,709)                               | 93,528                             | 89,885           | 93,534        | 6   |
| Purchased services                   | 5,534,096     | 101,232                                | 5,635,328                          | 3,059,132        | 5,635,342     | 14  |
| Supplies and materials               | 18,517        | 14,372                                 | 32,889                             | 3,550            | 32,894        | 5   |
| Total charter schools                | 5,830,643     | 60,895                                 | 5,891,538                          | 3,263,621        | 5,891,564     | 26  |

(continued)

For the Year Ended June 30, 2015

SCHEDULE OF EXPENDITURES,  
BUDGET (NON-GAAP BASIS) AND ACTUAL

|   | Actual           | Adjustment<br>to Basis of<br>Budgeting | Actual on<br>Basis of<br>Budgeting | Budgeted Amounts |                | Variance<br>with<br>Final<br>Budget<br>Positive<br>(Negative) |
|---|------------------|--|------------------------------------|------------------|----------------|---|
|   |                  |  |                                    | Original         | Final          |   |
| Middle school education:                        |                  |  |                                    |                  |                |   |
| Salaries  | \$ 468,459       | \$ --                                  | \$ 468,459                         | \$ 429,907       | \$ 429,907     | \$ (38,552)   |
| Employee benefits                               | 534,626          | (208,010)                              | 326,616                            | 317,582          | 317,699        | (8,917)   |
| Purchased services                              | 2,970,874        | 5,709                                  | 2,976,583                          | 3,183,832        | 2,955,482      | (21,101)  |
| Supplies and materials                          | 17,440           | 706                                    | 18,146                             | 26,050           | 27,166         | 9,020   |
| Total middle school education                   | 3,991,399        | (201,595)                              | 3,789,804                          | 3,957,371        | 3,730,254      | (59,550)  |
| High school education:                          |                  |  |                                    |                  |                |   |
| Salaries  | 634,679          | --                                     | 634,679                            | 525,061          | 579,867        | (54,812)  |
| Employee benefits                               | 700,391          | (279,274)                              | 421,117                            | 384,406          | 404,005        | (17,112)  |
| Purchased services                              | 6,588,435        | (39,687)                               | 6,548,748                          | 7,210,112        | 6,704,716      | 155,968   |
| Supplies and materials                          | 28,943           | 788                                    | 29,731                             | 33,650           | 38,291         | 8,560   |
| Total high school education                     | 7,952,448        | (318,173)                              | 7,634,275                          | 8,153,229        | 7,726,879      | 92,604  |
| Custodial services:                             |                  |  |                                    |                  |                |   |
| Salaries  | 9,845,178        | --                                     | 9,845,178                          | 10,096,202       | 9,848,061      | 2,883   |
| Employee benefits                               | 12,046,877       | (4,333,935)                            | 7,712,942                          | 7,840,592        | 7,758,828      | 45,886  |
| Purchased services                              | 161,611          | (800)                                  | 160,811                            | 185,893          | 171,330        | 10,519  |
| Supplies and materials                          | 725,424          | 5,341                                  | 730,765                            | 560,572          | 734,135        | 3,370   |
| Capital outlay                                  | 25,771           | --                                     | 25,771                             | --               | 25,771         | --  |
| Total custodial services                        | 22,804,861       | (4,329,394)                            | 18,475,467                         | 18,683,259       | 18,538,125     | 62,658  |
| Facilities:                                     |                  |  |                                    |                  |                |   |
| Salaries  | 8,889,957        | --                                     | 8,889,957                          | 9,520,958        | 8,899,241      | 9,284   |
| Employee benefits                               | 9,507,585        | (3,883,349)                            | 5,624,236                          | 5,812,450        | 5,692,765      | 68,529  |
| Purchased services                              | 2,556,594        | (472,030)                              | 2,084,564                          | 2,634,376        | 2,218,961      | 134,397   |
| Supplies and materials                          | 2,364,706        | (57,355)                               | 2,307,351                          | 2,078,933        | 2,420,660      | 113,309   |
| Capital outlay                                  | 996,933          | 17,875                                 | 1,014,808                          | 315,716          | 1,003,563      | (11,245)  |
| Total facilities                                | 24,315,775       | (4,394,859)                            | 19,920,916                         | 20,362,433       | 20,235,190     | 314,274   |
| Vehicle maintenance:                            |                  |  |                                    |                  |                |   |
| Salaries  | 550,709          | --                                     | 550,709                            | 526,708          | 541,141        | (9,568)   |
| Employee benefits                               | 586,687          | (243,514)                              | 343,173                            | 318,185          | 328,177        | (14,996)  |
| Purchased services                              | 68,196           | --                                     | 68,196                             | 87,203           | 87,203         | 19,007  |
| Supplies and materials                          | 465,500          | (32,842)                               | 432,658                            | 493,138          | 493,138        | 60,480  |
| Capital outlay                                  | 6,292            | --                                     | 6,292                              | --               | --             | (6,292)   |
| Total vehicle maintenance                       | 1,677,384        | (276,356)                              | 1,401,028                          | 1,425,234        | 1,449,659      | 48,631  |
| Other operations and maintenance of plant:      |                  |  |                                    |                  |                |   |
| Salaries  | 484,614          | --                                     | 484,614                            | 446,450          | 459,801        | (24,813)  |
| Employee benefits                               | 502,176          | (207,968)                              | 294,208                            | 285,258          | 293,366        | (842)   |
| Purchased services                              | 3,926,775        | 180,180                                | 4,106,955                          | 4,275,922        | 4,206,522      | 99,567  |
| Supplies and materials                          | 5,944            | --                                     | 5,944                              | 6,191            | 6,269          | 325   |
| Other   | 854,034          | --                                     | 854,034                            | 854,034          | 854,034        | --  |
| Total other operations and maintenance of plant | 5,773,543        | (27,788)                               | 5,745,755                          | 5,867,855        | 5,819,992      | 74,237  |
| Total operations and maintenance of plant       | 85,422,847       | (10,550,770)                           | 74,872,077                         | 74,543,090       | 75,462,798     | 590,721   |
| Community services:                             |                  |  |                                    |                  |                |   |
| Community services:                             |                  |  |                                    |                  |                |   |
| Salaries  | 252,890          | --                                     | 252,890                            | 247,952          | 247,952        | (4,938)   |
| Employee benefits                               | 257,052          | (109,010)                              | 148,042                            | 147,248          | 147,356        | (686)   |
| Purchased services                              | 52,712           | 406                                    | 53,118                             | 53,050           | 53,050         | (68)  |
| Supplies and materials                          | 14,160           | 997                                    | 15,157                             | 15,500           | 15,500         | 343   |
| Total community services                        | 576,814          | (107,607)                              | 469,207                            | 463,750          | 463,858        | (5,349)   |
| Total current                                   | \$ 1,226,348,411 | \$ (667,243,178)                       | \$ 559,105,233                     | \$ 565,284,138   | \$ 565,259,911 | \$ 6,154,678  |

**SCHEDULE OF EXPENDITURES  
BY FUNCTION, ACTIVITY, AND OBJECT  
GAAP BASIS**

For the Year Ended June 30, 2015

|   | Personnel<br>Services | Employee<br>Benefits | Purchased<br>Services | Supplies<br>and<br>Materials | Capital<br>Outlay | Other        | Total            |
|---|-----------------------|----------------------|-----------------------|------------------------------|-------------------|--------------|------------------|
| Current:                                      |                       |                      |                       |                              |                   |              |                  |
| General administration:                       |                       |                      |                       |                              |                   |              |                  |
| Anchorage School Board                        | \$ 259,231            | \$ 175,317           | \$ 312,077            | \$ 3,684                     | \$ --             | \$ --        | \$ 750,309       |
| Superintendent                                | 326,346               | 529,717              | 904,964               | 7,886                        | --                | --           | 1,768,913        |
| Instruction                                   | 535,656               | 967,681              | 23,355                | 149,026                      | --                | --           | 1,675,718        |
| Support services                              | 2,229,677             | 2,290,598            | 166,979               | 35,020                       | 109,152           | --           | 4,831,426        |
| Planning, communications<br>and development   | 418,167               | 433,058              | 166,084               | 21,919                       | 17,132            | --           | 1,056,360        |
| Business management                           | 1,850,293             | 1,855,288            | 219,300               | 23,083                       | --                | --           | 3,947,964        |
| Employee relations                            | 1,990,805             | 1,931,838            | 130,509               | 11,232                       | --                | --           | 4,064,384        |
| Assessment and evaluation                     | 652,309               | 952,302              | 11,193                | 77,276                       | --                | --           | 1,693,080        |
| Technology/management<br>information systems  | 5,761,428             | 5,751,975            | 1,671,332             | 1,828,187                    | 685,986           |              | 15,698,908       |
| Other general administration                  | 128,898               | 156,238              | (2,522,882)           | --                           | --                | 1,825,652    | (412,094)        |
| Total general<br>administration               | 14,152,810            | 15,044,012           | 1,082,911             | 2,157,313                    | 812,270           | 1,825,652    | 35,074,968       |
| Instruction:                                  |                       |                      |                       |                              |                   |              |                  |
| Instructional support:                        |                       |                      |                       |                              |                   |              |                  |
| Curriculum and staff<br>development           | 6,166,791             | 15,280,834           | 411,028               | 1,834,165                    | 5,225             | --           | 23,698,043       |
| Instructional media                           | 663,208               | 719,402              | 303,744               | 136,907                      | 9,950             | --           | 1,833,211        |
| Technology/management<br>information systems  | 654,293               | 1,926,867            | 1,545,662             | 5,729                        | --                | --           | 4,132,551        |
| Total instructional<br>support                | 7,484,292             | 17,927,103           | 2,260,434             | 1,976,801                    | 15,175            | --           | 29,663,805       |
| Elementary education                          | 112,679,888           | 314,331,620          | 449,792               | 1,786,333                    | --                | --           | 429,247,633      |
| Charter schools                               | 10,360,530            | 26,228,948           | 1,445,021             | 1,032,925                    | --                | --           | 39,067,424       |
| Middle school education                       | 32,692,242            | 90,632,915           | 428,143               | 597,067                      | 7,798             | --           | 124,358,165      |
| High school education                         | 62,745,072            | 168,606,088          | 1,970,870             | 1,604,989                    | 225               | 181,065      | 235,108,309      |
| Special education services:                   |                       |                      |                       |                              |                   |              |                  |
| Special services                              | 14,490,005            | 36,519,685           | 766,954               | 146,073                      | --                | --           | 51,922,717       |
| Special education                             | 46,519,073            | 109,352,253          | 1,527,682             | 460,976                      | --                | --           | 157,859,984      |
| Total special<br>education services           | 61,009,078            | 145,871,938          | 2,294,636             | 607,049                      | --                | --           | 209,782,701      |
| English language learners                     | 7,172,639             | 15,511,335           | 37,672                | 282,975                      | --                | --           | 23,004,621       |
| Gifted education                              | 3,435,947             | 9,801,042            | 29,317                | 88,270                       | --                | --           | 13,354,576       |
| Native education                              | 351,769               | 395,136              | 8,464                 | --                           | --                | --           | 755,369          |
| Other instruction                             | 277,849               | 201,279              | 326,325               | 125,726                      | --                | --           | 931,179          |
| Total instruction                             | 298,209,306           | 789,507,404          | 9,250,674             | 8,102,135                    | 23,198            | 181,065      | 1,105,273,782    |
| Pupil transportation                          |                       |                      |                       |                              |                   |              |                  |
| Operation and maintenance<br>of plant:        |                       |                      |                       |                              |                   |              |                  |
| Elementary schools                            | 2,467,572             | 2,919,780            | 7,668,325             | 21,117                       | --                | --           | 13,076,794       |
| Charter schools                               | 129,793               | 148,237              | 5,534,096             | 18,517                       | --                | --           | 5,830,643        |
| Middle schools                                | 468,459               | 534,626              | 2,970,874             | 17,440                       | --                | --           | 3,991,399        |
| High schools                                  | 634,679               | 700,391              | 6,588,435             | 28,943                       | --                | --           | 7,952,448        |
| Custodial services                            | 9,845,178             | 12,046,877           | 161,611               | 725,424                      | 25,771            | --           | 22,804,861       |
| Facilities                                    | 8,889,957             | 9,507,585            | 2,556,594             | 2,364,706                    | 996,933           | --           | 24,315,775       |
| Vehicle maintenance                           | 550,709               | 586,687              | 68,196                | 465,500                      | 6,292             | --           | 1,677,384        |
| Other operations and<br>maintenance of plant: | 484,614               | 502,176              | 3,926,775             | 5,944                        | --                | 854,034      | 5,773,543        |
| Total operation and<br>maintenance of plant   | 23,470,961            | 26,946,359           | 29,474,906            | 3,647,591                    | 1,028,996         | 854,034      | 85,422,847       |
| Community services                            | 252,890               | 257,052              | 52,712                | 14,160                       | --                | --           | 576,814          |
| Total expenditures                            | \$ 336,085,967        | \$ 831,754,827       | \$ 39,861,203         | \$ 13,921,199                | \$ 1,864,464      | \$ 2,860,751 | \$ 1,226,348,411 |



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## Special Revenue Funds

### Grants Fund

To account for revenues from sources which include categorical state and federal grants or contracts used to supplement the educational programs.

### Food Service Fund

To account for the operations of the school district's student nutrition program. Financing is provided by user fees and proceeds received under the National School Lunch and Breakfast Programs.

### Student Activities Fund

To account for the operation of organizations affiliated with elementary and secondary school student activities.

### Pupil Transportation

To account for the operation of the school district's student transportation program.

June 30, 2015  
With Comparative Totals for  
June 30, 2014

## BALANCE SHEET

|   | 2015                     | 2014                     |
|---|--------------------------|--------------------------|
| <b>Assets</b>                                   |                          |                          |
| Accounts receivable                             | \$ 7,183                 | \$ 20,268                |
| Due from other governments:                     |                          |                          |
| Municipality of Anchorage                       | 86,989                   | 202,213                  |
| State of Alaska                                 | 1,205,326                | 460,021                  |
| United States Government                        | 15,672,508               | 15,375,607               |
| Prepaid items                                   | 17,852                   | 25,674                   |
| Total assets                                    | <u>\$ 16,989,858</u>     | <u>\$ 16,083,783</u>     |
| <b>Liabilities</b>                              |                          |                          |
| Accounts payable                                | \$ 356,645               | \$ 374,377               |
| Due to General Fund                             | 14,177,115               | 12,105,247               |
| Accrued salaries and related items:             |                          |                          |
| Wages and salaries payable                      | 601,081                  | 921,577                  |
| Payroll taxes, other accrued and withheld items | 647,612                  | 895,277                  |
| Unearned revenues                               | 1,207,405                | 1,787,305                |
| Total liabilities                               | <u>16,989,858</u>        | <u>16,083,783</u>        |
| <b>Fund balance</b>                             |                          |                          |
| Non-spendable                                   | 17,852                   | 25,674                   |
| Unassigned                                      | (17,852)                 | (25,674)                 |
| Total fund balance                              | <u>--</u>                | <u>--</u>                |
| <br>Total liabilities and fund balance          | <br><u>\$ 16,989,858</u> | <br><u>\$ 16,083,783</u> |

For the Year Ended June 30, 2015  
With Comparative Totals  
For the Year Ended June 30, 2014

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GAAP BASIS**

|   | 2015       | 2014      |
|---|------------|-----------|
| Revenues:   |            |           |
| Revenues from local grants:                       |            |           |
| Barbara Bush Literacy Grant                       | \$ --      | \$ 1      |
| Charter School Supplemental Grants                | 16,985     | 19,726    |
| Community Partners Diversity                      | 1,604      | 975       |
| Donations From Local Agencies                     | 406,229    | 287,843   |
| Graduation Support Services                       | 11,207     | --        |
| MOA Recycling                                     | 1,237      | 11,952    |
| NoVo Foundation Social and Emotional Learning     | 338,452    | 177,889   |
| Total revenues from local grants                  | 775,714    | 498,386   |
| Revenues from state grants:                       |            |           |
| Designated Legislative Grants                     |            |           |
| Senate Bill 18                                    | 426,214    | 605,414   |
| Senate Bill 46                                    | 136,098    | 196,478   |
| Senate Bill 119                                   | 1,051,407  | --        |
| Senate Bill 160                                   | 630,563    | 369,444   |
| Senate Bill 230                                   | 112,237    | 158,174   |
| Total Designated Legislative Grants               | 2,356,519  | 1,329,510 |
| Alaska Railroad Summer Youth Program              | 18,070     | 18,564    |
| Alaska State School for Deaf                      | 228,512    | 318,969   |
| Alternative Schools Health and Wellness           | 36,057     | 70,758    |
| Anchorage Construction Academy                    | 338,402    | 343,131   |
| ANSEP Grant                                       | 23,546     | 31,394    |
| BB-BS Mentoring                                   | 34,414     | --        |
| Comprehensive Behavioral Health                   | --         | 386,602   |
| Cultural Collaboration Project                    | 7,487      | 10,715    |
| Early Literacy K-3                                | 119,399    | 100,624   |
| Farm to School                                    | 3,895      | 5,533     |
| McLaughlin Equipment & Supplies Funds             | --         | 178       |
| Pre-School Kindergarten Program                   | 325,413    | 128,662   |
| Providence Heights                                | 121,167    | 127,802   |
| Retirement Systems Employer Relief                | 36,638,640 | 6,485,946 |
| Suicide Awareness                                 | 25,620     | 29,109    |
| Youth in Detention                                | 482,799    | 489,674   |
| Total revenues from state grants                  | 40,759,940 | 9,877,171 |
| Revenues from federal grants:                     |            |           |
| Access to Education for Homeless Children Program | 33,933     | 54,642    |
| Alaska Family Directory Website                   | 23,632     | 25,363    |
| Alaska Mentorship Project                         | 676,302    | 708,975   |
| Alaska Network for Understanding History          | --         | 71,401    |
| Alaska State School for the Deaf                  | 64,765     | 28,950    |
| Alaska Sea Grant                                  | 3,015      | --        |
| Artists in School                                 | 5,639      | 7,535     |
| Big Brothers Big Sisters Mentoring                | 30,160     | 33,262    |
| Carl Perkins Vocational Education                 | 1,227,128  | 1,286,644 |
| Community Centers Learning Program                | 1,653,459  | 1,749,789 |
| EPA Creek Revitalization                          | --         | 7,298     |
| ESEA Consolidated                                 | 786,836    | 650,515   |
| Lets Do History                                   | 6,001      | --        |
| Military Impacted Students                        | 553,570    | 561,244   |
| Pre-School Handicapped                            | 307,281    | 419,394   |
| Project Aware                                     | 21,322     | --        |

(Continued)

For the Year Ended June 30, 2015  
With Comparative Totals  
For the Year Ended June 30, 2014

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GAAP BASIS (Continued)**

|  | 2015       | 2014       |
|--|------------|------------|
| Project Ki'l   | 297,374    | 670,543    |
| Project MORE   | 493,436    | 451,512    |
| Project Puqigtut   | 640,007    | 753,318    |
| Refugee Support Services   | 51,064     | 35,919     |
| StarTalk - Language Culture Summer Camp                          | 87,868     | 104,785    |
| Title I - No Child Left Behind Act                               |            |            |
| Delinquent and At-Risk Youth Program                             | 138,306    | 212,369    |
| District-wide  | 12,538,275 | 11,186,575 |
| Highly Qualified Program   | 3,070      | 4,614      |
| McLaughlin Youth Center  | 137,423    | 98,366     |
| Parent Involvement Program                                       | 170,659    | 221,536    |
| Professional Development   | --         | 216,217    |
| School Improvement Program                                       | 40,032     | 130,260    |
| Total Title I - No Child Left Behind Act                         | 13,027,765 | 12,069,937 |
| Title I - Migrant Education                                      |            |            |
| Book Program   | 14,947     | 6,599      |
| District-wide  | 1,545,604  | 1,252,573  |
| Parent Involvement Program                                       | --         | 4,541      |
| Summer Program   | 433,969    | 1,159,977  |
| Total Title I - Migrant Education                                | 1,994,520  | 2,423,690  |
| Title II A - Professional Development Program                    | 3,366,680  | 2,147,265  |
| Title III - English Language Acquisition                         | 295,189    | 329,182    |
| Title VI B - Education of All Handicapped Children               | 12,635,643 | 13,030,272 |
| Title VII - Indian, Native Hawaiian, and Alaska Native Education | 2,962,373  | 2,989,041  |
| Youth Risk Behavior Survey                                       | 23,546     | --         |
| Total revenues from federal grants                               | 41,268,508 | 40,610,476 |
| Total revenues   | 82,804,162 | 50,986,033 |
| Expenditures:  |            |            |
| Current:   |            |            |
| Instruction:   |            |            |
| Local grants   | 775,714    | 498,386    |
| State grants   | 40,759,940 | 9,877,171  |
| Federal grants   | 41,268,508 | 40,610,476 |
| Total expenditures   | 82,804,162 | 50,986,033 |
| Excess of revenues over expenditures                             | --         | --         |
| Fund balance at beginning of year                                | --         | --         |
| Fund balance at end of year                                      | \$ --      | \$ --      |

For the Year Ended June 30, 2015  
With Comparative Totals  
For the Year Ended June 30, 2014

## SCHEDULE OF EXPENDITURES - GAAP BASIS

|   | 2015              | 2014             |
|---|-------------------|------------------|
| Current:  |                   |                  |
| Instruction:                                      |                   |                  |
| Local grants:                                     |                   |                  |
| Barbara Bush Literacy Grant                       | \$ --             | \$ 1             |
| Charter School Supplemental Grants                | 16,985            | 19,726           |
| Community Partners Diversity                      | 1,604             | 975              |
| Donations From Local Agencies                     | 406,229           | 287,843          |
| Graduation Support Services                       | 11,207            | --               |
| MOA Recycling                                     | 1,237             | 11,952           |
| NoVo Foundation Social and Emotional Learning     | 338,452           | 177,889          |
| Total local grants                                | <u>775,714</u>    | <u>498,386</u>   |
| State grants:                                     |                   |                  |
| Designated Legislative Grants                     |                   |                  |
| Senate Bill 18                                    | 426,214           | 605,414          |
| Senate Bill 46                                    | 136,098           | 196,478          |
| Senate Bill 119                                   | 1,051,407         | --               |
| Senate Bill 160                                   | 630,563           | 369,444          |
| Senate Bill 230                                   | 112,237           | 158,174          |
| Total Designated Legislative Grants               | <u>2,356,519</u>  | <u>1,329,510</u> |
| Alaska Railroad Summer Youth Program              | 18,070            | 18,564           |
| Alaska State School for the Deaf                  | 228,512           | 318,969          |
| Alternative Schools Health and Wellness           | 36,057            | 70,758           |
| Anchorage Construction Academy                    | 338,402           | 343,131          |
| ANSEP   | 23,546            | 31,394           |
| BB-BS Mentoring                                   | 34,414            | --               |
| Comprehensive Behavioral Health                   | --                | 386,602          |
| Cultural Collaboration Project                    | 7,487             | 10,715           |
| Early Literacy K-3                                | 119,399           | 100,624          |
| Farm to School                                    | 3,895             | 5,533            |
| McLaughlin Equipment and Supplies Funds           | --                | 178              |
| Pre-School Kindergarten Program                   | 325,413           | 128,662          |
| Providence Heights                                | 121,167           | 127,802          |
| Retirement Systems Employer Relief                | 36,638,640        | 6,485,946        |
| Suicide Awareness                                 | 25,620            | 29,109           |
| Youth in Detention                                | 482,799           | 489,674          |
| Total state grants                                | <u>40,759,940</u> | <u>9,877,171</u> |
| Federal grants:                                   |                   |                  |
| Access to Education for Homeless Children Program | 33,933            | 54,642           |
| Alaska Family Directory Website                   | 23,632            | 25,363           |
| Alaska Mentorship Project                         | 676,302           | 708,975          |
| Alaska Network for Understanding History          | --                | 71,401           |
| Alaska State School for the Deaf                  | 64,765            | 28,950           |
| Alaska Sea Grant                                  | 3,015             | --               |
| Artists in School                                 | 5,639             | 7,535            |
| Big Brothers Big Sisters Mentoring                | 30,160            | 33,262           |
| Carl Perkins Vocational Education                 | 1,227,128         | 1,286,644        |
| Community Centers Learning Program                | 1,653,459         | 1,749,789        |
| EPA Creek Revitalization                          | --                | 7,298            |
| ESEA Consolidated                                 | 786,836           | 650,515          |

(Continued)

For the Year Ended June 30, 2015  
 With Comparative Totals  
 For the Year Ended June 30, 2014

## SCHEDULE OF EXPENDITURES - GAAP BASIS (Continued)

|  | 2015          | 2014          |
|--|---------------|---------------|
| Lets Do History  | \$ 6,001      | \$ --         |
| Military Impacted Students                                       | 553,570       | 561,244       |
| Pre-School Handicapped   | 307,281       | 419,394       |
| Project Aware  | 21,322        | --            |
| Project Ki'l   | 297,374       | 670,543       |
| Project MORE   | 493,436       | 451,512       |
| Project Puqigtut   | 640,007       | 753,318       |
| Refugee Support Services   | 51,064        | 35,919        |
| StarTalk - Language Culture Summer Camp                          | 87,868        | 104,785       |
| Title I - No Child Left Behind Act                               |               |               |
| Delinquent and At-Risk Youth Program                             | 138,306       | 212,369       |
| District-wide  | 12,538,275    | 11,186,575    |
| Highly Qualified Program   | 3,070         | 4,614         |
| McLaughlin Youth Center  | 137,423       | 98,366        |
| Parent Involvement Program                                       | 170,659       | 221,536       |
| Professional Development   | --            | 216,217       |
| School Improvement Program                                       | 40,032        | 130,260       |
| Total Title I - No Child Left Behind Act                         | 13,027,765    | 12,069,937    |
| Title I - Migrant Education                                      |               |               |
| Book Program   | 14,947        | 6,599         |
| District-wide  | 1,545,604     | 1,252,573     |
| Parent Involvement Program                                       | --            | 4,541         |
| Summer Program   | 433,969       | 1,159,977     |
| Total Title I - Migrant Education                                | 1,994,520     | 2,423,690     |
| Title II A - Professional Development Program                    | 3,366,680     | 2,147,265     |
| Title III - English Language Acquisition                         | 295,189       | 329,182       |
| Title VI B - Education of All Handicapped Children               | 12,635,643    | 13,030,272    |
| Title VII - Indian, Native Hawaiian, and Alaska Native Education | 2,962,373     | 2,989,041     |
| Youth Risk Behavior Survey                                       | 23,546        | --            |
| Total federal grants   | 41,268,508    | 40,610,476    |
| Total expenditures   | \$ 82,804,162 | \$ 50,986,033 |

For the Year Ended June 30, 2015

SCHEDULE OF EXPENDITURES,  
BUDGET (NON-GAAP BASIS) AND ACTUAL

|   | Actual    | Adjustment<br>to Basis of<br>Budgeting | Actual on<br>Basis of<br>Budgeting | Final<br>Budget | Variance<br>Positive<br>(Negative) |
|---|-----------|--|------------------------------------|-----------------|------------------------------------|
| Current:                                      |           |  |                                    |                 |                                    |
| Instruction:                                  |           |  |                                    |                 |                                    |
| Local grants:                                 |           |  |                                    |                 |                                    |
| Charter School Supplemental                   |           |  |                                    |                 |                                    |
| Supplies and materials                        | \$ 16,985 | \$ --                                  | \$ 16,985                          | \$ 16,909       | \$ (76)                            |
| Total Charter School Supplemental             | 16,985    | --                                     | 16,985                             | 16,909          | (76)                               |
| Community Partners Diversity                  |           |  |                                    |                 |                                    |
| Purchased services                            | 1,000     | --                                     | 1,000                              | --              | (1,000)                            |
| Supplies and materials                        | 604       | --                                     | 604                                | 1,975           | 1,371                              |
| Total community Partners Diversity            | 1,604     | --                                     | 1,604                              | 1,975           | 371                                |
| Donations From Local Agencies                 |           |  |                                    |                 |                                    |
| Personnel services                            | 119,440   | --                                     | 119,440                            | 22,509          | (96,931)                           |
| Employee benefits                             | 36,127    | --                                     | 36,127                             | 2,518           | (33,609)                           |
| Purchased services                            | 116,255   | 1,400                                  | 117,655                            | 145,722         | 28,067                             |
| Supplies and materials                        | 143,657   | (15,760)                               | 127,897                            | 126,513         | (1,384)                            |
| Capital outlay                                | (9,250)   | --                                     | (9,250)                            | --              | 9,250                              |
| Total Donations From Local Agencies           | 406,229   | (14,360)                               | 391,869                            | 297,262         | (94,607)                           |
| Graduation Support Services                   |           |  |                                    |                 |                                    |
| Supplies and materials                        | 11,207    | --                                     | 11,207                             | --              | (11,207)                           |
| Total   | 11,207    | --                                     | 11,207                             | --              | (11,207)                           |
| MOA Recycling                                 |           |  |                                    |                 |                                    |
| Supplies and materials                        | 1,237     | --                                     | 1,237                              | --              | (1,237)                            |
| Total MOA Recycling                           | 1,237     | --                                     | 1,237                              | --              | (1,237)                            |
| NoVo Foundation Social and Emotional Learning |           |  |                                    |                 |                                    |
| Personnel services                            | 177,673   | --                                     | 177,673                            | 137,918         | (39,755)                           |
| Employee benefits                             | 51,147    | --                                     | 51,147                             | 46,301          | (4,846)                            |
| Purchased services                            | 81,641    | 9,683                                  | 91,324                             | (86,437)        | (177,761)                          |
| Supplies and materials                        | 27,991    | --                                     | 27,991                             | 37,157          | 9,166                              |
| Total NoVo Foundation and Emotional Learning  | 338,452   | 9,683                                  | 348,135                            | 134,939         | (213,196)                          |
| Contingency                                   | --        | --                                     | --                                 | (4,489,006)     | (4,489,006)                        |
| Total local grants                            | 775,714   | (4,677)                                | 771,037                            | (4,037,921)     | (4,808,958)                        |
| State grants:                                 |           |  |                                    |                 |                                    |
| Designated Legislative Grants:                |           |  |                                    |                 |                                    |
| Senate Bill 18                                |           |  |                                    |                 |                                    |
| Personnel services                            | 5,193     | --                                     | 5,193                              | --              | (5,193)                            |
| Employee benefits                             | 1,090     | --                                     | 1,090                              | --              | (1,090)                            |
| Purchased services                            | 63,368    | 754,727                                | 818,095                            | --              | (818,095)                          |
| Supplies and materials                        | 331,724   | (99,692)                               | 232,032                            | --              | (232,032)                          |
| Capital Outlay                                | 24,839    | (24,839)                               | --                                 | --              | --                                 |
| Total Senate Bill 18                          | 426,214   | 630,196                                | 1,056,410                          | --              | (1,056,410)                        |
| Senate Bill 46                                |           |  |                                    |                 |                                    |
| Personnel services                            | 1,810     | --                                     | 1,810                              | --              | (1,810)                            |
| Employee benefits                             | 233       | --                                     | 233                                | --              | (233)                              |
| Purchased services                            | 1,145     | --                                     | 1,145                              | --              | (1,145)                            |
| Supplies and materials                        | 132,910   | (31,147)                               | 101,763                            | --              | (101,763)                          |
| Total Senate Bill 46                          | 136,098   | (31,147)                               | 104,951                            | --              | (104,951)                          |
| Senate Bill 119                               |           |  |                                    |                 |                                    |
| Personal Services                             | 47,469    | --                                     | 47,469                             | 104,419         | 56,950                             |
| Employee Benefits                             | 5,208     | --                                     | 5,208                              | 13,533          | 8,325                              |
| Purchased Services                            | 17,868    | --                                     | 17,868                             | 244,859         | 226,991                            |
| Supplies and Materials                        | 971,867   | 186,095                                | 1,157,962                          | 2,243,544       | 1,085,582                          |
| Capital Outlay                                | 8,995     | --                                     | 8,995                              | 8,995           | 0                                  |
| Total Senate Bill 119                         | 1,051,407 | 186,095                                | 1,237,502                          | 2,615,350       | 1,377,848                          |
| Senate Bill 160                               |           |  |                                    |                 |                                    |
| Personnel services                            | 1,350     | --                                     | 1,350                              | --              | (1,350)                            |
| Employee benefits                             | 200       | --                                     | 200                                | --              | (200)                              |
| Purchased services                            | 431,468   | 355,821                                | 787,289                            | --              | (787,289)                          |
| Supplies and materials                        | 197,545   | (31,390)                               | 166,155                            | --              | (166,155)                          |
| Total Senate bill 160                         | 630,563   | 324,431                                | 954,994                            | --              | (954,994)                          |
| Senate Bill 230                               |           |  |                                    |                 |                                    |
| Personal Services                             |           |  |                                    |                 |                                    |
| Employee Benefits                             | 2,302     | --                                     | 2,302                              | --              | (2,302)                            |
| Purchased Services                            | 109,935   | --                                     | 109,935                            | --              | (109,935)                          |
| Total Senate Bill 230                         | 112,237   | --                                     | 112,237                            | --              | (112,237)                          |
| Total Designated Legislative Grants           | 2,356,519 | 1,109,575                              | 3,466,094                          | 2,615,350       | (850,744)                          |

(Continued)



For the Year Ended June 30, 2015

SCHEDULE OF EXPENDITURES,  
BUDGET (NON-GAAP BASIS) AND ACTUAL (Continued)

|  | Actual     | Adjustment<br>to Basis of<br>Budgeting | Actual on<br>Basis of<br>Budgeting | Final<br>Budget | Variance<br>Positive<br>(Negative) |
|--|------------|--|------------------------------------|-----------------|------------------------------------|
| Alaska Railroad Summer Youth Program             |            |  |                                    |                 |                                    |
| Personal Services                                | \$ 14,503  | \$ --                                  | \$ 14,503                          | \$ 14,763       | \$ 260                             |
| Employee Benefits                                | 2,163      | --                                     | 2,163                              | 2,187           | 24                                 |
| Supplies and materials                           | 1,404      | 1,115                                  | 2,519                              | 2,550           | 31                                 |
| Total Alaska Railroad Summer Youth Program       | 18,070     | 1,115                                  | 19,185                             | 19,500          | 315                                |
| Alaska State School for the Deaf                 |            |  |                                    |                 |                                    |
| Personnel services                               | 81,637     | --                                     | 81,637                             | 95,295          | 13,658                             |
| Employee benefits                                | 37,474     | --                                     | 37,474                             | 39,578          | 2,104                              |
| Purchased services                               | 36,745     | --                                     | 36,745                             | 79,919          | 43,174                             |
| Supplies and materials                           | 72,656     | --                                     | 72,656                             | 104,208         | 31,552                             |
| Total Alaska State School for the Deaf           | 228,512    | --                                     | 228,512                            | 319,000         | 90,488                             |
| Alternative Schools Health and Wellness          |            |  |                                    |                 |                                    |
| Personnel services                               | 12,152     | --                                     | 12,152                             | 20,123          | 7,971                              |
| Employee benefits                                | 2,069      | --                                     | 2,069                              | 5,266           | 3,197                              |
| Purchased services                               | 10,913     | --                                     | 10,913                             | 13,490          | 2,577                              |
| Supplies and materials                           | 10,923     | --                                     | 10,923                             | 17,741          | 6,818                              |
| Total Alternative Schools<br>Health and Wellness | 36,057     | --                                     | 36,057                             | 56,620          | 20,563                             |
| Anchorage Construction Academy                   |            |  |                                    |                 |                                    |
| Personnel services                               | 49,891     | --                                     | 49,891                             | 114,164         | 64,273                             |
| Employee benefits                                | 7,448      | --                                     | 7,448                              | 19,436          | 11,988                             |
| Purchased services                               | 119,606    | --                                     | 119,606                            | 129,504         | 9,898                              |
| Supplies and materials                           | 161,457    | --                                     | 161,457                            | 75,589          | (85,868)                           |
| Total Anchorage Construction Academy             | 338,402    | --                                     | 338,402                            | 338,693         | 291                                |
| ANSEP Grant                                      |            |  |                                    |                 |                                    |
| Personnel services                               | 15,931     | --                                     | 15,931                             | 16,393          | 462                                |
| Employee benefits                                | 7,615      | --                                     | 7,615                              | 7,607           | (8)                                |
| Total ANSEP Grant                                | 23,546     | --                                     | 23,546                             | 24,000          | 454                                |
| BB-BS Mentoring                                  |            |  |                                    |                 |                                    |
| Personnel services                               | 16,254     | --                                     | 16,254                             | 16,705          | 451                                |
| Employee benefits                                | 16,507     | --                                     | 16,507                             | 14,281          | (2,226)                            |
| Purchased services                               | 1,609      | --                                     | 1,609                              | 2,244           | 635                                |
| Supplies and materials                           | 44         | --                                     | 44                                 | 4,406           | 4,362                              |
| Total BB-BS Mentoring                            | 34,414     | --                                     | 34,414                             | 37,636          | 3,222                              |
| Cultural Collaboration Project                   |            |  |                                    |                 |                                    |
| Personnel services                               | 921        | --                                     | 921                                | 921             | --                                 |
| Employee benefits                                | 78         | --                                     | 78                                 | 79              | 1                                  |
| Purchased services                               | 6,488      | --                                     | 6,488                              | 21,693          | 15,205                             |
| Total Cultural Collaboration Project             | 7,487      | --                                     | 7,487                              | 22,693          | 15,206                             |
| Early Literacy K-3                               |            |  |                                    |                 |                                    |
| Purchased services                               | 5,501      | --                                     | 5,501                              | 5,501           | --                                 |
| Supplies and materials                           | 113,898    | --                                     | 113,898                            | 113,898         | --                                 |
| Total Early Literacy K-3                         | 119,399    | --                                     | 119,399                            | 119,399         | --                                 |
| Farm to School                                   |            |  |                                    |                 |                                    |
| Purchased services                               | 292        | --                                     | 292                                | --              | (292)                              |
| Supplies and materials                           | 3,603      | --                                     | 3,603                              | --              | (3,603)                            |
| Total Farm to School                             | 3,895      | --                                     | 3,895                              | --              | (3,895)                            |
| Pre-School Kindergarten Program                  |            |  |                                    |                 |                                    |
| Personnel services                               | 165,207    | --                                     | 165,207                            | 167,727         | 2,520                              |
| Employee benefits                                | 80,723     | --                                     | 80,723                             | 80,857          | 134                                |
| Purchased services                               | 19,617     | --                                     | 19,617                             | 20,648          | 1,031                              |
| Supplies and materials                           | 59,866     | --                                     | 59,866                             | 61,711          | 1,845                              |
| Total Pre-School Kindergarten Program            | 325,413    | --                                     | 325,413                            | 330,943         | 5,530                              |
| Providence Heights                               |            |  |                                    |                 |                                    |
| Personnel services                               | 79,867     | --                                     | 79,867                             | 90,218          | 10,351                             |
| Employee benefits                                | 35,716     | --                                     | 35,716                             | 35,733          | 17                                 |
| Purchased services                               | 5,584      | --                                     | 5,584                              | 6,681           | 1,097                              |
| Supplies and materials                           | --         | --                                     | --                                 | 12,368          | 12,368                             |
| Total Providence Heights                         | 121,167    | --                                     | 121,167                            | 145,000         | 23,833                             |
| Retirement Systems Employer Relief               |            |  |                                    |                 |                                    |
| Employee benefits                                | 36,638,640 | (36,638,640)                           | --                                 | --              | --                                 |

(Continued)

For the Year Ended June 30, 2015

SCHEDULE OF EXPENDITURES,  
BUDGET (NON-GAAP BASIS) AND ACTUAL (Continued)

|  | Actual     | Adjustment<br>to Basis of<br>Budgeting | Actual on<br>Basis of<br>Budgeting | Final<br>Budget | Variance<br>Positive<br>(Negative) |
|--|------------|--|------------------------------------|-----------------|------------------------------------|
| Suicide Awareness  |            |  |                                    |                 |                                    |
| Personnel services   | \$ 6,366   | \$ --                                  | \$ 6,366                           | \$ 7,153        | \$ 787                             |
| Employee benefits  | 1,268      | --                                     | 1,268                              | 1,405           | 137                                |
| Purchased services   | 9,810      | --                                     | 9,810                              | 12,541          | 2,731                              |
| Supplies and materials                                     | 8,176      | --                                     | 8,176                              | 8,001           | (175)                              |
| Total Suicide Awareness                                    | 25,620     | --                                     | 25,620                             | 29,100          | 3,480                              |
| Youth in Detention   |            |  |                                    |                 |                                    |
| Personnel services   | 325,185    | --                                     | 325,185                            | 338,863         | 13,678                             |
| Employee benefits  | 118,075    | --                                     | 118,075                            | 123,479         | 5,404                              |
| Purchased services   | 24,428     | 592                                    | 25,020                             | 30,882          | 5,862                              |
| Supplies and materials                                     | 15,111     | 173                                    | 15,284                             | 19,028          | 3,744                              |
| Total Youth in Detention                                   | 482,799    | 765                                    | 483,564                            | 512,252         | 28,688                             |
| Total state grants   | 40,759,940 | (35,527,185)                           | 5,232,755                          | 4,570,186       | (662,569)                          |
| Federal grants:  |            |  |                                    |                 |                                    |
| Access to Education for Homeless Children<br>Program       |            |  |                                    |                 |                                    |
| Personnel services   | 6,532      | --                                     | 6,532                              | 6,641           | 109                                |
| Employee benefits  | 777        | --                                     | 777                                | 791             | 14                                 |
| Purchased services   | 25,845     | --                                     | 25,845                             | 31,568          | 5,723                              |
| Supplies and materials                                     | 779        | --                                     | 779                                | 6,000           | 5,221                              |
| Total Access to Education for<br>Homeless Children Program | 33,933     | --                                     | 33,933                             | 45,000          | 11,067                             |
| Alaska Family Directory Website                            |            |  |                                    |                 |                                    |
| Personnel services   | 14,312     | --                                     | 14,312                             | 16,480          | 2,168                              |
| Employee benefits  | 4,642      | --                                     | 4,642                              | 5,033           | 391                                |
| Purchased services   | 3,933      | --                                     | 3,933                              | 6,601           | 2,668                              |
| Supplies and materials                                     | 745        | --                                     | 745                                | 886             | 141                                |
| Total Alaska Family Directory<br>Website                   | 23,632     | --                                     | 23,632                             | 29,000          | 5,368                              |
| Alaska Mentorship Project                                  |            |  |                                    |                 |                                    |
| Personnel Services   | 78,914     | --                                     | 78,914                             | --              | (78,914)                           |
| Employee benefits  | 32,441     | --                                     | 32,441                             | --              | (32,441)                           |
| Purchased services   | 563,438    | 1,503                                  | 564,941                            | 230,769         | (334,172)                          |
| Supplies and materials                                     | 1,509      | --                                     | 1,509                              | 3,292           | 1,783                              |
| Total Alaska Mentorship Project                            | 676,302    | 1,503                                  | 677,805                            | 234,061         | (443,744)                          |
| Alaska State School for the Deaf                           |            |  |                                    |                 |                                    |
| Personnel services   | 16,375     | --                                     | 16,375                             | 16,440          | 65                                 |
| Employee benefits  | 8,673      | --                                     | 8,673                              | 8,604           | (69)                               |
| Purchased services   | 37,840     | --                                     | 37,840                             | 38,018          | 178                                |
| Supplies and materials                                     | 1,877      | --                                     | 1,877                              | 1,938           | 61                                 |
| Total Alaska State School for the Deaf                     | 64,765     | --                                     | 64,765                             | 65,000          | 235                                |
| Alaska Sea Grant   |            |  |                                    |                 |                                    |
| Personnel services   | 2,500      | --                                     | 2,500                              | 2,500           | --                                 |
| Employee benefits  | 376        | --                                     | 376                                | 378             | 2                                  |
| Purchased services   | 139        | --                                     | 139                                | 461             | 322                                |
| Supplies and materials                                     | --         | --                                     | --                                 | 6,661           | 6,661                              |
| Total Alaska Sea Grant                                     | 3,015      | --                                     | 3,015                              | 10,000          | 6,985                              |
| Artist in Schools  |            |  |                                    |                 |                                    |
| Personnel services   | 1,938      | --                                     | 1,938                              | 1,938           | --                                 |
| Employee benefits  | 168        | --                                     | 168                                | 168             | --                                 |
| Purchased services   | 3,533      | --                                     | 3,533                              | 3,533           | --                                 |
| Total Artist in Schools                                    | 5,639      | --                                     | 5,639                              | 5,639           | --                                 |
| Big Brothers Big Sisters Mentoring                         |            |  |                                    |                 |                                    |
| Personnel services   | 15,691     | --                                     | 15,691                             | 3,317           | (12,374)                           |
| Employee benefits  | 13,013     | --                                     | 13,013                             | 988             | (12,025)                           |
| Purchased services   | 1,456      | --                                     | 1,456                              | 195             | (1,261)                            |
| Total BBBS Mentoring                                       | 30,160     | --                                     | 30,160                             | 4,500           | (25,660)                           |

(Continued)

For the Year Ended June 30, 2015

SCHEDULE OF EXPENDITURES,  
BUDGET (NON-GAAP BASIS) AND ACTUAL (Continued)

|  | Actual     | Adjustment<br>to Basis of<br>Budgeting | Actual on<br>Basis of<br>Budgeting | Final<br>Budget | Variance<br>Positive<br>(Negative) |
|--|------------|--|------------------------------------|-----------------|------------------------------------|
| Carl Perkins Vocational Education        |            |  |                                    |                 |                                    |
| Personnel services                       | \$ 239,234 | \$ --                                  | \$ 239,234                         | \$ 242,907      | \$ 3,673                           |
| Employee benefits                        | 90,760     | --                                     | 90,760                             | 88,927          | (1,833)                            |
| Purchased services                       | 220,420    | 16,981                                 | 237,401                            | 220,505         | (16,896)                           |
| Supplies and materials                   | 379,519    | (25,826)                               | 353,693                            | 377,722         | 24,029                             |
| Capital outlay                           | 297,195    | --                                     | 297,195                            | 297,199         | 4                                  |
| Total Carl Perkins Vocational Education  | 1,227,128  | (8,845)                                | 1,218,283                          | 1,227,260       | 8,977                              |
| Community Centers Learning Program       |            |  |                                    |                 |                                    |
| Personnel services                       | 949,833    | --                                     | 949,833                            | 1,023,344       | 73,511                             |
| Employee benefits                        | 411,105    | --                                     | 411,105                            | 432,543         | 21,438                             |
| Purchased services                       | 230,078    | 15                                     | 230,093                            | 270,343         | 40,250                             |
| Supplies and materials                   | 62,443     | (210)                                  | 62,233                             | 78,938          | 16,705                             |
| Total Community Centers Learning Program | 1,653,459  | (195)                                  | 1,653,264                          | 1,805,168       | 151,904                            |
| Confucious Grant                         |            |  |                                    |                 |                                    |
| Supplies and materials                   | --         | --                                     | --                                 | 10,000          | 10,000                             |
| Total Confucious Grant                   | --         | --                                     | --                                 | 10,000          | 10,000                             |
| ESEA Consolidated                        |            |  |                                    |                 |                                    |
| Personal services                        | 485,874    | --                                     | 485,874                            | 480,954         | (4,920)                            |
| Employee benefits                        | 259,662    | --                                     | 259,662                            | 261,134         | 1,472                              |
| Purchased services                       | 41,177     | --                                     | 41,177                             | 41,562          | 385                                |
| Supplies and materials                   | 123        | --                                     | 123                                | 3,371           | 3,248                              |
| Total ESEA Consolidated                  | 786,836    | --                                     | 786,836                            | 787,021         | 185                                |
| Lets Do History                          |            |  |                                    |                 |                                    |
| Personal services                        | 4,250      | --                                     | 4,250                              | 4,250           | --                                 |
| Employee benefits                        | 640        | --                                     | 640                                | 640             | --                                 |
| Supplies and materials                   | 1,111      | --                                     | 1,111                              | 1,110           | (1)                                |
| Total Lets Do History                    | 6,001      | --                                     | 6,001                              | 6,000           | (1)                                |
| Military Impacted Students               |            |  |                                    |                 |                                    |
| Personnel services                       | 272,915    | --                                     | 272,915                            | 931,067         | 658,152                            |
| Employee benefits                        | 113,656    | --                                     | 113,656                            | 381,637         | 267,981                            |
| Purchased services                       | 155,095    | 55,879                                 | 210,974                            | 390,053         | 179,079                            |
| Supplies and materials                   | 11,904     | 998                                    | 12,902                             | 44,400          | 31,498                             |
| Total Military Impacted Students         | 553,570    | 56,877                                 | 610,447                            | 1,747,157       | 1,136,710                          |
| Pre-School Handicapped                   |            |  |                                    |                 |                                    |
| Personnel services                       | 181,459    | --                                     | 181,459                            | 184,371         | 2,912                              |
| Employee benefits                        | 111,427    | --                                     | 111,427                            | 111,779         | 352                                |
| Purchased services                       | 14,395     | --                                     | 14,395                             | 14,570          | 175                                |
| Supplies and materials                   | --         | --                                     | --                                 | 371             | 371                                |
| Total Pre-School Handicapped             | 307,281    | --                                     | 307,281                            | 311,091         | 3,810                              |
| Project Aware                            |            |  |                                    |                 |                                    |
| Personnel services                       | 15,291     | --                                     | 15,291                             | 369,220         | 353,929                            |
| Employee benefits                        | 5,049      | --                                     | 5,049                              | 131,550         | 126,501                            |
| Purchased services                       | 982        | --                                     | 982                                | (108,389)       | (109,371)                          |
| Supplies and materials                   | --         | --                                     | --                                 | 6,250           | 6,250                              |
| Total Pre-School Handicapped             | 21,322     | --                                     | 21,322                             | 398,631         | 377,309                            |
| Project Ki'l                             |            |  |                                    |                 |                                    |
| Personnel services                       | 147,174    | --                                     | 147,174                            | (5,705)         | (152,879)                          |
| Employee benefits                        | 43,785     | --                                     | 43,785                             | 5,200           | (38,585)                           |
| Purchased services                       | 70,700     | (7,366)                                | 63,334                             | 505             | (62,829)                           |
| Supplies and materials                   | 35,715     | (735)                                  | 34,980                             | --              | (34,980)                           |
| Total Project Ki'l                       | 297,374    | (8,101)                                | 289,273                            | --              | (289,273)                          |
| Project MORE                             |            |  |                                    |                 |                                    |
| Personnel services                       | 265,467    | --                                     | 265,467                            | --              | (265,467)                          |
| Employee benefits                        | 90,059     | --                                     | 90,059                             | --              | (90,059)                           |
| Purchased services                       | 11,598     | --                                     | 11,598                             | --              | (11,598)                           |
| Supplies and materials                   | 126,312    | --                                     | 126,312                            | --              | (126,312)                          |
| Total Project MORE                       | 493,436    | --                                     | 493,436                            | --              | (493,436)                          |
| Project Puqigtut                         |            |  |                                    |                 |                                    |
| Personnel services                       | 339,613    | --                                     | 339,613                            | 268,930         | (70,683)                           |
| Employee benefits                        | 139,751    | --                                     | 139,751                            | 149,236         | 9,485                              |
| Purchased services                       | 121,939    | 13,430                                 | 135,369                            | 138,153         | 2,784                              |
| Supplies and materials                   | 38,704     | 2,700                                  | 41,404                             | 2,378           | (39,026)                           |
| Total Project Puqigtut                   | 640,007    | 16,130                                 | 656,137                            | 558,697         | (97,440)                           |
| Refugee Support Services                 |            |  |                                    |                 |                                    |
| Personnel services                       | 29,485     | --                                     | 29,485                             | 34,000          | 4,515                              |
| Employee benefits                        | 4,350      | --                                     | 4,350                              | 5,119           | 769                                |
| Purchased services                       | 12,215     | (72)                                   | 12,143                             | 1,981           | (10,162)                           |
| Supplies & materials                     | 5,014      | --                                     | 5,014                              | 1,900           | (3,114)                            |
| Total Refugee Support Services           | 51,064     | (72)                                   | 50,992                             | 43,000          | (7,992)                            |

(Continued)

For the Year Ended June 30, 2015

SCHEDULE OF EXPENDITURES,  
BUDGET (NON-GAAP BASIS) AND ACTUAL (Continued)

|  | Actual     | Adjustment<br>to Basis of<br>Budgeting | Actual on<br>Basis of<br>Budgeting | Final<br>Budget | Variance<br>Positive<br>(Negative) |
|--|------------|--|------------------------------------|-----------------|------------------------------------|
| StarTalk - Language Culture Summer Camp          |            |  |                                    |                 |                                    |
| Personnel services                               | \$ 47,695  | \$ --                                  | \$ 47,695                          | \$ 51,143       | \$ 3,448                           |
| Employee benefits                                | 7,880      | --                                     | 7,880                              | 7,158           | (722)                              |
| Purchased services                               | 18,226     | 514                                    | 18,740                             | 18,831          | 91                                 |
| Supplies and materials                           | 14,067     | (647)                                  | 13,420                             | 11,212          | (2,208)                            |
| Total StarTalk - Language<br>Culture Summer Camp | 87,868     | (133)                                  | 87,735                             | 88,344          | 609                                |
| Title I - No Child Left Behind Act               |            |  |                                    |                 |                                    |
| Delinquent and At-Risk Youth Program             |            |  |                                    |                 |                                    |
| Personnel services                               | 93,617     | --                                     | 93,617                             | 94,121          | 504                                |
| Employee benefits                                | 33,220     | --                                     | 33,220                             | 65,124          | 31,904                             |
| Purchased services                               | 8,598      | --                                     | 8,598                              | 11,652          | 3,054                              |
| Supplies and materials                           | 2,871      | --                                     | 2,871                              | 3,456           | 585                                |
| Total Delinquent and At-Risk<br>Youth Program    | 138,306    | --                                     | 138,306                            | 174,353         | 36,047                             |
| District-wide                                    |            |  |                                    |                 |                                    |
| Personnel services                               | 6,653,355  | --                                     | 6,653,355                          | 7,584,758       | 931,403                            |
| Employee benefits                                | 2,570,821  | --                                     | 2,570,821                          | 2,787,331       | 216,510                            |
| Purchased services                               | 1,529,345  | (15,183)                               | 1,514,162                          | 2,590,758       | 1,076,596                          |
| Supplies and materials                           | 1,784,754  | 31,894                                 | 1,816,648                          | 2,868,656       | 1,052,008                          |
| Total District-wide                              | 12,538,275 | 16,711                                 | 12,554,986                         | 15,831,503      | 3,276,517                          |
| Highly Qualified Program                         |            |  |                                    |                 |                                    |
| Personnel services                               | 2,624      | --                                     | 2,624                              | 6,000           | 3,376                              |
| Employee benefits                                | 361        | --                                     | 361                                | 904             | 543                                |
| Purchased services                               | 85         | --                                     | 85                                 | 3,096           | 3,011                              |
| Total Highly Qualified Program                   | 3,070      | --                                     | 3,070                              | 10,000          | 6,930                              |
| McLaughlin Youth Center                          |            |  |                                    |                 |                                    |
| Personnel services                               | 97,761     | --                                     | 97,761                             | 100,307         | 2,546                              |
| Employee benefits                                | 33,330     | --                                     | 33,330                             | 36,247          | 2,917                              |
| Purchased services                               | 6,332      | --                                     | 6,332                              | 11,927          | 5,595                              |
| Total McLaughlin Youth Center                    | 137,423    | --                                     | 137,423                            | 148,481         | 11,058                             |
| Parent Involvement Program                       |            |  |                                    |                 |                                    |
| Personnel services                               | 71,163     | --                                     | 71,163                             | 85,753          | 14,590                             |
| Employee benefits                                | 12,467     | --                                     | 12,467                             | 17,353          | 4,886                              |
| Purchased services                               | 25,352     | --                                     | 25,352                             | 33,600          | 8,248                              |
| Supplies and materials                           | 61,677     | --                                     | 61,677                             | 86,406          | 24,729                             |
| Total Parent Involvement Program                 | 170,659    | --                                     | 170,659                            | 223,112         | 52,453                             |
| School Improvement Program                       |            |  |                                    |                 |                                    |
| Personnel services                               | 15,147     | --                                     | 15,147                             | 16,725          | 1,578                              |
| Employee benefits                                | 2,280      | --                                     | 2,280                              | 2,620           | 340                                |
| Purchased services                               | 13,504     | --                                     | 13,504                             | 14,717          | 1,213                              |
| Supplies and materials                           | 9,101      | --                                     | 9,101                              | 9,766           | 665                                |
| Total School Improvement Program                 | 40,032     | --                                     | 40,032                             | 43,828          | 3,796                              |
| Total Title I - No Child Left Behind Act         | 13,027,765 | 16,711                                 | 13,044,476                         | 16,431,277      | 3,386,801                          |
| Title I - Migrant Education                      |            |  |                                    |                 |                                    |
| Book Program                                     |            |  |                                    |                 |                                    |
| Supplies and materials                           | 14,947     | --                                     | 14,947                             | 14,950          | 3                                  |
| Total Book Program                               | 14,947     | --                                     | 14,947                             | 14,950          | 3                                  |
| District-wide                                    |            |  |                                    |                 |                                    |
| Personnel services                               | 833,391    | --                                     | 833,391                            | 826,197         | (7,194)                            |
| Employee benefits                                | 503,147    | --                                     | 503,147                            | 513,214         | 10,067                             |
| Purchased services                               | 161,461    | --                                     | 161,461                            | 171,274         | 9,813                              |
| Supplies and materials                           | 47,605     | --                                     | 47,605                             | 47,439          | (166)                              |
| Total District-wide                              | 1,545,604  | --                                     | 1,545,604                          | 1,558,124       | 12,520                             |
| Parent Involvement Program                       |            |  |                                    |                 |                                    |
| Purchased services                               | --         | --                                     | --                                 | 1,000           | 1,000                              |
| Total Parent Involvement Program                 | --         | --                                     | --                                 | 1,000           | 1,000                              |

(Continued)

For the Year Ended June 30, 2015

SCHEDULE OF EXPENDITURES,  
BUDGET (NON-GAAP BASIS) AND ACTUAL (Continued)

|   | Actual        | Adjustment<br>to Basis of<br>Budgeting | Actual on<br>Basis of<br>Budgeting | Final<br>Budget | Variance<br>Positive<br>(Negative) |
|---|---------------|--|------------------------------------|-----------------|------------------------------------|
| Summer Program  |               |  |                                    |                 |                                    |
| Personnel services  | \$ 208,133    | \$ --                                  | \$ 208,133                         | \$ 138,735      | \$ (69,398)                        |
| Employee benefits   | 36,715        | --                                     | 36,715                             | 30,208          | (6,507)                            |
| Purchased services  | 132,704       | (54,125)                               | 78,579                             | 106,369         | 27,790                             |
| Supplies and materials  | 47,751        | 4,281                                  | 52,032                             | 64,646          | 12,614                             |
| Capital Outlay  | 8,666         | --                                     | 8,666                              | --              | (8,666)                            |
| Total Summer Program  | 433,969       | (49,844)                               | 384,125                            | 339,958         | (44,167)                           |
| Total Title I - Migrant Education   | 1,994,520     | (49,844)                               | 1,944,676                          | 1,914,032       | (30,644)                           |
| Title II-A - Professional Development Program                             |               |  |                                    |                 |                                    |
| Personnel services  | 2,020,665     | --                                     | 2,020,665                          | 3,380,807       | 1,360,142                          |
| Employee benefits   | 564,824       | --                                     | 564,824                            | 813,903         | 249,079                            |
| Purchased services  | 723,012       | (65,415)                               | 657,597                            | 1,217,464       | 559,867                            |
| Supplies and materials  | 58,179        | --                                     | 58,179                             | 32,168          | (26,011)                           |
| Total Title II-A - Professional<br>Development Program                    | 3,366,680     | (65,415)                               | 3,301,265                          | 5,444,342       | 2,143,077                          |
| Title III - English Language Acquisition                                  |               |  |                                    |                 |                                    |
| Personnel services  | 188,774       | --                                     | 188,774                            | 237,986         | 49,212                             |
| Employee benefits   | 48,663        | --                                     | 48,663                             | 59,869          | 11,206                             |
| Purchased services  | 51,994        | --                                     | 51,994                             | 153,269         | 101,275                            |
| Supplies and materials  | 5,758         | --                                     | 5,758                              | 30,914          | 25,156                             |
| Total Title III - English Language<br>Acquisition                         | 295,189       | --                                     | 295,189                            | 482,038         | 186,849                            |
| Title VI-B - Education of All Handicapped<br>Children Act                 |               |  |                                    |                 |                                    |
| Personnel services  | 6,535,665     | --                                     | 6,535,665                          | 7,205,262       | 669,597                            |
| Employee benefits   | 3,870,303     | --                                     | 3,870,303                          | 5,016,361       | 1,146,058                          |
| Purchased services  | 1,602,285     | (2,051)                                | 1,600,234                          | 2,318,413       | 718,179                            |
| Supplies and materials  | 627,390       | (10,710)                               | 616,680                            | 669,542         | 52,862                             |
| Total Title VI-B - Education of All<br>Handicapped Children Act           | 12,635,643    | (12,761)                               | 12,622,882                         | 15,209,578      | 2,586,696                          |
| Title VII - Indian, Native Hawaiian, and Alaska<br>Native Education       |               |  |                                    |                 |                                    |
| Personnel services  | 1,594,780     | --                                     | 1,594,780                          | 1,587,687       | (7,093)                            |
| Employee benefits   | 1,038,420     | --                                     | 1,038,420                          | 1,179,443       | 141,023                            |
| Purchased services  | 206,317       | (2,129)                                | 204,188                            | 205,774         | 1,586                              |
| Supplies and materials  | 122,856       | 388                                    | 123,244                            | 17,995          | (105,249)                          |
| Total Title VII - Indian, Native Hawaiian,<br>and Alaska Native Education | 2,962,373     | (1,741)                                | 2,960,632                          | 2,990,899       | 30,267                             |
| Youth Risk Behavior Survey  |               |  |                                    |                 |                                    |
| Personnel services  |               |  |                                    |                 |                                    |
| Employee benefits   |               |  |                                    |                 |                                    |
| Purchased services  | 1,085         | --                                     | 1,085                              | 1,152           | 67                                 |
| Supplies and materials  | 22,461        | 2,099                                  | 24,560                             | 23,848          | (712)                              |
| Total Youth Behavior Survey   | 23,546        | 2,099                                  | 25,645                             | 25,000          | (645)                              |
| Total federal grants  | 41,268,508    | (53,787)                               | 41,214,721                         | 49,872,735      | 8,658,014                          |
| Total expenditures  | \$ 82,804,162 | \$ (35,585,649)                        | \$ 47,218,513                      | \$ 50,405,000   | \$ 3,186,487                       |

For the Year Ended June 30, 2015

SCHEDULE OF EXPENDITURES BY FUNCTION,  
ACTIVITY, AND OBJECT - GAAP BASIS

|   | Personnel<br>Services | Employee<br>Benefits | Purchased<br>Services | Supplies<br>and<br>Materials | Capital<br>Outlay | Total      |
|---|-----------------------|----------------------|-----------------------|------------------------------|-------------------|------------|
| Current:  |                       |                      |                       |                              |                   |            |
| Instruction:                                      |                       |                      |                       |                              |                   |            |
| Local grants:                                     |                       |                      |                       |                              |                   |            |
| Charter School Supplementa                        | \$ --                 | \$ --                | \$ --                 | \$ 16,985                    | \$ --             | \$ 16,985  |
| Community Partners Diversity                      | --                    | --                   | 1,000                 | 604                          | --                | 1,604      |
| Donations from Local Agencies                     | 119,440               | 36,127               | 116,255               | 143,657                      | (9,250)           | 406,229    |
| Graduation Services                               | --                    | --                   | --                    | 11,207                       | --                | 11,207     |
| MOA Recycling                                     | --                    | --                   | --                    | 1,237                        | --                | 1,237      |
| NoVo Foundation Social                            | 177,673               | 51,147               | 81,641                | 27,991                       | --                | 338,452    |
| Total local grants                                | 297,113               | 87,274               | 198,896               | 201,681                      | (9,250)           | 775,714    |
| State grants:                                     |                       |                      |                       |                              |                   |            |
| Designated Legislative Grants                     |                       |                      |                       |                              |                   |            |
| Senate Bill 18                                    | 5,193                 | 1,090                | 63,368                | 331,724                      | 24,839            | 426,214    |
| Senate Bill 46                                    | 1,810                 | 233                  | 1,145                 | 132,910                      | --                | 136,098    |
| Senate Bill 119                                   | 47,469                | 5,208                | 17,868                | 971,867                      | 8,995             | 1,051,407  |
| Senate Bill 160                                   | 1,350                 | 200                  | 431,468               | 197,545                      | --                | 630,563    |
| Senate Bill 230                                   | --                    | --                   | 2,302                 | 109,935                      | --                | 112,237    |
| Total Designated Legislative Grants               | 55,822                | 6,731                | 516,151               | 1,743,981                    | 33,834            | 2,356,519  |
| Alaska Railroad Summer Youth Program              | 14,503                | 2,163                | --                    | 1,404                        | --                | 18,070     |
| Alaska State School for the Deaf                  | 81,637                | 37,474               | 36,745                | 72,656                       | --                | 228,512    |
| Alternative Schools Health and Wellness           | 12,152                | 2,069                | 10,913                | 10,923                       | --                | 36,057     |
| Anchorage Construction Academy                    | 49,891                | 7,448                | 119,606               | 161,457                      | --                | 338,402    |
| ANSEP Grant                                       | 15,931                | 7,615                | --                    | --                           | --                | 23,546     |
| BB-BS Mentoring                                   | 16,254                | 16,507               | 1,609                 | 44                           | --                | 34,414     |
| Cultural Collaboration Project                    | 921                   | 78                   | 6,488                 | --                           | --                | 7,487      |
| Early Literacy K-3                                | --                    | --                   | 5,501                 | 113,898                      | --                | 119,399    |
| Farm to School                                    | --                    | --                   | 292                   | 3,603                        | --                | 3,895      |
| Pre-School Kindergarten Program                   | 165,207               | 80,723               | 19,617                | 59,866                       | --                | 325,413    |
| Providence Heights                                | 79,867                | 35,716               | 5,584                 | --                           | --                | 121,167    |
| Retirement Systems Employer Relief                | --                    | 36,638,640           | --                    | --                           | --                | 36,638,640 |
| Suicide Awareness                                 | 6,366                 | 1,268                | 9,810                 | 8,176                        | --                | 25,620     |
| Youth in Detention                                | 325,185               | 118,075              | 24,428                | 15,111                       | --                | 482,799    |
| Total state grants                                | 823,736               | 36,954,507           | 756,744               | 2,191,119                    | 33,834            | 40,759,940 |
| Federal grants:                                   |                       |                      |                       |                              |                   |            |
| Access to Education for Homeless Children Program | 6,532                 | 777                  | 25,845                | 779                          | --                | 33,933     |
| Alaska Family Directory Website                   | 14,312                | 4,642                | 3,933                 | 745                          | --                | 23,632     |
| Alaska Mentorship Project                         | 78,914                | 32,441               | 563,438               | 1,509                        | --                | 676,302    |
| Alaska State School for the Deaf                  | 16,375                | 8,673                | 37,840                | 1,877                        | --                | 64,765     |
| Alaska Sea Grant                                  | 2,500                 | 376                  | 139                   | --                           | --                | 3,015      |
| Artist in Schools                                 | 1,938                 | 168                  | 3,533                 | --                           | --                | 5,639      |
| Big Brothers Big Sisters Mentoring                | 15,691                | 13,013               | 1,456                 | --                           | --                | 30,160     |
| Carl Perkins Vocational Education Basic           | 239,234               | 90,760               | 220,420               | 379,519                      | 297,195           | 1,227,128  |
| Community Centers Learning Program                | 949,833               | 411,105              | 230,078               | 62,443                       | --                | 1,653,459  |
| ESEA Consolidated                                 | 485,874               | 259,662              | 41,177                | 123                          | --                | 786,836    |
| Let's Do History                                  | 4,250                 | 640                  | --                    | 1,111                        | --                | 6,001      |
| Military Impacted Students                        | 272,915               | 113,656              | 155,095               | 11,904                       | --                | 553,570    |
| Pre-School Handicapped                            | 181,459               | 111,427              | 14,395                | --                           | --                | 307,281    |
| Project Aware                                     | 15,291                | 5,049                | 982                   | --                           | --                | 21,322     |
| Project Ki'l                                      | 147,174               | 43,785               | 70,700                | 35,715                       | --                | 297,374    |
| Project MORE                                      | 265,467               | 90,059               | 11,598                | 126,312                      | --                | 493,436    |
| Project Puqigtut                                  | 339,613               | 139,751              | 121,939               | 38,704                       | --                | 640,007    |
| Refugee Support Services                          | 29,485                | 4,350                | 12,215                | 5,014                        | --                | 51,064     |
| StarTalk - Language Culture Summer Camp           | 47,695                | 7,880                | 18,226                | 14,067                       | --                | 87,868     |

(Continued)

For the Year Ended June 30, 2015

SCHEDULE OF EXPENDITURES BY FUNCTION,  
ACTIVITY, AND OBJECT - GAAP BASIS (Continued)

|  | Personnel<br>Services | Employee<br>Benefits | Purchased<br>Services | Supplies<br>and<br>Materials | Capital<br>Outlay | Total         |
|--|-----------------------|----------------------|-----------------------|------------------------------|-------------------|---------------|
| Title I - No Child Left Behind Act                         |                       |                      |                       |                              |                   |               |
| Delinquent and At-Risk                                     |                       |                      |                       |                              |                   |               |
| Youth Program  | \$ 93,617             | \$ 33,220            | \$ 8,598              | \$ 2,871                     | \$ --             | \$ 138,306    |
| District-wide  | 6,653,355             | 2,570,821            | 1,529,345             | 1,784,754                    | --                | 12,538,275    |
| Highly Qualified Program                                   | 2,624                 | 361                  | 85                    | --                           | --                | 3,070         |
| McLaughlin Youth Center                                    | 97,761                | 33,330               | 6,332                 | --                           | --                | 137,423       |
| Parent Involvement Program                                 | 71,163                | 12,467               | 25,352                | 61,677                       | --                | 170,659       |
| School Improvement Program                                 | 15,147                | 2,280                | 13,504                | 9,101                        | --                | 40,032        |
| Total Title I - No Child Left Behind Act                   | 6,933,667             | 2,652,479            | 1,583,216             | 1,858,403                    | --                | 13,027,765    |
| Title I - Migrant Education                                |                       |                      |                       |                              |                   |               |
| Book Program   | --                    | --                   | --                    | 14,947                       | --                | 14,947        |
| District-wide  | 833,391               | 503,147              | 161,461               | 47,605                       | --                | 1,545,604     |
| Summer Program   | 208,133               | 36,715               | 132,704               | 47,751                       | 8,666             | 433,969       |
| Total Title I -Migrant Education                           | 1,041,524             | 539,862              | 294,165               | 110,303                      | 8,666             | 1,994,520     |
| Title II-A - Professional Development Program              | 2,020,665             | 564,824              | 723,012               | 58,179                       | --                | 3,366,680     |
| Title III - English Language Acquisition                   | 188,774               | 48,663               | 51,994                | 5,758                        | --                | 295,189       |
| Title VI B - Education of All Handicapped Children Act     | 6,535,665             | 3,870,303            | 1,602,285             | 627,390                      | --                | 12,635,643    |
| Title VII - Indian, Native Hawaiian, and Alaska Native Ed. | 1,594,780             | 1,038,420            | 206,317               | 122,856                      | --                | 2,962,373     |
| Youth Risk Behavior Survey                                 | --                    | --                   | 1,085                 | 22,461                       | --                | 23,546        |
| Total federal grants                                       | 21,429,627            | 10,052,765           | 5,995,083             | 3,485,172                    | 305,861           | 41,268,508    |
| Total expenditures   | \$ 22,550,476         | \$ 47,094,546        | \$ 6,950,723          | \$ 5,877,972                 | \$ 330,445        | \$ 82,804,162 |

|   |                     |                       |                         | Totals              |                     |
|---|---------------------|-----------------------|-------------------------|---------------------|---------------------|
|   | Food<br>Service     | Student<br>Activities | Pupil<br>Transportation | 2015                | 2014                |
| <b>Assets</b>   |                     |                       |                         |                     |                     |
| Cash and investments                                      | \$ --               | \$ 3,204,021          | \$ --                   | \$ 3,204,021        | \$ 3,083,677        |
| Accounts receivable                                       | 21,846              | 12,001                | --                      | 33,847              | 37,400              |
| Interest receivable                                       | --                  | 321                   | --                      | 321                 | 2,113               |
| Due from General Fund                                     | 1,110,715           | 2,138,392             | 373,109                 | 3,622,216           | 2,624,847           |
| Due from State of Alaska                                  | 324,388             | --                    | --                      | 324,388             | 122,890             |
| Prepaid items   | --                  | 910                   | --                      | 910                 | 5,065               |
| U.S.D.A. food commodities, at U.S.D.A.<br>allocated value | 483,228             | --                    | --                      | 483,228             | 511,047             |
| Inventory, at FIFO  | 964,542             | --                    | --                      | 964,542             | 1,240,710           |
| Total assets  | <u>\$ 2,904,719</u> | <u>\$ 5,355,645</u>   | <u>\$ 373,109</u>       | <u>\$ 8,633,473</u> | <u>\$ 7,627,749</u> |
| <b>Liabilities</b>  |                     |                       |                         |                     |                     |
| Accounts payable  | \$ 17,573           | \$ 15,073             | \$ 8,244                | \$ 40,890           | \$ 111,434          |
| Due to General Fund                                       | --                  | 64,244                | --                      | 64,244              | 848,077             |
| Accrued salaries and related items:                       |                     |                       |                         |                     |                     |
| Wages and salaries payable                                | 47,192              | --                    | 44,503                  | 91,695              | 84,496              |
| Payroll taxes, other accrued and withheld items           | 33,364              | --                    | 31,464                  | 64,828              | 140,871             |
| Unearned revenue  | 1,842,048           | --                    | --                      | 1,842,048           | 1,458,006           |
| Total liabilities   | <u>1,940,177</u>    | <u>79,317</u>         | <u>84,211</u>           | <u>2,103,705</u>    | <u>2,642,884</u>    |
| <b>Fund balances</b>                                      |                     |                       |                         |                     |                     |
| Reserved:   |                     |                       |                         |                     |                     |
| Non-spendable   | 964,542             | 910                   | --                      | 965,452             | 1,245,775           |
| Committed   | --                  | --                    | --                      | --                  | 370,000             |
| Assigned  | --                  | 5,275,418             | 288,898                 | 5,564,316           | 5,033,401           |
| Unassigned  | --                  | --                    | --                      | --                  | (1,664,311)         |
| Total fund balances                                       | <u>964,542</u>      | <u>5,276,328</u>      | <u>288,898</u>          | <u>6,529,768</u>    | <u>4,984,865</u>    |
| Total liabilities and fund balance                        | <u>\$ 2,904,719</u> | <u>\$ 5,355,645</u>   | <u>\$ 373,109</u>       | <u>\$ 8,633,473</u> | <u>\$ 7,627,749</u> |



For the Year Ended June 30, 2015  
With Comparative Totals  
For the Year Ended June 30, 2014

**COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES**

|   | Food<br>Service | Student<br>Activites | Pupil<br>Transportation | Totals        |               |
|---|-----------------|----------------------|-------------------------|---------------|---------------|
|   |                 |                      |                         | 2015          | 2014          |
| Revenues:   |                 |                      |                         |               |               |
| Revenues from local sources   | \$ 2,274,551    | \$ 8,032,745         | \$ --                   | \$ 10,307,296 | \$ 10,334,385 |
| Revenues from state sources   | 3,363,207       | 216,528              | 24,160,721              | 27,740,456    | 23,564,414    |
| Revenues from federal sources   | 19,159,790      | --                   | --                      | 19,159,790    | 15,603,228    |
| Total revenues  | 24,797,548      | 8,249,273            | 24,160,721              | 57,207,542    | 49,502,027    |
| Expenditures:   |                 |                      |                         |               |               |
| Current:  |                 |                      |                         |               |               |
| Instruction   | --              | 7,943,204            | --                      | 7,943,204     | 7,687,708     |
| Food services   | 25,694,692      | --                   | --                      | 25,694,692    | 21,297,939    |
| Pupil Transportation  | --              | --                   | 24,310,030              | 24,310,030    | 22,931,732    |
| Total expenditures  | 25,694,692      | 7,943,204            | 24,310,030              | 57,947,926    | 51,917,379    |
| Excess of revenues<br>over (under) expenditures   | (897,144)       | 306,069              | (149,309)               | (740,384)     | (2,415,352)   |
| Other financing sources:  |                 |                      |                         |               |               |
| Transfers in from General Fund  | 2,285,287       | --                   | --                      | 2,285,287     | 933,175       |
| Total other financing sources   | 2,285,287       | --                   | --                      | 2,285,287     | 933,175       |
| Excess (deficiency) of revenues<br>over (under) expenditures and other<br>financing sources | 1,388,143       | 306,069              | (149,309)               | 1,544,903     | (1,482,177)   |
| Fund balances at beginning of year  | (423,601)       | 4,970,259            | 438,207                 | 4,984,865     | 6,467,042     |
| Fund balances at end of year  | \$ 964,542      | \$ 5,276,328         | \$ 288,898              | \$ 6,529,768  | \$ 4,984,865  |

June 30, 2015  
With Comparative Totals for  
June 30, 2014

**BALANCE SHEET**

|   | 2015                | 2014                |
|---|---------------------|---------------------|
| <b>Assets</b>   |                     |                     |
| Accounts receivable                                       | \$ 21,846           | \$ 25,355           |
| Due from State of Alaska                                  | 324,388             | 122,890             |
| Due from General Fund                                     | 1,110,715           | --                  |
| U.S.D.A. food commodities, at U.S.D.A.<br>allocated value | 483,228             | 511,047             |
| Inventory, at FIFO  | 964,542             | 1,240,710           |
| Total assets  | <u>\$ 2,904,719</u> | <u>\$ 1,900,002</u> |
| <b>Liabilities</b>  |                     |                     |
| Accounts payable  | \$ 17,573           | \$ 21,431           |
| Due to General Fund                                       | --                  | 779,991             |
| Accrued salaries and related items:                       |                     |                     |
| Wages and salaries payable                                | 47,192              | 43,238              |
| Payroll taxes, other accrued and<br>withheld items        | 33,364              | 20,937              |
| Unearned revenue  | 1,842,048           | 1,458,006           |
| Total liabilities   | <u>1,940,177</u>    | <u>2,323,603</u>    |
| <b>Fund balance</b>                                       |                     |                     |
| Non-spendable   | 964,542             | 1,240,710           |
| Assigned  | --                  | --                  |
| Unassigned  | --                  | (1,664,311)         |
| Total fund balance  | <u>964,542</u>      | <u>(423,601)</u>    |
| Total liabilities and fund balance                        | <u>\$ 2,904,719</u> | <u>\$ 1,900,002</u> |

For the Year Ended June 30, 2015  
With Comparative Totals  
For the Year Ended June 30, 2014

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GAAP BASIS**

|   | 2015         | 2014         |
|---|--------------|--------------|
| Revenues:   |              |              |
| Revenues from local sources:  |              |              |
| Lunch sales - student   | \$ 1,688,934 | \$ 1,699,282 |
| Lunch sales - adult   | 22,636       | 15,577       |
| Breakfast - student   | 129,922      | 148,385      |
| Breakfast - adult   | 3,394        | 3,224        |
| Milk program  | 74,169       | 70,476       |
| A la carte program  | 300,676      | 473,817      |
| Other revenues  | 54,820       | 115,527      |
| Total revenues from local sources   | 2,274,551    | 2,526,288    |
| Revenues from state sources:  |              |              |
| Grants  | 517,975      | 198,427      |
| Retirement system employer relief   | 2,845,232    | 843,407      |
| Total revenues from State   | 3,363,207    | 1,041,834    |
| Revenues from federal sources:  |              |              |
| Type A lunch program - reimbursement  | 12,162,785   | 10,794,057   |
| Breakfast program - reimbursement   | 4,437,153    | 2,972,429    |
| After school snack program - reimbursement  | 3,711        | 3,872        |
| After school dinner program - reimbursement   | 1,123,944    | 786,542      |
| FFVP grant - reimbursement  | 615,288      | 682,900      |
| United States Department of Agriculture commodities                                   | 816,909      | 363,428      |
| Total revenues from federal sources   | 19,159,790   | 15,603,228   |
| Total revenues  | 24,797,548   | 19,171,350   |
| Expenditures:   |              |              |
| Current:  |              |              |
| Food services:  |              |              |
| General administration  | 2,204,096    | 2,106,092    |
| Kitchens and food center  | 21,186,965   | 17,408,944   |
| Delivery  | 2,303,631    | 1,782,903    |
| Total expenditures  | 25,694,692   | 21,297,939   |
| Deficiency of revenues under expenditures   | (897,144)    | (2,126,589)  |
| Other financing sources:  |              |              |
| Proceeds from sale of property and equipment  | --           | --           |
| Transfers in from General Fund  | 2,285,287    | 220,000      |
| Total other financing sources   | 2,285,287    | 220,000      |
| Excess (deficiency) of revenues over (under) expenditures and other financing sources | 1,388,143    | (1,906,589)  |
| Fund balance at beginning of year   | (423,601)    | 1,482,988    |
| Fund balance at end of year   | \$ 964,542   | \$ (423,601) |

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BASIS) AND ACTUAL**

For the Year Ended June 30, 2015

|  | Actual       | Adjustment<br>to Basis of<br>Budgeting | Actual on<br>Basis of<br>Budgeting | Budgeted Amounts |              | Variance<br>with<br>Final<br>Budget<br>Positive<br>(Negative) |
|--|--------------|--|------------------------------------|------------------|--------------|---|
|  |              |  |                                    | Original         | Final        |   |
| Revenues:  |              |  |                                    |                  |              |   |
| Revenues from local sources:                           |              |  |                                    |                  |              |   |
| Lunch sales - student                                  | \$ 1,688,934 | \$ --                                  | \$ 1,688,934                       | \$ 1,810,652     | \$ 1,810,652 | \$ (121,718)  |
| Lunch sales - adult                                    | 22,636       | --                                     | 22,636                             | 25,374           | 25,374       | (2,738)   |
| Breakfast - student                                    | 129,922      | --                                     | 129,922                            | 104,754          | 104,754      | 25,168  |
| Breakfast - adult                                      | 3,394        | --                                     | 3,394                              | 2,608            | 2,608        | 786   |
| Milk program   | 74,169       | --                                     | 74,169                             | --               | --           | 74,169  |
| A la carte program                                     | 300,676      | --                                     | 300,676                            | 848,159          | 848,159      | (547,483)   |
| Other revenues   | 54,820       | --                                     | 54,820                             | 2,768,333        | 2,768,333    | (2,713,513)   |
| Total revenue from local sources                       | 2,274,551    | --                                     | 2,274,551                          | 5,559,880        | 5,559,880    | (3,285,329)   |
| Revenues from state sources:                           |              |  |                                    |                  |              |   |
| Grants   | 517,975      | --                                     | 517,975                            | --               | --           | 517,975   |
| Retirement system employer relief                      | 2,845,232    | (2,845,232)                            | --                                 | --               | --           | --  |
| Total revenue from state sources                       | 3,363,207    | (2,845,232)                            | 517,975                            | --               | --           | 517,975   |
| Revenues from federal sources:                         |              |  |                                    |                  |              |   |
| Type A lunch program - reimbursement                   | 12,162,785   | --                                     | 12,162,785                         | 11,176,516       | 11,176,516   | 986,269   |
| Breakfast program - reimbursement                      | 4,437,153    | --                                     | 4,437,153                          | 3,057,823        | 3,057,823    | 1,379,330   |
| After school snack program - reimbursement             | 3,711        | --                                     | 3,711                              | 877,255          | 877,255      | (873,544)   |
| After school dinner program - reimbursement            | 1,123,944    | --                                     | 1,123,944                          | --               | --           | 1,123,944   |
| Fresh fruit and vegetable program - reimb              | 615,288      | --                                     | 615,288                            | 679,150          | 679,150      | (63,862)  |
| United States Department of Agriculture<br>commodities | 816,909      | --                                     | 816,909                            | 415,326          | 415,326      | 401,583   |
| Total revenue from federal sources                     | 19,159,790   | --                                     | 19,159,790                         | 16,206,070       | 16,206,070   | 2,953,720   |
| Total revenues   | 24,797,548   | (2,845,232)                            | 21,952,316                         | 21,765,950       | 21,765,950   | 186,366   |
| Expenditures:  |              |  |                                    |                  |              |   |
| Current:   |              |  |                                    |                  |              |   |
| Food services  |              |  |                                    |                  |              |   |
| General administration                                 |              |  |                                    |                  |              |   |
| Personnel services                                     | 775,081      | --                                     | 775,081                            | 858,170          | 849,124      | 74,043  |
| Employee benefits                                      | 756,234      | (341,244)                              | 414,990                            | 464,415          | 464,415      | 49,425  |
| Purchased services                                     | 654,025      | (22,612)                               | 631,413                            | 586,073          | 586,073      | (45,340)  |
| Supplies and materials                                 | 18,756       | --                                     | 18,756                             | 28,000           | 28,000       | 9,244   |
| Total general administration                           | 2,204,096    | (363,856)                              | 1,840,240                          | 1,936,658        | 1,927,612    | 87,372  |
| Kitchens and food center                               |              |  |                                    |                  |              |   |
| Personnel services                                     | 4,843,475    | --                                     | 4,843,475                          | 4,828,235        | 4,875,058    | 31,583  |
| Employee benefits                                      | 5,450,702    | (2,091,781)                            | 3,358,921                          | 3,717,490        | 3,713,676    | 354,755   |
| Purchased services                                     | 432,178      | (29,463)                               | 402,715                            | 497,190          | 497,190      | 94,475  |
| Supplies and materials                                 | 10,454,812   | (33,658)                               | 10,421,154                         | 8,938,002        | 8,880,593    | (1,540,561)   |
| Capital outlay   | 5,798        | --                                     | 5,798                              | 75,000           | 75,000       | 69,202  |
| Other  | --           | --                                     | --                                 | 6,950            | 6,950        | 6,950   |
| Total kitchens and food center                         | 21,186,965   | (2,154,902)                            | 19,032,063                         | 18,062,867       | 18,048,467   | (983,596)   |

(Continued)

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BASIS) AND ACTUAL**

For the Year Ended June 30, 2015

|   | Actual            | Adjustment<br>to Basis of<br>Budgeting | Actual on<br>Basis of<br>Budgeting | Budgeted Amounts  |                   | Variance<br>with<br>Final<br>Budget<br>Positive<br>(Negative) |
|---|-------------------|--|------------------------------------|-------------------|-------------------|---|
|   |                   |  |                                    | Original          | Final             |   |
| Delivery:   |                   |  |                                    |                   |                   |   |
| Personnel services  | \$ 920,100        | \$ --                                  | \$ 920,100                         | \$ 860,422        | \$ 870,289        | \$ (49,811)   |
| Employee benefits   | 1,012,236         | (412,207)                              | 600,029                            | 585,235           | 598,814           | (1,215)   |
| Purchased services  | 73,141            | --                                     | 73,141                             | 10,450            | 10,450            | (62,691)  |
| Supplies and materials  | 298,154           | --                                     | 298,154                            | 153,300           | 153,300           | (144,854)   |
| Capital outlay  | --                | --                                     | --                                 | 157,018           | 157,018           | 157,018   |
| Total delivery  | <u>2,303,631</u>  | <u>(412,207)</u>                       | <u>1,891,424</u>                   | <u>1,766,425</u>  | <u>1,789,871</u>  | <u>(101,553)</u>  |
| Total expenditures  | <u>25,694,692</u> | <u>(2,930,965)</u>                     | <u>22,763,727</u>                  | <u>21,765,950</u> | <u>21,765,950</u> | <u>(997,777)</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures                                | (897,144)         | 85,733                                 | (811,411)                          | --                | --                | (811,411)   |
| Other financing sources:  |                   |  |                                    |                   |                   |   |
| Transfers in from General Fund  | <u>2,285,287</u>  | <u>--</u>                              | <u>2,285,287</u>                   | <u>--</u>         | <u>--</u>         | <u>(2,285,287)</u>  |
| Total other financing sources   | <u>2,285,287</u>  | <u>--</u>                              | <u>2,285,287</u>                   | <u>--</u>         | <u>--</u>         | <u>(2,285,287)</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures and other<br>financing sources | 1,388,143         | <u>\$ 85,733</u>                       | <u>\$ 1,473,876</u>                | <u>\$ --</u>      | <u>\$ --</u>      | <u>\$ 1,473,876</u>   |
| Fund balance at beginning of year   | <u>(423,601)</u>  |  |                                    |                   |                   |   |
| Fund balance at end of year   | <u>\$ 964,542</u> |  |                                    |                   |                   |   |

**BASIS OF BUDGETING** - The Food Service Special Revenue Fund - Schedule of Revenues, Expenditures, and changes in Fund Balance - Budget (Non-GAAP Basis) and Actual has been prepared on a legally prescribed basis of budgeting which differs from accounting principles generally accepted in the United States of America (GAAP). The purpose of the basis of budgeting is to demonstrate compliance with the legal requirements of the local, state, and federal programs. The difference between the two methods is set forth below:

|   |                    |                     |
|---|--------------------|---------------------|
| Revenues reported on the basis of GAAP                              |                    | \$ 24,797,548       |
| Add: budgeted fund balance  | \$ --              |                     |
| Deduct: retirement system on-behalf payments                        | <u>(2,845,232)</u> |                     |
|   |                    | <u>(2,845,232)</u>  |
| Revenues reported on the basis of budgeting                         |                    | <u>21,952,316</u>   |
| Expenditures reported on the basis of GAAP                          |                    | 25,694,692          |
| Add: current year encumbrances                                      | \$ --              |                     |
| Deduct: expenditures on prior year's<br>encumbrances                | <u>(85,733)</u>    |                     |
| Deduct: retirement system incremental increase (PERS)               | <u>(2,845,232)</u> |                     |
|   |                    | <u>(2,930,965)</u>  |
| Expenditures and encumbrances reported on the<br>basis of budgeting |                    | <u>22,763,727</u>   |
| Deficiency of revenues under expenditures on the basis of budgeting |                    | <u>\$ (811,411)</u> |

For the Year Ended June 30, 2015

**SCHEDULE OF EXPENDITURES BY FUNCTION,  
ACTIVITY, AND OBJECT - GAAP BASIS**

|                          | <u>Personnel<br/>Services</u> | <u>Employee<br/>Benefits</u> | <u>Purchased<br/>Services</u> | <u>Supplies<br/>and<br/>Materials</u> | <u>Capital<br/>Outlay</u> | <u>Other</u> | <u>Total</u>         |
|--------------------------|-------------------------------|------------------------------|-------------------------------|---------------------------------------|---------------------------|--------------|----------------------|
| Current:                 |                               |                              |                               |                                       |                           |              |                      |
| Food services:           |                               |                              |                               |                                       |                           |              |                      |
| General administration   | \$ 775,081                    | \$ 756,234                   | \$ 654,025                    | \$ 18,756                             | \$ --                     | \$ --        | \$ 2,204,096         |
| Kitchens and food center | 4,843,475                     | 5,450,702                    | 432,178                       | 10,454,812                            | 5,798                     | --           | 21,186,965           |
| Delivery                 | 920,100                       | 1,012,236                    | 73,141                        | 298,154                               | --                        | --           | 2,303,631            |
|                          | <u>\$ 6,538,656</u>           | <u>\$ 7,219,172</u>          | <u>\$ 1,159,344</u>           | <u>\$ 10,771,722</u>                  | <u>\$ 5,798</u>           | <u>\$ --</u> | <u>\$ 25,694,692</u> |

June 30, 2015  
With Comparative Totals for  
June 30, 2014

**BALANCE SHEET - BY ACCOUNT**

|  | Decentralized<br>Student<br>Activities | Centralized<br>Student<br>Activities | Totals              |                     |
|--|--|--------------------------------------|---------------------|---------------------|
|  |  |                                      | 2015                | 2014                |
| <b>Assets</b>                          |  |                                      |                     |                     |
| Cash and investments                   | \$ 2,886,740                           | \$ 317,281                           | \$ 3,204,021        | \$ 3,083,677        |
| Accounts receivable                    | --                                     | 12,001                               | 12,001              | 12,045              |
| Interest receivable                    | --                                     | 321                                  | 321                 | 2,113               |
| Due from General Fund                  | --                                     | 2,138,392                            | 2,138,392           | 2,015,009           |
| Prepaid items                          | --                                     | 910                                  | 910                 | 5,065               |
| Total assets                           | <u>\$ 2,886,740</u>                    | <u>\$ 2,468,905</u>                  | <u>\$ 5,355,645</u> | <u>\$ 5,117,909</u> |
| <b>Liabilities</b>                     |  |                                      |                     |                     |
| Accounts payable                       | \$ --                                  | \$ 15,073                            | \$ 15,073           | \$ 79,564           |
| Due to General Fund                    | <u>64,244</u>                          | <u>--</u>                            | <u>64,244</u>       | <u>68,086</u>       |
| Total liabilities                      | <u>64,244</u>                          | <u>15,073</u>                        | <u>79,317</u>       | <u>147,650</u>      |
| <b>Fund balances</b>                   |  |                                      |                     |                     |
| Non-spendable                          | --                                     | 910                                  | 910                 | 5,065               |
| Assigned                               | <u>2,822,496</u>                       | <u>2,452,922</u>                     | <u>5,275,418</u>    | <u>4,965,194</u>    |
| Total fund balances                    | <u>2,822,496</u>                       | <u>2,453,832</u>                     | <u>5,276,328</u>    | <u>4,970,259</u>    |
| Total liabilities and<br>fund balances | <u>\$ 2,886,740</u>                    | <u>\$ 2,468,905</u>                  | <u>\$ 5,355,645</u> | <u>\$ 5,117,909</u> |

For the Year Ended June 30, 2015  
With Comparative Totals  
For the Year Ended June 30, 2014

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BY ACCOUNT**

|   | Decentralized<br>Student<br>Activities | Centralized<br>Student<br>Activities | Totals       |              |
|---|--|--------------------------------------|--------------|--------------|
|   |  |                                      | 2015         | 2014         |
| Revenues:                               |  |                                      |              |              |
| Revenues from local sources:            |  |                                      |              |              |
| Other revenues                          | \$ 6,495,876                           | \$ 1,536,869                         | \$ 8,032,745 | \$ 7,808,097 |
| Revenues from state sources:            |  |                                      |              |              |
| Retirement systems employer relief      | --                                     | 216,528                              | 216,528      | 44,674       |
| Total revenues                          | 6,495,876                              | 1,753,397                            | 8,249,273    | 7,852,771    |
| Expenditures:                           |  |                                      |              |              |
| Current:                                |  |                                      |              |              |
| Instruction:                            |  |                                      |              |              |
| Student activities                      | 6,390,466                              | 1,552,738                            | 7,943,204    | 7,687,708    |
| Excess of revenues<br>over expenditures | 105,410                                | 200,659                              | 306,069      | 165,063      |
| Fund balances at beginning of year      | 2,717,086                              | 2,253,173                            | 4,970,259    | 4,805,196    |
| Fund balances at end of year            | \$ 2,822,496                           | \$ 2,453,832                         | \$ 5,276,328 | \$ 4,970,259 |



June 30, 2015  
With Comparative Totals for  
June 30, 2014

DECENTRALIZED STUDENT ACTIVITIES  
BALANCE SHEET - BY DEPARTMENT

|  | High<br>Schools     | Middle<br>Schools | Alternative<br>Schools<br>and Others | Totals              |                     |
|--|---------------------|-------------------|--------------------------------------|---------------------|---------------------|
|  |                     |                   |                                      | 2015                | 2014                |
| <b>Assets</b>                          |                     |                   |                                      |                     |                     |
| Cash and investments                   | \$ 1,957,868        | \$ 663,598        | \$ 265,274                           | \$ 2,886,740        | \$ 2,770,268        |
| Due from General Fund                  | --                  | --                | --                                   | --                  | 14,904              |
| Total assets                           | <u>\$ 1,957,868</u> | <u>\$ 663,598</u> | <u>\$ 265,274</u>                    | <u>\$ 2,886,740</u> | <u>\$ 2,785,172</u> |
| <b>Liabilities</b>                     |                     |                   |                                      |                     |                     |
| Due to General Fund                    | \$ 47,259           | \$ 9,318          | \$ 7,667                             | \$ 64,244           | \$ 68,086           |
| <b>Fund balances</b>                   |                     |                   |                                      |                     |                     |
| Assigned                               | <u>1,910,609</u>    | <u>654,280</u>    | <u>257,607</u>                       | <u>2,822,496</u>    | <u>2,717,086</u>    |
| Total liabilities and<br>fund balances | <u>\$ 1,957,868</u> | <u>\$ 663,598</u> | <u>\$ 265,274</u>                    | <u>\$ 2,886,740</u> | <u>\$ 2,785,172</u> |

For the Year Ended June 30, 2015  
With Comparative Totals  
For the Year Ended June 30, 2014

## DECENTRALIZED STUDENT ACTIVITIES

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BY DEPARTMENT

|  | High<br>Schools | Middle<br>Schools | Alternative<br>Schools<br>and Others | Totals       |              |
|--|-----------------|-------------------|--------------------------------------|--------------|--------------|
|  |                 |                   |                                      | 2015         | 2014         |
| Revenues:  |                 |                   |                                      |              |              |
| Revenues from local sources:                                 |                 |                   |                                      |              |              |
| Other revenues   | \$ 4,874,924    | \$ 1,153,831      | \$ 467,121                           | \$ 6,495,876 | \$ 6,389,684 |
| Expenditures:  |                 |                   |                                      |              |              |
| Current:   |                 |                   |                                      |              |              |
| Instruction:   |                 |                   |                                      |              |              |
| Student Activity   | 4,792,673       | 1,111,198         | 486,595                              | 6,390,466    | 6,292,119    |
| Excess (deficiency) of revenues<br>over (under) expenditures | 82,251          | 42,633            | (19,474)                             | 105,410      | 97,565       |
| Fund balances at beginning of year                           | 1,828,358       | 611,647           | 277,081                              | 2,717,086    | 2,619,521    |
| Fund balances at end of year                                 | \$ 1,910,609    | \$ 654,280        | \$ 257,607                           | \$ 2,822,496 | \$ 2,717,086 |

June 30, 2015  
With Comparative Totals for  
June 30, 2014

## CENTRALIZED STUDENT ACTIVITIES

## BALANCE SHEET - BY DEPARTMENT

|                                     | PTA<br>Support    | Student<br>Activities | Instructional<br>Replacement<br>Fees | Supplemental<br>Sources | Totals              |                     |
|-------------------------------------|-------------------|-----------------------|--------------------------------------|-------------------------|---------------------|---------------------|
|                                     |                   |                       |                                      |                         | 2015                | 2014                |
| <b>Assets</b>                       |                   |                       |                                      |                         |                     |                     |
| Cash and investments                | \$ --             | \$ --                 | \$ --                                | \$ 317,281              | \$ 317,281          | \$ 313,409          |
| Accounts receivable                 | --                | 4,590                 | --                                   | 7,411                   | 12,001              | 12,045              |
| Interest receivable                 | --                | --                    | --                                   | 321                     | 321                 | 2,113               |
| Due from General Fund               | 199,179           | 494,162               | 741,524                              | 703,527                 | 2,138,392           | 2,000,105           |
| Prepaid items                       | --                | 910                   | --                                   | --                      | 910                 | 5,065               |
| Total assets                        | <u>\$ 199,179</u> | <u>\$ 499,662</u>     | <u>\$ 741,524</u>                    | <u>\$ 1,028,540</u>     | <u>\$ 2,468,905</u> | <u>\$ 2,332,737</u> |
| <b>Liabilities</b>                  |                   |                       |                                      |                         |                     |                     |
| Accounts payable                    | \$ --             | \$ 13,072             | \$ --                                | \$ 2,001                | \$ 15,073           | \$ 79,564           |
| <b>Fund balances</b>                |                   |                       |                                      |                         |                     |                     |
| Non-spendable                       | --                | 910                   | --                                   | --                      | 910                 | 5,065               |
| Assigned                            | <u>199,179</u>    | <u>485,680</u>        | <u>741,524</u>                       | <u>1,026,539</u>        | <u>2,452,922</u>    | <u>2,248,108</u>    |
| Total fund balances                 | <u>199,179</u>    | <u>486,590</u>        | <u>741,524</u>                       | <u>1,026,539</u>        | <u>2,453,832</u>    | <u>2,253,173</u>    |
| Total liabilities and fund balances | <u>\$ 199,179</u> | <u>\$ 499,662</u>     | <u>\$ 741,524</u>                    | <u>\$ 1,028,540</u>     | <u>\$ 2,468,905</u> | <u>\$ 2,332,737</u> |

For the Year Ended June 30, 2015  
With Comparative Totals  
For the Year Ended June 30, 2014

## CENTRALIZED STUDENT ACTIVITIES

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BY DEPARTMENT

|  | PTA<br>Support | Student<br>Activities | Instructional<br>Replacement<br>Fees | Supplemental<br>Sources | Totals       |              |
|--|----------------|-----------------------|--------------------------------------|-------------------------|--------------|--------------|
|  |                |                       |                                      |                         | 2015         | 2014         |
| Revenues:  |                |                       |                                      |                         |              |              |
| Revenues from local sources:                                 |                |                       |                                      |                         |              |              |
| Other revenues   | \$ 184,761     | \$ 628,594            | \$ 319,197                           | \$ 404,318              | \$ 1,536,870 | \$ 1,366,326 |
| Revenues from state sources:                                 |                |                       |                                      |                         |              |              |
| Retirement systems employer relief                           | --             | --                    | --                                   | 216,528                 | 216,528      | 24,206       |
| Total revenues   | 184,761        | 628,594               | 319,197                              | 620,846                 | 1,753,398    | 1,390,532    |
| Expenditures:  |                |                       |                                      |                         |              |              |
| Current:   |                |                       |                                      |                         |              |              |
| Instruction:   |                |                       |                                      |                         |              |              |
| Student activities   | 146,643        | 628,805               | 318,719                              | 458,571                 | 1,552,738    | 1,207,127    |
| Excess (deficiency) of revenues<br>over (under) expenditures | 38,118         | (211)                 | 478                                  | 162,275                 | 200,660      | 183,405      |
| Fund balances at beginning of year                           | 161,061        | 486,801               | 741,046                              | 864,264                 | 2,253,172    | 2,002,270    |
| Fund balances at end of year                                 | \$ 199,179     | \$ 486,590            | \$ 741,524                           | \$ 1,026,539            | \$ 2,453,832 | \$ 2,185,675 |

June 30, 2015  
With Comparative Totals for  
June 30, 2014

**BALANCE SHEET**

|  | <u>2015</u>           | <u>2014</u>           |
|--|-----------------------|-----------------------|
| <b>Assets</b>                                      |                       |                       |
| Due from General Fund                              | \$ 373,109            | \$ 609,838            |
| Total assets                                       | <u>\$ 373,109</u>     | <u>\$ 609,838</u>     |
| <b>Liabilities</b>                                 |                       |                       |
| Accounts payable                                   | \$ 8,244              | \$ 10,439             |
| Accrued salaries and related items:                |                       |                       |
| Wages and salaries payable                         | 44,503                | 41,258                |
| Payroll taxes, other accrued and<br>withheld items | <u>31,464</u>         | <u>119,934</u>        |
| Total liabilities                                  | 84,211                | 171,631               |
| <b>Fund balance</b>                                |                       |                       |
| Committed  | --                    | 370,000               |
| Assigned   | <u>288,898</u>        | <u>68,207</u>         |
| Total fund balance                                 | 288,898               | 438,207               |
| <br>Total liabilities and fund balance             | <br><u>\$ 373,109</u> | <br><u>\$ 609,838</u> |

For the Year Ended June 30, 2015  
 With Comparative Totals  
 For the Year Ended June 30, 2014

**SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - GAAP BASIS**

|   | 2015              | 2014              |
|---|-------------------|-------------------|
| Revenues:   |                   |                   |
| Revenues from state sources:  |                   |                   |
| Pupil transportation program  | \$ 22,111,766     | \$ 21,513,609     |
| Transportation routes grant   | 180,000           | 360,000           |
| Retirement system employer relief   | 1,868,955         | 604,297           |
| Total revenues from State   | <u>24,160,721</u> | <u>22,477,906</u> |
| Total revenues  | <u>24,160,721</u> | <u>22,477,906</u> |
| Expenditures:   |                   |                   |
| Current:  |                   |                   |
| Pupil transportation:   |                   |                   |
| General administration  | 1,294,992         | 1,130,055         |
| Bus operations  | 21,410,802        | 20,344,752        |
| Operations and maintenance of plant   | 1,604,236         | 1,456,925         |
| Total expenditures  | <u>24,310,030</u> | <u>22,931,732</u> |
| Deficiency of revenues<br>under expenditures  | (149,309)         | (453,826)         |
| Other financing sources:  |                   |                   |
| Transfers in from General Fund  | --                | 713,175           |
| Total other financing sources   | <u>--</u>         | <u>713,175</u>    |
| Excess (deficiency) of revenues over (under) expenditures<br>and other financing sources (uses) | (149,309)         | 259,349           |
| Fund balance at beginning of year   | 438,207           | 178,858           |
| Fund balance at end of year   | <u>\$ 288,898</u> | <u>\$ 438,207</u> |

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BASIS) AND ACTUAL**

For the Year Ended June 30, 2015

|   | Actual        | Adjustment<br>to Basis of<br>Budgeting | Actual on<br>Basis of<br>Budgeting | Budgeted Amounts |               | Variance<br>with<br>Final<br>Budget<br>Positive<br>(Negative) |
|---|---------------|--|------------------------------------|------------------|---------------|---|
|   |               |  |                                    | Original         | Final         |   |
| Revenues:   |               |  |                                    |                  |               |   |
| Revenues from state sources:  |               |  |                                    |                  |               |   |
| Pupil transportation program  | \$ 22,111,766 | \$ --                                  | \$ 22,111,766                      | \$ 22,226,000    | \$ 22,226,000 | \$ (114,234)  |
| Transportation routes grant   | 180,000       | --                                     | 180,000                            | 180,000          | 180,000       | --  |
| Retirement system employer relief   | 1,868,955     | (1,868,955)                            | --                                 | --               | --            | --  |
| Total revenue from state sources  | 24,160,721    | (1,868,955)                            | 22,291,766                         | 22,406,000       | 22,406,000    | (114,234)   |
| Total revenues  | 24,160,721    | (1,868,955)                            | 22,291,766                         | 22,406,000       | 22,406,000    | (114,234)   |
| Expenditures:   |               |  |                                    |                  |               |   |
| Current:  |               |  |                                    |                  |               |   |
| Pupil transportation:   |               |  |                                    |                  |               |   |
| General administration  |               |  |                                    |                  |               |   |
| Personnel services  | 631,068       | --                                     | 631,068                            | 651,519          | 651,519       | 20,451  |
| Employee benefits   | 660,905       | (255,553)                              | 405,352                            | 419,413          | 419,413       | 14,061  |
| Supplies and materials  | 3,019         | --                                     | 3,019                              | 2,916            | 2,916         | (103)   |
| Total general administration  | 1,294,992     | (255,553)                              | 1,039,439                          | 1,073,848        | 1,073,848     | 34,409  |
| Bus operations  |               |  |                                    |                  |               |   |
| Personnel services  | 3,498,861     | --                                     | 3,498,861                          | 3,357,632        | 3,357,594     | (141,267)   |
| Employee benefits   | 4,545,349     | (1,395,578)                            | 3,149,771                          | 3,234,955        | 3,234,993     | 85,222  |
| Purchased services  | 12,252,423    | 66,000                                 | 12,318,423                         | 12,230,337       | 12,230,923    | (87,500)  |
| Supplies and materials  | 509,383       | 31,954                                 | 541,337                            | 765,020          | 764,434       | 223,097   |
| Capital outlay  | 565,157       | (382,056)                              | 183,101                            | 586,329          | 586,329       | 403,228   |
| Other   | 39,629        | --                                     | 39,629                             | 39,629           | 39,629        | --  |
| Total bus operations  | 21,410,802    | (1,679,680)                            | 19,731,122                         | 20,213,902       | 20,213,902    | 482,780   |
| Operations and maintenance of plant   |               |  |                                    |                  |               |   |
| Personnel services  | 540,692       | --                                     | 540,692                            | 564,567          | 579,135       | 38,443  |
| Employee benefits   | 546,522       | (217,824)                              | 328,698                            | 355,243          | 364,902       | 36,204  |
| Purchased services  | 194,209       | --                                     | 194,209                            | 216,143          | 216,143       | 21,934  |
| Supplies and materials  | 322,813       | (39,338)                               | 283,475                            | 355,544          | 355,544       | 72,069  |
| Total operation and maintenance of plant  | 1,604,236     | (257,162)                              | 1,347,074                          | 1,491,497        | 1,515,724     | 168,650   |
| Total expenditures  | 24,310,030    | (2,192,395)                            | 22,117,635                         | 22,779,247       | 22,803,474    | 685,839   |
| Excess (deficiency) of revenues over (under) expenditures                             | (149,309)     | 323,440                                | 174,131                            | (373,247)        | (397,474)     | 571,605   |
| Other financing sources:  |               |  |                                    |                  |               |   |
| Transfers in from General Fund  | --            | --                                     | --                                 | 373,247          | 397,474       | (397,474)   |
| Total other financing sources   | --            | --                                     | --                                 | 373,247          | 397,474       | (397,474)   |
| Excess (deficiency) of revenues over (under) expenditures and other financing sources | (149,309)     | \$ 323,440                             | \$ 174,131                         | \$ --            | \$ --         | \$ 174,131  |
| Fund balance at beginning of year   | 438,207       |  |                                    |                  |               |   |
| Fund balance at end of year   | \$ 288,898    |  |                                    |                  |               |   |

(Continued)

For the Year Ended June 30, 2015

SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BASIS) AND ACTUAL

BASIS OF BUDGETING - The Pupil Transportation Special Revenue Fund - Schedule of Revenues, Expenditures, and changes in Fund Balance - Budget (Non-GAAP Basis) and Actual has been prepared on a legally prescribed basis of budgeting which differs from accounting principles generally accepted in the United States of America (GAAP). The purpose of the basis of budgeting is to demonstrate compliance with the legal requirements of the local, state, and federal programs. The difference between the two methods is set forth below:

|  |                    |                    |
|--|--------------------|--------------------|
| Revenues reported on the basis of GAAP                           |                    | \$ 24,160,721      |
| Add: budgeted fund balance                                       | \$ --              |                    |
| Deduct: retirement system on-behalf payments                     | <u>(1,868,955)</u> |                    |
|  |                    | <u>(1,868,955)</u> |
| Revenues reported on the basis of budgeting                      |                    | <u>22,291,766</u>  |
| Expenditures reported on the basis of GAAP                       |                    | 24,310,030         |
| Add: current year encumbrances                                   | \$ 99,844          |                    |
| Deduct: expenditures on prior year's encumbrances                | (423,284)          |                    |
| Deduct: retirement system incremental increase (PERS)            | <u>(1,868,955)</u> |                    |
| Expenditures and encumbrances reported on the basis of budgeting |                    | <u>(2,192,395)</u> |
|  |                    | <u>22,117,635</u>  |
| Excess of revenues over expenditures on the basis of budgeting   |                    | <u>\$ 174,131</u>  |



For the Year Ended June 30, 2015

**SCHEDULE OF EXPENDITURES BY FUNCTION,  
ACTIVITY, AND OBJECT - GAAP BASIS**

|                           | <u>Personnel<br/>Services</u> | <u>Employee<br/>Benefits</u> | <u>Purchased<br/>Services</u> | <u>Supplies<br/>and<br/>Materials</u> | <u>Capital<br/>Outlay</u> | <u>Other</u>     | <u>Total</u>         |
|---------------------------|-------------------------------|------------------------------|-------------------------------|---------------------------------------|---------------------------|------------------|----------------------|
| Current:                  |                               |                              |                               |                                       |                           |                  |                      |
| Pupil transportation:     |                               |                              |                               |                                       |                           |                  |                      |
| General administration    | \$ 631,068                    | \$ 660,905                   | \$ --                         | \$ 3,019                              | \$ --                     | \$ --            | \$ 1,294,992         |
| Bus operations            | 3,498,861                     | 4,545,349                    | 12,252,423                    | 509,383                               | 565,157                   | 39,629           | 21,410,802           |
| Operation and maintenance |                               |                              |                               |                                       |                           |                  |                      |
| of plant                  | <u>540,692</u>                | <u>546,522</u>               | <u>194,209</u>                | <u>322,813</u>                        | <u>--</u>                 | <u>--</u>        | <u>1,604,236</u>     |
|                           | <u>\$ 4,670,621</u>           | <u>\$ 5,752,776</u>          | <u>\$ 12,446,632</u>          | <u>\$ 835,215</u>                     | <u>\$ 565,157</u>         | <u>\$ 39,629</u> | <u>\$ 24,310,030</u> |

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## Debt Service Fund

To account for the payment of principal, interest and related fees on general obligation bonded debt.

June 30, 2015  
With Comparative Totals for  
June 30, 2014

**BALANCE SHEET**

|  | <u>2015</u>          | <u>2014</u>          |
|--|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |
| Cash and investments with paying agent                               | \$ 8,269,540         | \$ 13,339,493        |
| Due from other governments:  |                      |                      |
| Municipality of Anchorage  | 19,404,216           | 19,681,712           |
| State of Alaska  | 473,374              | 442,980              |
| Total assets   | <u>\$ 28,147,130</u> | <u>\$ 33,464,185</u> |
| <b>Liabilities</b>   |                      |                      |
| Due to General Fund  | \$ 5,723,826         | \$ 11,049,287        |
| <b>Deferred inflows of resources</b>                                 |                      |                      |
| Debt service tax appropriation                                       | 19,404,216           | 19,681,712           |
| <b>Fund balance</b>  |                      |                      |
| Restricted   | <u>3,019,088</u>     | <u>2,733,186</u>     |
| Total liabilities, deferred inflows of resources<br>and fund balance | <u>\$ 28,147,130</u> | <u>\$ 33,464,185</u> |

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BASIS) AND ACTUAL**

For the Year Ended June 30, 2015

|  | Actual        | Adjustment<br>to Basis of<br>Budgeting | Actual on<br>Basis of<br>Budgeting | Budgeted Amounts |               | Variance<br>with<br>Final<br>Budget<br>Positive<br>(Negative) |
|--|---------------|--|------------------------------------|------------------|---------------|---|
|  |               |  |                                    | Original         | Final         |   |
| Revenues:  |               |  |                                    |                  |               |   |
| Revenues from local sources:   |               |  |                                    |                  |               |   |
| Appropriation from Municipality of Anchorage                               | \$ 39,363,423 | \$ --                                  | \$ 39,363,423                      | \$ 39,363,423    | \$ 39,363,423 | \$ --   |
| Investment income  | 33            | --                                     | 33                                 | --               | --            | 33  |
| Total revenues from local sources  | 39,363,456    | --                                     | 39,363,456                         | 39,363,423       | 39,363,423    | 33  |
| Revenues from state sources:   |               |  |                                    |                  |               |   |
| Aid for school construction  | 47,337,158    | --                                     | 47,337,158                         | 47,847,734       | 47,847,734    | (510,576)   |
| Revenues from federal sources:   |               |  |                                    |                  |               |   |
| BABS subsidy   | 257,300       | --                                     | 257,300                            | 253,277          | 253,277       | 4,023   |
| Total revenues   | 86,957,914    | --                                     | 86,957,914                         | 87,464,434       | 87,464,434    | (506,520)   |
| Expenditures:  |               |  |                                    |                  |               |   |
| Debt service:  |               |  |                                    |                  |               |   |
| Refunding bond issuance cost   | 80,973        | --                                     | 80,973                             | --               | --            | (80,973)  |
| Principal  | 59,290,000    | --                                     | 59,290,000                         | 59,290,000       | 59,290,000    | --  |
| Interest   | 27,385,338    | --                                     | 27,385,338                         | 28,159,434       | 28,159,434    | 774,096   |
| Fiscal agent fees  | 6,547         | --                                     | 6,547                              | 15,000           | 15,000        | 8,453   |
| Total expenditures   | 86,762,858    | --                                     | 86,762,858                         | 87,464,434       | 87,464,434    | 701,576   |
| Excess of revenues over expenditures                                       | 195,056       | --                                     | 195,056                            | --               | --            | 195,056   |
| Other financing sources (uses):  |               |  |                                    |                  |               |   |
| Issuance of refunding bonds  | 37,150,000    | --                                     | 37,150,000                         | --               | --            | (37,150,000)  |
| Premium on issuance of<br>refunding bonds                                  | 5,966,834     | --                                     | 5,966,834                          | --               | --            | (5,966,834)   |
| Payments to refunding escrow   | (43,030,625)  | --                                     | (43,030,625)                       | --               | --            | 43,030,625  |
| Transfers in - Capital Projects Fund                                       | 4,637         | --                                     | 4,637                              | --               | --            | (4,637)   |
| Total other financing sources  | 90,846        | --                                     | 90,846                             | --               | --            | (90,846)  |
| Excess of revenues and other financing<br>sources (uses) over expenditures | 285,902       | \$ --                                  | \$ 285,902                         | \$ --            | \$ --         | \$ 104,210  |
| Restricted fund balance at beginning of year                               | 2,733,186     |  |                                    |                  |               |   |
| Restricted fund balance at end of year                                     | \$ 3,019,088  |  |                                    |                  |               |   |



## Capital Projects Fund

To account for the acquisition and major repair of school facilities and equipment. Capital projects are financed by proceeds from general obligation bonds, local, state and federal grants and transfers from other funds.

June 30, 2015  
With Comparative Totals for  
June 30, 2014

**BALANCE SHEET**

|   | 2015                 | 2014                 |
|---|----------------------|----------------------|
| <b>Assets</b>                                   |                      |                      |
| Cash and investments                            | \$ 24,544,108        | \$ 16,525,088        |
| Cash with paying agent                          | 5,339,092            | 21,637               |
| Accounts receivable                             | 13,621               | 51,943               |
| Interest receivable                             | 29,414               | 6,041                |
| Due from General Fund                           | 15,491,257           | 23,171,399           |
| Due from other governments:                     |                      |                      |
| Municipality of Anchorage                       | 204,966              | 1,051,132            |
| State of Alaska                                 | 1,519,248            | 1,417,604            |
| United States Government                        | 33,318               | 10,304               |
| Prepaid items                                   | --                   | 251                  |
| Total assets                                    | <u>\$ 47,175,024</u> | <u>\$ 42,255,399</u> |
| <b>Liabilities</b>                              |                      |                      |
| Accounts payable                                | \$ 808,606           | \$ 498,114           |
| Contracts payable                               | 4,706,613            | 7,359,638            |
| Accrued salaries and related items:             |                      |                      |
| Wages and salaries payable                      | 91,870               | 55,980               |
| Payroll taxes, other accrued and withheld items | 64,950               | 27,106               |
| Unearned revenue                                | 1,607,242            | 9,216,872            |
| Total liabilities                               | <u>7,279,281</u>     | <u>17,157,710</u>    |
| <b>Fund balance</b>                             |                      |                      |
| Non-spendable                                   | --                   | 251                  |
| Committed                                       | 39,895,743           | 25,097,438           |
| Total fund balance                              | <u>39,895,743</u>    | <u>25,097,689</u>    |
| Total liabilities and fund balance              | <u>\$ 47,175,024</u> | <u>\$ 42,255,399</u> |

For the Year Ended June 30, 2015  
 With Comparative Totals  
 For the Year Ended June 30, 2014

**SCHEDULE OF REVENUES,  
 EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - GAAP BASIS**

|  | 2015          | 2014          |
|--|---------------|---------------|
| Revenues:  |               |               |
| Revenues from local sources:   |               |               |
| Investment income  | \$ 58,851     | \$ 19,982     |
| Other revenues   | 10,196        | 93,680        |
| Total revenues from local sources  | 69,047        | 113,662       |
| Revenues from state sources:   |               |               |
| State/Municipal grants   | 24,550,309    | 16,232,479    |
| Retirement systems employer relief   | 1,069,723     | 241,282       |
| Total revenues from state sources  | 25,620,032    | 16,473,761    |
| Revenues from federal sources:   |               |               |
| Federal Impact Aid   | 632,445       | 110,371       |
| Federal capital grants   | 33,318        | 59,058        |
| Total revenues from federal sources  | 665,763       | 169,429       |
| Total revenues   | 26,354,842    | 16,756,852    |
| Expenditures:  |               |               |
| Bond issuance cost   | 126,566       | 180,923       |
| Capital outlays:   |               |               |
| Secondary schools  | 37,764,458    | 29,091,054    |
| Elementary schools   | 37,768,811    | 15,884,006    |
| Other capital outlays  | 6,023,515     | 3,068,704     |
| Total capital outlays  | 81,556,784    | 48,043,764    |
| Total expenditures   | 81,683,350    | 48,224,687    |
| Deficiency of revenues under expenditures  | (55,328,508)  | (31,467,835)  |
| Other financing sources and (uses):  |               |               |
| Issuance of general obligation bonds   | 59,075,000    | 39,345,000    |
| Premium on issuance of general obligation bonds  | 11,056,199    | 3,845,552     |
| Transfers in - General Fund  | --            | 1,450,000     |
| Transfers out - Debt Service Fund  | (4,637)       | (9,635)       |
| Total other financing sources and (uses)   | 70,126,562    | 44,630,917    |
| Deficiency of revenues and other<br>financing sources under expenditures<br>and other financing uses | 14,798,054    | 13,163,082    |
| Fund balance at beginning of year  | 25,097,689    | 11,934,607    |
| Fund balance at end of year  | \$ 39,895,743 | \$ 25,097,689 |



For the Period Ended June 30, 2015

**SCHEDULE OF EXPENDITURES - PROJECT  
AUTHORIZATION AND ACTUAL (GAAP BASIS)**

|                                   | Prior<br>Years | Total<br>Current<br>Expenditures | Total<br>Expenditures | GFA<br>Additions | Ending<br>Balance | Project<br>Authorization | Variance<br>favorable<br>(unfavorable) |
|-----------------------------------|----------------|----------------------------------|-----------------------|------------------|-------------------|--------------------------|--|
| Capital outlays:                  |                |                                  |                       |                  |                   |                          |  |
| Secondary schools:                |                |                                  |                       |                  |                   |                          |  |
| Bartlett Senior High              | \$ 19,985      | \$ 1,330,123                     | \$ 1,350,108          | \$ 1,349,793     | \$ 315            | \$ 6,648,331             | \$ 5,298,223                           |
| Begich Middle School              | 328            | 182,781                          | 183,109               | 183,110          | 1                 | 1,691,646                | 1,508,537                              |
| Benny Benson Secondary            | --             | 120,581                          | 120,581               | 120,581          | --                | 192,255                  | 71,674                                 |
| Central Middle School             | 561            | 66,576                           | 67,137                | 66,576           | 560               | 3,864,011                | 3,796,874                              |
| Chugiak Senior High               | 342            | 805,493                          | 805,835               | 805,541          | 295               | 3,353,609                | 2,547,774                              |
| Clark Middle School               | 952            | --                               | 952                   | --               | 952               | 14,353                   | 13,401                                 |
| Dimond Senior High                | 2,099          | 118,728                          | 120,827               | 118,728          | 2,100             | 853,425                  | 732,598                                |
| Eagle River Senior High           | 4,948          | 1,357,098                        | 1,362,046             | 1,341,616        | 20,429            | 1,463,669                | 101,623                                |
| East Senior High                  | 6,968          | 774,891                          | 781,859               | 774,891          | 6,969             | 2,989,926                | 2,208,067                              |
| Goldenview Middle School          | 2,930          | 233,842                          | 236,772               | 233,842          | 2,930             | 656,428                  | 419,656                                |
| Ernest Gruening Middle School     | 1,909          | 567,299                          | 569,208               | 567,820          | 1,385             | 3,772,769                | 3,203,561                              |
| U. S. Hanshew Middle School       | 3,000          | 439,963                          | 442,963               | 439,963          | 3,000             | 898,491                  | 455,528                                |
| Martin Luther King, Jr.           |                |                                  |                       |                  |                   |                          |  |
| Career Center                     | 1              | 70,980                           | 70,981                | 70,980           | --                | 584,699                  | 513,718                                |
| Jane Mears Middle School          | --             | 525,471                          | 525,471               | 525,471          | --                | 1,192,418                | 666,947                                |
| Mirror Lake Middle School         | --             | 36,103                           | 36,103                | 36,103           | --                | 76,491                   | 40,388                                 |
| Romig Middle School               | 18,001         | 643,893                          | 661,894               | 643,893          | 18,000            | 938,705                  | 276,811                                |
| Save Alternative                  | --             | 5,522                            | 5,522                 | 5,522            | --                | 164,551                  | 159,029                                |
| Service Senior High               | 83,208         | 16,566,563                       | 16,649,771            | 16,577,929       | 71,843            | 22,374,542               | 5,724,771                              |
| South Anchorage Senior High       | 3,885          | 843,450                          | 847,335               | 843,450          | 3,885             | 3,118,576                | 2,271,241                              |
| Steller Alternative               | 6,477          | 733,030                          | 739,507               | 739,508          | --                | 2,226,041                | 1,486,534                              |
| Wendler Middle School             | 12,075         | 36,199                           | 48,274                | 36,199           | 12,075            | 2,579,444                | 2,531,170                              |
| West Senior High                  | 947            | 11,805,581                       | 11,806,528            | 11,805,581       | --                | 26,077,315               | 14,270,787                             |
| Whaley Center                     | --             | 4,961                            | 4,961                 | 4,961            | 947               | 317,825                  | 312,864                                |
| Retirement system employer relief | --             | 495,330                          | 495,330               | --               | --                | --                       | --                                     |
| Total secondary schools           | 168,616        | 37,764,458                       | 37,933,074            | 37,292,058       | 145,686           | 86,049,520               | 48,611,776                             |
| Elementary schools:               |                |                                  |                       |                  |                   |                          |  |
| Abbott Loop                       | 686            | 12,969                           | 13,655                | 12,969           | 686               | 447,856                  | 434,201                                |
| Airport Heights                   | 2,038          | 1,469,855                        | 1,471,893             | 1,469,929        | 1,963             | 22,952,793               | 21,480,900                             |
| Alpenglow                         | --             | 83,134                           | 83,134                | 83,134           | --                | 603,716                  | 520,582                                |
| Aquarian Charter                  | 113            | 56,659                           | 56,772                | 56,658           | 113               | 88,508                   | 31,736                                 |
| Aurora                            | --             | 3,299,232                        | 3,299,232             | 3,299,232        | --                | 5,451,080                | 2,151,848                              |
| Baxter                            | 2,991          | 28,279                           | 31,270                | 28,279           | 2,990             | 151,163                  | 119,893                                |
| Bayshore                          | 37             | 1,080,694                        | 1,080,731             | 1,080,694        | 37                | 6,426,185                | 5,345,454                              |
| Bear Valley                       | --             | 468,534                          | 468,534               | 468,534          | --                | 667,198                  | 198,664                                |
| Birchwood                         | 500            | 26,520                           | 27,020                | 26,520           | 500               | 123,232                  | 96,212                                 |
| Willard Bowman                    | (192)          | 65,633                           | 65,441                | 65,633           | (193)             | 415,799                  | 350,358                                |
| Campbell                          | --             | 63,025                           | 63,025                | 63,025           | --                | 315,541                  | 252,516                                |
| Chester Valley                    | 10,000         | --                               | 10,000                | --               | 10,000            | 14,092                   | 4,092                                  |
| Chinook                           | 1,441          | 82,594                           | 84,035                | 82,594           | 1,440             | 420,825                  | 336,790                                |
| Chugach                           | --             | 40,596                           | 40,596                | 40,596           | --                | 153,923                  | 113,327                                |
| Chugiak                           | 13,000         | 310,281                          | 323,281               | 323,282          | --                | 366,179                  | 42,898                                 |
| College Gate                      | 64,846         | 394,683                          | 459,529               | 459,529          | --                | 1,422,901                | 963,372                                |
| Creekside Park                    | 2,434          | 23,854                           | 26,288                | 23,854           | 2,434             | 281,638                  | 255,350                                |
| Denali                            | --             | 40,236                           | 40,236                | 40,236           | --                | 60,499                   | 20,263                                 |
| Eagle River                       | --             | 486,431                          | 486,431               | 486,431          | --                | 5,858,259                | 5,371,828                              |
| Fairview                          | --             | 23,302                           | 23,302                | 23,302           | --                | 274,535                  | 251,233                                |
| Fire Lake                         | --             | 21,475                           | 21,475                | 21,475           | --                | 992,979                  | 971,504                                |
| Girdwood                          | 60,120         | 16,594,293                       | 16,654,413            | 16,654,093       | 320               | 22,434,220               | 5,779,807                              |
| Gladys Wood                       | 4,063          | 957,683                          | 961,746               | 957,683          | 4,063             | 19,504,710               | 18,542,964                             |
| Government Hill                   | --             | 3,599                            | 3,599                 | 3,599            | --                | 175,286                  | 171,687                                |
| Homestead                         | --             | 173,417                          | 173,417               | 173,417          | --                | 148,277                  | (25,140)                               |
| Huffman                           | 1,970          | 1,012,703                        | 1,014,673             | 1,012,747        | 1,926             | 7,747,772                | 6,733,099                              |
| Inlet View                        | --             | 183,432                          | 183,432               | 183,432          | --                | 993,929                  | 810,497                                |
| Kasuun                            | 120            | 10,129                           | 10,249                | 10,129           | 121               | 115,432                  | 105,183                                |

(Continued)

For the Period Ended June 30, 2015

**SCHEDULE OF EXPENDITURES - PROJECT  
AUTHORIZATION AND ACTUAL (GAAP BASIS) (Continued)**

|  | Prior<br>Years | Total<br>Current<br>Expenditures | Total<br>Expenditures | GFA<br>Additions | Ending<br>Balance | Project<br>Authorization | Variance<br>favorable<br>(unfavorable) |
|--|----------------|----------------------------------|-----------------------|------------------|-------------------|--------------------------|--|
| Kincaid  | \$ --          | \$ 33,318                        | \$ 33,318             | \$ 33,318        | \$ --             | \$ 47,053                | \$ 13,735                              |
| Klatt  | 1,200          | 15,229                           | --                    | 15,229           | 1,200             | 353,322                  | 353,322                                |
| Lake Hood  | --             | 102,341                          | 102,341               | 102,341          | --                | 363,731                  | 261,390                                |
| Lake Otis  | --             | 22,450                           | 22,450                | 22,450           | --                | 31,952                   | 9,502                                  |
| Mt. Spurr  | --             | 30,628                           | --                    | 30,628           | --                | 284,993                  | 284,993                                |
| Mt. View   | 455            | 1,032,476                        | 1,032,931             | 1,032,476        | 456               | 14,486,122               | 13,453,191                             |
| Mt. Illiamna                                     | 56,224         | 656,731                          | 56,224                | 656,731          | 56,224            | 1,899,781                | 1,843,557                              |
| Muldoon  | --             | 36,368                           | --                    | 36,368           | --                | 124,419                  | 124,419                                |
| North Star                                       | 19             | 23,504                           | 23,523                | 23,504           | 19                | 229,374                  | 205,851                                |
| Northern Lights                                  | --             | --                               | --                    | --               | --                | 18,713                   | 18,713                                 |
| Northwood  | --             | 350,281                          | --                    | 350,281          | --                | 1,389,856                | 1,389,856                              |
| Nunaka Valley                                    | 1,785          | 577,324                          | --                    | 577,324          | 1,785             | 921,206                  | 921,206                                |
| Ocean View                                       | 411            | 10,189                           | --                    | 10,189           | 411               | 142,174                  | 142,174                                |
| O'Malley   | 336            | 1,037,674                        | 1,038,010             | 1,037,674        | 337               | 2,501,535                | 1,463,525                              |
| Orion  | --             | 171,953                          | --                    | 171,953          | --                | 579,368                  | 579,368                                |
| Polaris K-12                                     | --             | 153,862                          | --                    | 153,862          | --                | 602,980                  | 602,980                                |
| Ptarmigan  | 2,000          | 371                              | 2,371                 | 371              | 2,000             | 104,707                  | 102,336                                |
| Rabbit Creek                                     | --             | 1,261,474                        | --                    | 1,261,474        | --                | 13,100,345               | 13,100,345                             |
| Ravenwood  | --             | 75,889                           | --                    | 75,889           | --                | 110,499                  | 110,499                                |
| Rogers Park                                      | --             | 155,008                          | --                    | 155,008          | --                | 532,906                  | 532,906                                |
| Russian Jack                                     | --             | --                               | --                    | --               | --                | 97,095                   | 97,095                                 |
| Sand Lake  | --             | 56,166                           | --                    | 56,166           | --                | 103,153                  | 103,153                                |
| Scenic Park                                      | --             | 156,638                          | --                    | 156,638          | --                | 525,416                  | 525,416                                |
| Spring Hill                                      | --             | 677,746                          | --                    | 677,746          | --                | 1,068,288                | 1,068,288                              |
| Susitna  | --             | 567,246                          | --                    | 567,246          | --                | 4,998,002                | 4,998,002                              |
| Taku   | 100            | 161                              | 261                   | 161              | 100               | 39,367                   | 39,106                                 |
| Trailside  | --             | 27,350                           | --                    | 27,350           | --                | 158,797                  | 158,797                                |
| Tudor  | 963            | 257,581                          | 258,544               | 257,581          | 963               | 1,097,465                | 838,921                                |
| Turnagain  | 24,098         | 1,364,899                        | 1,388,997             | 1,388,997        | --                | 17,401,702               | 16,012,705                             |
| Ursa Major                                       | --             | 108,433                          | --                    | 108,433          | --                | 337,034                  | 337,034                                |
| Ursa Minor                                       | --             | 5,918                            | --                    | 5,918            | --                | 81,945                   | 81,945                                 |
| William Tyson                                    | --             | 110,514                          | 110,514               | 110,514          | --                | 911,657                  | 801,143                                |
| Williwaw   | --             | --                               | --                    | --               | --                | 3,212                    | 3,212                                  |
| Willow Crest                                     | --             | 1,176                            | --                    | 1,176            | --                | 309,121                  | 309,121                                |
| Wonder Park                                      | 3,349          | 1,179,284                        | 1,182,633             | 1,182,633        | --                | 3,351,963                | 2,169,330                              |
| Retirement system employer relief                | --             | 495,387                          | 495,387               | --               | --                | --                       | --                                     |
| Total elementary schools                         | 255,107        | 37,768,811                       | 32,924,913            | 37,438,635       | 89,895            | 166,917,780              | 134,488,254                            |
| Other capital outlays:                           |                |                                  |                       |                  |                   |                          |  |
| Chugiak/Eagle River Site                         |                |                                  |                       |                  |                   |                          |  |
| Acquisition                                      | --             | --                               | --                    | --               | --                | 1                        | 1                                      |
| Administration                                   | 15,965         | 81,896                           | 97,861                | --               | 108,006           | 876,645                  | 778,784                                |
| District-wide Asbestos/Life Safety               | 168,051        | --                               | 168,051               | --               | 168,051           | 192,364                  | --                                     |
| District-wide Building Life Extension            | 358,368        | --                               | 358,368               | --               | 276,756           | 479,492                  | 121,124                                |
| District-wide CTE                                | (81,612)       | --                               | --                    | --               | --                | 1,002,019                | 1,002,019                              |
| District-wide deferred maint, Cost savings, ops. | --             | --                               | --                    | --               | --                | 3,466,947                | 3,466,947                              |
| District-wide Emergency Preparation              | --             | --                               | --                    | --               | --                | 289,166                  | --                                     |
| District-wide Facility Assessments               | --             | 104,824                          | --                    | 104,824          | --                | 278,676                  | 278,676                                |
| District-wide Security Systems                   | 870            | 3,860,996                        | 3,861,866             | 3,860,996        | 870               | 5,412,366                | 1,550,500                              |
| District-wide Federal Impact Aid                 | --             | --                               | --                    | --               | --                | 517,422                  | 517,422                                |
| District-wide Library Books                      | --             | --                               | --                    | --               | --                | (130)                    | (130)                                  |
| District-wide Underground Storage Tank Removal   | 303            | 25,680                           | 25,983                | 25,680           | 303               | 545,129                  | 519,146                                |

(Continued)

## SCHEDULE OF EXPENDITURES - PROJECT

For the Period Ended June 30, 2015

## AUTHORIZATION AND ACTUAL (GAAP BASIS) (Continued)

|                                   | Prior<br>Years | Total<br>Current<br>Expenditures | Total<br>Expenditures | GFA<br>Additions | Ending<br>Balance | Project<br>Authorization | Variance<br>favorable<br>(unfavorable) |
|-----------------------------------|----------------|----------------------------------|-----------------------|------------------|-------------------|--------------------------|--|
| District-wide                     |                |                                  |                       |                  |                   |                          |  |
| Electric/Switch Upgrades          | \$ 9,836       | \$ 1,319,912                     | \$ 1,329,748          | \$ 1,319,912     | \$ 9,848          | \$ 1,621,836             | \$ 292,088                             |
| District-wide Maintenance         |                |                                  |                       |                  |                   |                          |  |
| Equipment                         | --             | --                               | --                    | --               | --                | 11,851                   | 11,851                                 |
| Data Center                       | (2,772)        | --                               | (2,772)               | --               | --                | --                       | 2,772                                  |
| District-wide Mechanical Upgrades | 47,814         | --                               | 47,814                | --               | 47,801            | 1,873,680                | 1,825,866                              |
| District-wide Relocatables        | --             | 277,773                          | --                    | 277,773          | --                | 359,679                  | 359,679                                |
| District-wide Roof Replacement    | --             | --                               | --                    | --               | --                | 26,268                   | 26,268                                 |
| District-wide Site Acquisition    | --             | --                               | --                    | --               | --                | 1                        | 1                                      |
| Facilities/Maintenance            | 10,144         | --                               | 10,144                | --               | --                | 71                       | (10,073)                               |
| Information Technology            | --             | 141,573                          | --                    | 141,573          | (2,772)           | 1,206,394                | 1,206,394                              |
| Pupil Transportation              | --             | --                               | --                    | --               | --                | 300,150                  | 300,150                                |
| Southwest Area Site               |                |                                  |                       |                  |                   |                          |  |
| Acquisition                       | --             | --                               | --                    | --               | --                | 22,480                   | 22,480                                 |
| Special Ed Health Services        | --             | --                               | --                    | --               | --                | 35,587                   | 35,587                                 |
| Student Nutrition                 | 595            | 131,855                          | --                    | 131,855          | 595               | 852,597                  | 852,597                                |
| Vehicles Maintenance              | --             | --                               | --                    | --               | --                | 1                        | 1                                      |
| Warehouse                         | --             | --                               | --                    | --               | --                | 15,032                   | 15,032                                 |
| Retirement system employer relief | --             | 79,006                           | 79,006                | --               | --                | --                       | --                                     |
| Total other capital outlays       | 527,562        | 6,023,515                        | 5,976,069             | 5,862,613        | 609,458           | 19,385,724               | 13,175,182                             |
| Total capital outlays             | \$ 951,285     | \$ 81,556,784                    | \$ 76,834,056         | \$ 80,593,306    | \$ 845,039        | \$ 272,353,024           | \$ 196,275,212                         |

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## **Internal Service Funds**

To account for the financing of goods or services provided by one department to other departments on a cost reimbursement basis.

### **Equipment Replacement Fund**

To account for the management and replacement of the General Fund's equipment and vehicles.

### **Health Insurance Fund**

To account for the support services employees' health insurance plan.

### **Compensated Absences Fund**

To account for employees' earned and used leave.

June 30, 2015  
With Comparative Totals for  
June 30, 2014

## INTERNAL SERVICE FUNDS

## COMBINING STATEMENT OF NET POSITION

|   |                          |                     |                         | Total Internal Service Funds |               |
|---|--------------------------|---------------------|-------------------------|------------------------------|---------------|
|   | Equipment<br>Replacement | Health<br>Insurance | Compensated<br>Absences | 2015                         | 2014          |
| <b>Assets</b>   |                          |                     |                         |                              |               |
| Current Assets:   |                          |                     |                         |                              |               |
| Investments   | \$ 8,663,866             | \$ 12,424,900       | \$ 11,053,154           | \$ 32,141,920                | \$ 22,452,523 |
| Accounts receivable                                       | 5,518                    | 15,277              | --                      | 20,795                       | 1,257,777     |
| Due from general fund                                     | --                       | --                  | --                      | --                           | 10,861,618    |
| Total current assets                                      | 8,669,384                | 12,440,177          | 11,053,154              | 32,162,715                   | 34,571,918    |
| Non-current assets:                                       |                          |                     |                         |                              |               |
| Machinery and equipment                                   | 31,848,886               | --                  | --                      | 31,848,886                   | 29,618,369    |
| Accumulated depreciation                                  | (23,789,160)             | --                  | --                      | (23,789,160)                 | (22,743,048)  |
| Total capital assets (net of<br>accumulated depreciation) | 8,059,726                | --                  | --                      | 8,059,726                    | 6,875,321     |
| Total assets  | 16,729,110               | 12,440,177          | 11,053,154              | 40,222,441                   | 41,447,239    |
| <b>Liabilities</b>  |                          |                     |                         |                              |               |
| Current liabilities:                                      |                          |                     |                         |                              |               |
| Medical claims and other payables                         | --                       | 6,221,457           | --                      | 6,221,457                    | 4,377,862     |
| Accrued compensated absences                              | --                       | --                  | 6,027,811               | 6,027,811                    | 5,702,208     |
| Total current liabilities                                 | --                       | 6,221,457           | 6,027,811               | 12,249,268                   | 10,080,070    |
| Non-current liabilities:                                  |                          |                     |                         |                              |               |
| Other contractual obligations payable                     | --                       | --                  | --                      | --                           | 2,497,730     |
| Accrued compensated absences                              | --                       | --                  | 5,025,343               | 5,025,343                    | 5,159,410     |
| Total non-current liabilities                             | --                       | --                  | 5,025,343               | 5,025,343                    | 7,657,140     |
| Total liabilities   | --                       | 6,221,457           | 11,053,154              | 17,274,611                   | 17,737,210    |
| <b>Net Position</b>                                       |                          |                     |                         |                              |               |
| Investment in capital assets                              | 8,059,726                | --                  | --                      | 8,059,726                    | 6,875,321     |
| Unrestricted  | 8,669,384                | 6,218,720           | --                      | 14,888,104                   | 16,834,708    |
| Total net position  | \$ 16,729,110            | \$ 6,218,720        | \$ --                   | \$ 22,947,830                | \$ 23,710,029 |

For the Year Ended June 30, 2015  
With Comparative Totals  
For the Year Ended June 30, 2014

## INTERNAL SERVICE FUNDS

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION

|  | Equipment<br>Replacement | Health<br>Insurance | Compensated<br>Absences | Total Internal Service Funds |                      |
|--|--------------------------|---------------------|-------------------------|------------------------------|----------------------|
|  |                          |                     |                         | 2015                         | 2014                 |
| Operating revenues:  |                          |                     |                         |                              |                      |
| Charges for services   | \$ 1,516,326             | \$ --               | \$ --                   | \$ 1,516,326                 | \$ 1,281,803         |
| Charges for health insurance services                          | --                       | 34,285,197          | --                      | 34,285,197                   | 33,152,418           |
| Charges for accrued compensated absences                       | --                       | --                  | 13,219,517              | 13,219,517                   | 12,275,732           |
| Total operating revenues                                       | <u>1,516,326</u>         | <u>34,285,197</u>   | <u>13,219,517</u>       | <u>49,021,040</u>            | <u>46,709,953</u>    |
| Operating expenses:  |                          |                     |                         |                              |                      |
| Depreciation   | 1,516,326                | --                  | --                      | 1,516,326                    | 1,281,803            |
| Costs of services  | --                       | 120,900             | --                      | 120,900                      | 135,841              |
| Medical plan administration                                    | --                       | 5,413,714           | --                      | 5,413,714                    | 2,700,378            |
| Medical claims   | --                       | 31,116,612          | --                      | 31,116,612                   | 31,606,302           |
| Compensated absences expense                                   | --                       | --                  | 13,324,126              | 13,324,126                   | 12,275,732           |
| Total operating expenses                                       | <u>1,516,326</u>         | <u>36,651,226</u>   | <u>13,324,126</u>       | <u>51,491,678</u>            | <u>48,000,056</u>    |
| Operating gain (loss)  | <u>--</u>                | <u>(2,366,029)</u>  | <u>(104,609)</u>        | <u>(2,470,638)</u>           | <u>(1,290,103)</u>   |
| Non-operating revenues:  |                          |                     |                         |                              |                      |
| Gain on sale of capital assets                                 | 24,618                   | --                  | --                      | 24,618                       | 4,677                |
| Insurance proceeds   | --                       | --                  | --                      | --                           | 24,258               |
| Investment income  | 54,819                   | 108,775             | 76,760                  | 240,354                      | 332,525              |
| Total non-operating revenues                                   | <u>79,437</u>            | <u>108,775</u>      | <u>76,760</u>           | <u>264,972</u>               | <u>361,460</u>       |
| Total income (loss) before capital contributions and transfers | <u>79,437</u>            | <u>(2,257,254)</u>  | <u>(27,849)</u>         | <u>(2,205,666)</u>           | <u>(928,643)</u>     |
| Capital contributions and transfers                            | 715,618                  | --                  | --                      | 715,618                      | 341,401              |
| Transfers in - General Fund                                    | <u>700,000</u>           | <u>--</u>           | <u>27,849</u>           | <u>727,849</u>               | <u>--</u>            |
| Total capital contributions and transfers                      | <u>1,415,618</u>         | <u>--</u>           | <u>27,849</u>           | <u>1,443,467</u>             | <u>341,401</u>       |
| Changes in net position  | 1,495,055                | (2,257,254)         | --                      | (762,199)                    | (587,242)            |
| Net position at beginning of year                              | <u>15,234,055</u>        | <u>8,475,974</u>    | <u>--</u>               | <u>23,710,029</u>            | <u>24,297,271</u>    |
| Net position at end of year                                    | <u>\$ 16,729,110</u>     | <u>\$ 6,218,720</u> | <u>\$ --</u>            | <u>\$ 22,947,830</u>         | <u>\$ 23,710,029</u> |

For the Year Ended June 30, 2015

## INTERNAL SERVICE FUNDS

With Comparative Totals

For the Year Ended June 30, 2014

## STATEMENT OF CASH FLOWS

|   | Equipment<br>Replacement | Health<br>Insurance   | Compensated<br>Absences | Total Internal Service Funds |                     |
|---|--------------------------|-----------------------|-------------------------|------------------------------|---------------------|
|   |                          |                       |                         | 2015                         | 2014                |
| Cash flows from operating activities:   |                          |                       |                         |                              |                     |
| Receipts from interfund activities  | \$ 1,516,326             | \$ 34,285,197         | \$ 13,219,517           | \$ 49,021,040                | \$ 46,710,962       |
| Payments for interfund services used  | --                       | --                    | (13,132,590)            | (13,132,590)                 | --                  |
| Payments for medical claims and other health insurance activity                               | --                       | (35,850,361)          | --                      | (35,850,361)                 | (46,823,320)        |
| Net cash flows provided by operating activities   | <u>1,516,326</u>         | <u>(1,565,164)</u>    | <u>86,927</u>           | <u>38,089</u>                | <u>(112,358)</u>    |
| Cash flows from non-capital financing activities:   |                          |                       |                         |                              |                     |
| Transfer from other funds   | 700,000                  | --                    | 27,849                  | 727,849                      | --                  |
| Increase in due from other funds  | --                       | --                    | --                      | --                           | (390,123)           |
| Net cash provided by financing activities   | <u>700,000</u>           | <u>--</u>             | <u>27,849</u>           | <u>727,849</u>               | <u>(390,123)</u>    |
| Cash flows from capital and related financing activities:                                     |                          |                       |                         |                              |                     |
| Acquisition of capital assets   | (2,197,614)              | --                    | --                      | (2,197,614)                  | (2,174,023)         |
| Sale of capital assets  | 19,101                   | --                    | --                      | 19,101                       | 32,112              |
| Insurance proceeds  | --                       | --                    | --                      | --                           | 24,258              |
| Net cash used in capital and financing activities   | <u>(2,178,513)</u>       | <u>--</u>             | <u>--</u>               | <u>(2,178,513)</u>           | <u>(2,117,653)</u>  |
| Cash flows from investing activities:   |                          |                       |                         |                              |                     |
| Sales (Purchases) of investments  | (92,632)                 | 1,456,389             | (191,536)               | 1,172,221                    | 2,287,609           |
| Interest earnings received  | 54,819                   | 108,775               | 76,760                  | 240,354                      | 332,525             |
| Net cash used in investing activities   | <u>(37,813)</u>          | <u>1,565,164</u>      | <u>(114,776)</u>        | <u>1,412,575</u>             | <u>2,620,134</u>    |
| Net increase in cash  | --                       | --                    | --                      | --                           | --                  |
| Cash at beginning of year   | --                       | --                    | --                      | --                           | --                  |
| Cash at end of year   | <u>\$ --</u>             | <u>\$ --</u>          | <u>\$ --</u>            | <u>\$ --</u>                 | <u>\$ --</u>        |
| Reconciliation of operating income to net cash provided (used) by operating activities:       |                          |                       |                         |                              |                     |
| Operating loss  | \$ --                    | \$ (2,366,029)        | \$ (104,609)            | \$ (2,470,638)               | \$ (1,290,103)      |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities |                          |                       |                         |                              |                     |
| Depreciation expense  | 1,516,326                | --                    | --                      | 1,516,326                    | 1,281,803           |
| Change in assets and liabilities  |                          |                       |                         |                              |                     |
| Receivables, net  | --                       | 1,242,500             | --                      | 1,242,500                    | (94,436)            |
| Accounts and other payables   | --                       | (441,635)             | 191,536                 | (250,099)                    | (9,622)             |
| Net cash provided by operating activities   | <u>\$ 1,516,326</u>      | <u>\$ (1,565,164)</u> | <u>\$ 86,927</u>        | <u>\$ 38,089</u>             | <u>\$ (112,358)</u> |
| Non-cash investing, capital and financing activities:   |                          |                       |                         |                              |                     |
| Contributed capital and equipment   | <u>\$ 715,618</u>        | <u>\$ --</u>          | <u>\$ --</u>            | <u>\$ 715,618</u>            | <u>\$ 341,401</u>   |



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CAER



## Statistical Section

**FINANCIAL TRENDS**

**These schedules contain trend information to help understand how our financial performance and well-being have changed over time.**

| <u>Table</u> |   | <u>Page</u> |
|--------------|---|-------------|
| AA           | Statement of Net Position - Last Ten Years.....   | 131         |
| BB           | Statement of Activities and Change in Net Position - Last Ten Years.....                                    | 132         |
| CC           | Fund Balance, Governmental Funds - Last Ten Years.....  | 134         |
| DD           | Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Last Ten Years..... | 136         |
| EE           | Government-wide Expenses by Function - Last Ten Years.....  | 138         |
| FF           | Government-wide Revenues by Function - Last Ten Years.....  | 139         |
| GG           | General Expenditures by Function - Last Ten Years .....   | 140         |
| HH           | General Revenues by Source - Last Ten Years .....   | 141         |

**REVENUE CAPACITY**

**These schedules contain information to help assess our most significant local revenue source, the property tax.**

|    |  |     |
|----|--|-----|
| II | Assessed and Actual Value of Taxable Property - Last Ten Years .....                                     | 142 |
| JJ | Property Tax Rates and Tax Levies Direct and Overlapping Governments Service Funds - Last Ten Years..... | 143 |
| KK | Principal Property Tax Payers - Current and Nine Years Ago.....  | 144 |
| LL | Property Tax Levies and Collections - Last Ten Years .....   | 145 |

**DEBT CAPACITY**

**These schedules present information to help assess the affordability of our current levels of outstanding debt and our ability to issue additional debt in the future.**

|    |   |     |
|----|---|-----|
| MM | Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt<br>Per Capita and Per Student - Last Ten Years ..... | 146 |
| NN | Computation of Direct and Overlapping Debt, and Legal Debt Margin .....   | 147 |
| OO | Ratio of Annual Debt Service Expenditures for General Bonded Debt to<br>Total General Expenditures - Last Ten Years .....   | 148 |

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

**These schedules offer demographic and economic indicators to help understand the environment with which our financial activities take place.**

|    |   |     |
|----|---|-----|
| PP | Demographic Statistics - Last Ten Years .....   | 149 |
| QQ | Principal Employment by Industry - Current and Nine Years Ago.....  | 150 |
| RR | Average General Expenditures Per Pupil - Last Ten Years .....   | 151 |
| SS | Average Daily Membership as Compared to Assessed Valuation Showing<br>Assessed Valuation Support Per Student - Last Ten Years ..... | 152 |
| TT | Authorized Positions by Category - General Operations - Last Ten Years .....  | 153 |
| UU | Teacher Education and Salary Information - Current Year.....  | 154 |
| VV | Average Daily Membership and Pupil to Classroom Teacher Ratio - Last Ten Years .....  | 155 |

**OPERATING INFORMATION**

**These schedules contain service and infrastructure data to help understand how the information in our report relates to the services provided and the activities performed.**

|    |  |     |
|----|--|-----|
| WW | Facility Utilization and School Buildings - Last Ten Years .....         | 156 |
| XX | Student Nutrition Local Revenues - Last Ten Years.....                   | 157 |
| YY | Miscellaneous Statistics - Last Ten Years.....                           | 158 |
| ZZ | Employer Medical Contributions by Bargaining Unit - Last Ten Years ..... | 159 |
| AB | Charter School Fund Balance - Last Ten Years .....                       | 160 |
| AC | Schedule of Insurance in Force - Current Year .....                      | 161 |

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For the Last Ten Years

## STATEMENT OF NET POSITION (1)(2)

| Net Position |                                  |              |  |             |                            |               |                    |
|--------------|----------------------------------|--------------|--|-------------|----------------------------|---------------|--------------------|
| Fiscal Year  | Restricted for                   |              |  |             |                            |               |                    |
|              | Net Investment in Capital Assets | Debt Service | Authorized Construction Net of Authorized Unissued Bonds | Bond Rating | Federal Impact Aid 8003(d) | Unrestricted  | Total Net Position |
| 2005-2006    | \$ 401,914,125                   | \$ 5,799,233 | \$ 11,703,334  | \$ --       | \$ --                      | \$ 78,079,515 | \$ 497,496,207     |
| 2006-2007    | 446,204,268                      | 5,141,963    | --   | 16,415,939  | --                         | 48,552,991    | 516,315,161        |
| 2007-2008    | 459,600,531                      | 2,709,623    | 20,687,437   | 17,503,677  | --                         | 51,775,663    | 552,276,931        |
| 2008-2009    | 478,070,820                      | 2,046,009    | --   | 18,600,421  | --                         | 94,608,950    | 593,326,200        |
| 2009-2010    | 488,771,145                      | 2,051,689    | 4,886,817  | 19,292,937  | --                         | 99,173,849    | 614,176,437        |
| 2010-2011    | 506,570,859                      | 2,136,337    | 11,549,306   | 19,484,331  | 418,417                    | 105,531,288   | 645,690,538        |
| 2011-2012    | 538,847,164                      | 1,709,552    | --   | 23,877,539  | 449,596                    | 111,161,682   | 676,045,533        |
| 2012-2013    | 575,380,172                      | 2,179,593    | --   | 23,550,356  | 612,805                    | 112,234,090   | 713,957,016        |
| 2013-2014    | 612,993,191                      | 2,733,186    | --   | 23,957,642  | 541,753                    | 110,698,187   | 750,923,959        |
| 2014-2015    | 658,250,945                      | 3,019,088    | --   | 23,941,097  | 358,295                    | (140,201,596) | 545,367,829        |

## Notes:

- (1) GASB 54 implementation began in Fiscal Year 2010 - 2011.  
 (2) GASB 68 implementation began in Fiscal Year 2014 - 2015.

For the Last Ten Years

## STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION

|  | 2006           | 2007           | 2008           | 2009           | 2010           |
|--|----------------|----------------|----------------|----------------|----------------|
| Program Expenses                                   |                |                |                |                |                |
| District-wide activities:                          |                |                |                |                |                |
| General administration                             | \$ 26,057,015  | \$ 18,449,790  | \$ 27,232,757  | \$ 27,132,910  | \$ 31,243,745  |
| Instruction  | 399,389,447    | 439,050,663    | 527,232,487    | 538,451,870    | 576,872,255    |
| Pupil transportation                               | 17,181,490     | 18,002,836     | 20,087,773     | 19,580,050     | 20,055,743     |
| Operation and maintenance of plant                 | 58,608,170     | 66,378,934     | 67,567,677     | 72,870,520     | 72,929,245     |
| Community services                                 | 455,625        | 813,222        | 396,467        | 481,852        | 460,142        |
| Food services                                      | 14,471,253     | 15,518,427     | 16,054,390     | 16,855,858     | 17,085,879     |
| Interest expense                                   | 37,248,152     | 34,012,953     | 36,773,707     | 36,393,199     | 35,284,867     |
| Total district-wide expenses                       | 553,411,152    | 592,226,825    | 695,345,258    | 711,766,259    | 753,931,876    |
| Program Revenues                                   |                |                |                |                |                |
| District-wide activities:                          |                |                |                |                |                |
| Charges for services                               |                |                |                |                |                |
| General administration                             | 8,473          | 83,209         | 16,770         | 19,604         | 19,139         |
| Instruction  | 1,465,127      | 1,431,789      | 1,752,350      | 1,606,288      | 1,612,977      |
| Pupil transportation                               | --             | --             | --             | --             | --             |
| Operation and maintenance of plant                 | --             | --             | --             | (2,553)        | (3,404)        |
| Community services                                 | 684,383        | 568,108        | 849,453        | 580,448        | 658,036        |
| Non-departmental                                   | 83,147         | --             | --             | --             | --             |
| Food services                                      | 5,250,367      | 4,977,713      | 5,081,541      | 4,911,270      | 4,469,455      |
| Operating grants and contributions                 |                |                |                |                |                |
| General administration                             | --             | --             | 750,813        | 925,219        | 464,438        |
| Instruction  | 48,176,314     | 47,202,793     | 139,878,408    | 126,529,115    | 132,107,431    |
| Pupil transportation                               | 17,317,199     | 17,082,693     | 17,249,338     | 18,645,611     | 19,740,997     |
| Operation and maintenance of plant                 | 862,668        | 362,868        | 3,097,712      | 3,186,546      | 2,363,241      |
| Community services                                 | 6,866          | 422,052        | 101,188        | 77,725         | 37,494         |
| Food services                                      | 8,579,320      | 9,246,111      | 10,140,621     | 11,627,527     | 12,790,612     |
| Construction and facility acquisition              | --             | --             | 213,047        | 297,924        | --             |
| Capital grants and contributions                   |                |                |                |                |                |
| Instruction  | --             | --             | --             | --             | --             |
| Construction and facility acquisition              | 38,065,413     | 37,976,770     | 41,082,316     | 46,810,987     | 47,466,227     |
| Total district-wide revenues                       | 120,499,277    | 119,354,106    | 220,213,557    | 215,215,711    | 221,726,643    |
| Net expense  |                |                |                |                |                |
| District-wide activities                           | (432,911,875)  | (472,872,719)  | (475,131,701)  | (496,550,548)  | (532,205,233)  |
| General Revenues and Other Changes in Net Position |                |                |                |                |                |
| Unrestricted:                                      |                |                |                |                |                |
| Appropriation from                                 |                |                |                |                |                |
| Municipality of Anchorage                          | 177,157,001    | 191,602,288    | 206,359,861    | 217,971,708    | 232,947,582    |
| Investment income                                  | 6,747,140      | 7,862,943      | 8,523,023      | 3,148,355      | 5,552,323      |
| Public School Funding Program                      | 248,771,460    | 277,322,639    | 264,718,683    | 281,733,376    | 295,483,681    |
| State Tuition Program                              | --             | --             | --             | --             | --             |
| School improvement grant                           | --             | --             | 7,890,604      | --             | --             |
| Energy relief                                      | --             | --             | 6,656,602      | --             | --             |
| Federal Impact Aid                                 | 11,804,273     | 13,042,523     | 14,150,178     | 15,333,815     | 17,952,860     |
| Proceeds from sale of assets                       | --             | --             | --             | 12,982         | --             |
| Other  | 2,531,372      | 1,861,280      | 2,794,520      | 1,817,444      | 1,119,024      |
| Special and extraordinary items                    | --             | --             | --             | 17,582,137     | --             |
| Total general revenues,                            |                |                |                |                |                |
| special and extraordinary items                    | 447,011,246    | 491,691,673    | 511,093,471    | 537,599,817    | 553,055,470    |
| Change in net position                             | 14,099,371     | 18,818,954     | 35,961,770     | 41,049,269     | 20,850,237     |
| Net position at beginning of year                  | 483,396,836    | 497,496,207    | 516,315,161    | 552,276,931    | 593,326,200    |
| Net position at end of the year                    | \$ 497,496,207 | \$ 516,315,161 | \$ 552,276,931 | \$ 593,326,200 | \$ 614,176,437 |

For the Last Ten Years

## STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION

|  | 2011           | AS RESTATED<br>2012 | 2013           | AS RESTATED<br>2014 | 2015           |
|--|----------------|---------------------|----------------|---------------------|----------------|
| Program Expenses                                   |                |                     |                |                     |                |
| District-wide activities:                          |                |                     |                |                     |                |
| General administration                             | \$ 24,167,797  | \$ 29,412,334       | \$ 31,000,400  | \$ 27,427,601       | \$ 29,622,367  |
| Instruction  | 619,040,263    | 619,727,202         | 644,094,670    | 647,413,175         | 722,027,966    |
| Pupil transportation                               | 20,304,159     | 21,785,259          | 22,386,537     | 22,871,359          | 22,286,749     |
| Operation and maintenance of plant                 | 77,188,087     | 77,789,469          | 77,234,635     | 74,581,580          | 76,267,079     |
| Community services                                 | 521,657        | 3,556,333           | 3,508,691      | 3,619,453           | 483,365        |
| Food services                                      | 19,026,380     | 19,207,955          | 19,977,813     | 21,551,586          | 23,430,716     |
| Interest expense                                   | 33,201,590     | 29,829,001          | 23,475,990     | 25,679,718          | 24,877,042     |
| Total district-wide expenses                       | 793,449,933    | 801,307,553         | 821,678,736    | 823,144,472         | 898,995,284    |
| Program Revenues                                   |                |                     |                |                     |                |
| District-wide activities:                          |                |                     |                |                     |                |
| Charges for services                               |                |                     |                |                     |                |
| General administration                             | 4,531          | 6,008               | 194,817        | 833,089             | 1,242          |
| Instruction  | 4,004,871      | 1,984,242           | 2,632,871      | 1,635,123           | 1,884,066      |
| Pupil transportation                               | --             | --                  | --             | --                  | --             |
| Operation and maintenance of plant                 | --             | --                  | --             | --                  | --             |
| Community services                                 | 770,435        | 734,693             | 830,974        | --                  | 676,985        |
| Non-departmental                                   | --             | --                  | --             | --                  | --             |
| Food services                                      | 3,902,383      | 3,354,879           | 2,744,845      | 2,425,156           | 2,246,794      |
| Operating grants and contributions                 |                |                     |                |                     |                |
| General administration                             | 134,560        | 227,555             | 529,468        | 1,810,346           | 5,133,520      |
| Instruction  | 161,861,300    | 165,895,621         | 171,614,178    | 170,720,668         | 239,705,331    |
| Pupil transportation                               | 19,796,188     | 21,169,073          | 21,722,271     | 22,477,906          | 22,621,368     |
| Operation and maintenance of plant                 | 1,948,927      | 2,304,852           | 2,473,163      | 5,373,291           | 3,737,885      |
| Community services                                 | 9,496          | 14,961              | 1,875          | 33,865              | 19,199         |
| Food services                                      | 13,795,005     | 14,751,122          | 16,987,806     | 16,645,062          | 20,178,890     |
| Construction and facility acquisition              | --             | --                  | --             | --                  | --             |
| Capital grants and contributions                   |                |                     |                |                     |                |
| Instruction  | 46,117,714     | 45,937,003          | 52,622,060     | 56,815,015          | 72,187,560     |
| Construction and facility acquisition              | --             | --                  | --             | --                  | --             |
| Total district-wide revenues                       | 252,345,410    | 256,380,009         | 272,354,328    | 278,769,521         | 368,392,840    |
| Net expenses                                       |                |                     |                |                     |                |
| District-wide activities                           | (541,104,523)  | (544,927,544)       | (549,324,408)  | (544,374,951)       | (530,602,444)  |
| General Revenues and Other Changes in Net Position |                |                     |                |                     |                |
| Unrestricted:                                      |                |                     |                |                     |                |
| Appropriation from                                 |                |                     |                |                     |                |
| Municipality of Anchorage                          | 234,759,972    | 237,587,445         | 232,606,002    | 233,284,280         | 239,576,423    |
| Investment income                                  | 2,376,959      | 1,446,162           | 1,107,327      | 1,059,852           | 1,147,782      |
| Public School Funding Program                      | 310,300,774    | 311,645,866         | 325,447,016    | 318,661,242         | 327,797,266    |
| State Tuition Program                              | --             | --                  | --             | --                  | --             |
| School improvement grant                           | --             | --                  | --             | --                  | --             |
| Energy relief                                      | --             | --                  | --             | --                  | --             |
| Federal Impact Aid                                 | 23,992,347     | 20,166,071          | 20,449,408     | 18,251,918          | 22,116,652     |
| Proceeds from sale of assets                       | --             | --                  | --             | --                  | --             |
| Other  | 1,188,572      | 8,009,165           | 7,626,118      | 10,084,602          | 13,587,963     |
| Special and extraordinary items                    | --             | --                  | --             | --                  | --             |
| Total general revenues,                            |                |                     |                |                     |                |
| special and extraordinary items                    | 572,618,624    | 578,854,709         | 587,235,871    | 581,341,894         | 604,226,086    |
| Change in net position                             | 31,514,101     | 33,927,165          | 37,911,463     | 36,966,943          | 73,623,642     |
| Net position at beginning of year                  | 614,176,437    | 642,118,389         | 676,045,554    | 434,777,244         | 471,744,187    |
| Net position at end of the year                    | \$ 645,690,538 | \$ 676,045,554      | \$ 713,957,017 | \$ 471,744,187      | \$ 545,367,829 |

For the Last Ten Years

**FUND BALANCE, GOVERNMENTAL FUNDS (1)**

|                                  | 2006                 | 2007                  | 2008                  | 2009                  | 2010                  |
|----------------------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Fund                     |                      |                       |                       |                       |                       |
| Fund balances:                   |                      |                       |                       |                       |                       |
| Non-spendable                    | \$ 3,794,381         | \$ 5,420,392          | \$ 10,192,198         | \$ 12,522,607         | \$ 11,741,766         |
| Restricted                       | 306,045              | 16,769,336            | 17,883,043            | 18,967,267            | 19,833,195            |
| Committed                        | 7,001,948            | 7,449,350             | 7,936,952             | 8,380,055             | 8,878,554             |
| Assigned                         | 43,222,834           | 47,691,577            | 59,224,835            | 55,861,747            | 60,600,998            |
| Unassigned                       | 29,350,831           | 34,468,976            | 24,442,307            | 23,509,451            | 25,928,239            |
| Total General Fund               | <u>\$ 83,676,039</u> | <u>\$ 111,799,631</u> | <u>\$ 119,679,335</u> | <u>\$ 119,241,127</u> | <u>\$ 126,982,752</u> |
| All Other Governmental Funds     |                      |                       |                       |                       |                       |
| Fund balances:                   |                      |                       |                       |                       |                       |
| Non-spendable                    | \$ 801,056           | \$ 1,558,594          | \$ 917,461            | \$ 933,685            | \$ 780,478            |
| Restricted                       | 17,502,567           | 5,141,963             | 23,295,305            | 2,046,009             | 6,938,506             |
| Committed                        | 42,412,021           | 62,515,839            | 61,155,174            | 56,964,756            | 23,062,817            |
| Assigned                         | 4,451,470            | 3,244,663             | 4,495,510             | 4,741,443             | 6,269,224             |
| Unassigned                       | (33,636)             | (29,827)              | (16,159)              | (54,155)              | (20,500)              |
| Total all other government funds | <u>\$ 65,133,478</u> | <u>\$ 72,431,232</u>  | <u>\$ 89,847,291</u>  | <u>\$ 64,631,738</u>  | <u>\$ 37,030,525</u>  |

## Notes:

(1) Fund balances have been restated to conform to GASB 54 for fiscal year 2010 and prior.



For the Last Ten Years

**FUND BALANCE, GOVERNMENTAL FUNDS (1)(2)**

|                                     | 2011                  | 2012                  | As Restated<br>2013   | 2014                  | 2015                  |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>General Fund</b>                 |                       |                       |                       |                       |                       |
| Fund balances:                      |                       |                       |                       |                       |                       |
| Non-spendable                       | \$ 10,812,950         | \$ 12,758,325         | \$ 11,376,474         | \$ 5,499,745          | \$ 3,382,756          |
| Restricted                          | 19,902,748            | 24,327,135            | 24,163,161            | 24,499,395            | 24,299,392            |
| Committed                           | 13,879,315            | 11,888,710            | 1,451,148             | 5,276,897             | 10,046,919            |
| Assigned                            | 60,074,795            | 57,171,842            | 61,448,020            | 48,598,520            | 73,157,731            |
| Unassigned                          | 24,798,698            | 23,677,394            | 22,779,338            | 38,752,839            | 30,517,600            |
| Total General Fund                  | <u>\$ 129,468,506</u> | <u>\$ 129,823,406</u> | <u>\$ 121,218,141</u> | <u>\$ 122,627,396</u> | <u>\$ 141,404,398</u> |
| <b>All Other Governmental Funds</b> |                       |                       |                       |                       |                       |
| Fund balances:                      |                       |                       |                       |                       |                       |
| Non-spendable                       | \$ 763,583            | \$ 1,118,708          | \$ 1,485,278          | \$ 1,271,700          | \$ 983,304            |
| Restricted                          | 13,685,643            | 1,709,552             | 2,179,593             | 2,733,186             | 3,019,088             |
| Committed                           | 10,919,017            | 14,556,862            | 11,932,590            | 25,467,438            | 39,895,743            |
| Assigned                            | 6,967,027             | 5,706,555             | 4,993,340             | 5,033,401             | 5,564,316             |
| Unassigned                          | (13,463)              | (48,001)              | (9,559)               | (1,689,985)           | (17,852)              |
| Total all other government funds    | <u>\$ 32,321,807</u>  | <u>\$ 23,043,676</u>  | <u>\$ 20,581,242</u>  | <u>\$ 32,815,740</u>  | <u>\$ 49,444,599</u>  |

## Notes:

(1) Fund balances have been restated to conform to GASB 54 for fiscal year 2010 and prior.

(2) Fund balances for fiscal year 2013 have been restated to reflect change in accounting treatment for compensated absences.

For the Last Ten Years

**STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND  
BALANCES - GOVERNMENTAL FUNDS (1)**

|  | 2006             | 2007           | 2008           | 2009            | 2010            |
|--|------------------|----------------|----------------|-----------------|-----------------|
| Revenues:  |                  |                |                |                 |                 |
| Local sources  | \$ 199,358,932   | \$ 214,888,704 | \$ 233,669,852 | \$ 240,046,875  | \$ 256,186,939  |
| State sources  | 305,979,143      | 335,377,434    | 434,882,555    | 428,811,942     | 428,035,882     |
| Federal sources  | 61,318,187       | 60,491,468     | 62,409,670     | 66,255,684      | 90,054,656      |
| Total revenues   | 566,656,262      | 610,757,606    | 730,962,077    | 735,114,501     | 774,277,477     |
| Expenditures:  |                  |                |                |                 |                 |
| Current:   |                  |                |                |                 |                 |
| General administration                                     | 16,099,634       | 17,637,210     | 21,029,531     | 22,987,553      | 22,181,161      |
| Instruction  | 381,655,470      | 408,016,532    | 497,955,761    | 509,914,670     | 543,875,057     |
| Pupil transportation                                       | 16,303,868       | 17,236,133     | 18,982,195     | 19,234,255      | 20,137,537      |
| Operation and maintenance<br>of plant                      | 57,586,718       | 62,611,368     | 67,154,630     | 72,019,066      | 72,256,844      |
| Community services   | 362,629          | 359,537        | 379,713        | 443,763         | 445,989         |
| Food services  | 13,997,995       | 15,112,931     | 15,693,492     | 16,594,195      | 16,694,742      |
| Debt service:  |                  |                |                |                 |                 |
| Refunding bond issuance cost                               | --               | --             | --             | --              | --              |
| Principal  | 39,035,000       | 39,870,000     | 44,080,000     | 46,630,000      | 49,520,000      |
| Interest   | 37,525,701       | 35,021,935     | 35,884,852     | 37,270,931      | 36,372,658      |
| Fiscal agent fees  | 13,506           | 11,578         | 11,605         | 10,648          | 11,208          |
| Bond issuance cost   | --               | 425,618        | 119,483        | 219,481         | 134,674         |
| Capital outlays  | 105,820,823      | 45,593,411     | 52,526,056     | 61,518,088      | 52,681,236      |
| Total expenditures   | 668,401,344      | 641,896,253    | 753,817,318    | 786,842,650     | 814,311,106     |
| Deficiency of<br>revenues over expenditures                | (101,745,082)    | (31,138,647)   | (22,855,241)   | (51,728,149)    | (40,033,629)    |
| Other financing sources (uses):                            |                  |                |                |                 |                 |
| Proceeds from sale of property<br>and equipment            | 65,320           | 42,904         | 51,531         | 11,127          | 634             |
| Issuance of general obligation<br>bonds                    | --               | 48,495,000     | 63,790,000     | 29,840,000      | 20,025,000      |
| Premium on issuance of general<br>obligation bonds         | --               | 1,152,350      | 1,335,234      | 395,335         | 136,396         |
| Issuance of refunding bonds                                | 14,790,000       | 251,745,000    | --             | --              | --              |
| Premium on issuance of<br>refunding bonds                  | 1,561,914        | 13,906,249     | --             | --              | --              |
| Payment to refunded bond escrow agent                      | (16,330,730)     | (265,651,249)  | --             | --              | --              |
| Transfers in   | 242,978          | 894,501        | 1,298,003      | 342,889         | 13,734          |
| Transfers out  | (242,978)        | (1,094,501)    | (1,898,003)    | (4,514,963)     | (1,723)         |
| Total other financing sources                              | 86,504           | 49,490,254     | 64,576,765     | 26,074,388      | 20,174,041      |
| Net change in fund balances                                | \$ (101,658,578) | \$ 18,351,607  | \$ 41,721,524  | \$ (25,653,761) | \$ (19,859,588) |
| Debt service as a percentage of<br>noncapital expenditures | 13.6%            | 12.6%          | 11.4%          | 11.6%           | 11.3%           |

## Notes:

(1) Includes General, Special Revenue, Debt Service, and Capital Projects; excludes Internal Service Funds.

For the Last Ten Years

**STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND  
BALANCES - GOVERNMENTAL FUNDS (1)**

|   | 2011           | 2012           | 2013           | 2014           | 2015           |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>Revenues:</b>  |                |                |                |                |                |
| Local sources   | \$ 253,899,166 | \$ 256,897,674 | \$ 247,981,607 | \$ 250,705,339 | \$ 255,957,061 |
| State sources   | 452,943,504    | 483,049,363    | 532,696,627    | 532,700,403    | 1,161,304,333  |
| Federal sources   | 115,379,897    | 94,387,908     | 77,455,493     | 76,231,876     | 84,173,052     |
| Total revenues  | 822,222,567    | 834,334,945    | 858,133,727    | 859,637,618    | 1,501,434,446  |
| <b>Expenditures:</b>  |                |                |                |                |                |
| Current:  |                |                |                |                |                |
| General administration  | 23,180,257     | 28,638,280     | 30,119,251     | 26,964,679     | 35,074,968     |
| Instruction   | 579,025,698    | 587,388,122    | 606,408,747    | 606,791,232    | 1,196,021,148  |
| Pupil transportation  | 20,239,375     | 22,277,229     | 22,809,852     | 22,931,732     | 24,310,030     |
| Operation and maintenance<br>of plant                               | 76,933,872     | 77,442,084     | 76,873,647     | 74,658,873     | 85,422,847     |
| Community services  | 508,686        | 3,440,259      | 3,507,066      | 3,628,420      | 576,814        |
| Food services   | 18,017,232     | 18,615,420     | 19,502,420     | 21,297,939     | 25,694,692     |
| Debt service:   |                |                |                |                |                |
| Refunding bond issuance cost  | --             | --             | 69,405         | --             | 80,973         |
| Principal   | 52,475,000     | 54,875,000     | 55,425,000     | 57,340,000     | 59,290,000     |
| Interest  | 35,001,212     | 31,722,282     | 29,504,017     | 27,354,466     | 27,385,338     |
| Fiscal agent fees   | 9,708          | 9,403          | 9,330          | 8,950          | 6,547          |
| Bond issuance cost  | 174,096        | 16,213         | 32,522         | 180,923        | 126,566        |
| Capital outlays   | 23,711,546     | 16,345,054     | 30,083,083     | 48,043,764     | 81,556,784     |
| Total expenditures  | 829,276,682    | 840,769,346    | 874,344,340    | 889,200,978    | 1,535,546,707  |
| Deficiency of<br>revenues over expenditures                         | (7,054,115)    | (6,434,401)    | (16,210,613)   | (29,563,360)   | (34,112,261)   |
| <b>Other financing sources (uses):</b>                              |                |                |                |                |                |
| Proceeds from sale of property<br>and equipment                     | 10,360         | --             | 4,892          | 16,561         | 28,563         |
| Issuance of general obligation<br>bonds                             | 4,940,000      | --             | 14,425,000     | 39,345,000     | 59,075,000     |
| Premium on issuance of general<br>obligation bonds                  | 97,062         | --             | 1,115,112      | 3,845,552      | 11,056,199     |
| Issuance of refunding bonds   | 28,310,000     | --             | 24,080,000     | --             | 37,150,000     |
| Premium on issuance of<br>refunding bonds                           | 2,305,196      | --             | 1,139,945      | --             | 5,966,834      |
| Payment to refunded bond escrow agent                               | (30,455,857)   | --             | (25,150,540)   | --             | (43,030,625)   |
| Transfers in  | 9,031,500      | 6,095          | 7,613          | 2,392,810      | 2,289,924      |
| Transfers out   | (9,407,110)    | (2,494,925)    | (7,613)        | (2,392,810)    | (3,017,773)    |
| Total other financing sources                                       | 4,831,151      | (2,488,830)    | 15,614,409     | 43,207,113     | 69,518,122     |
| Net change in fund balances   | \$ (2,222,964) | \$ (8,923,231) | \$ (596,204)   | \$ 13,643,753  | \$ 35,405,861  |
| <b>Debt service as a percentage of<br/>non-capital expenditures</b> | 10.9%          | 10.5%          | 10.1%          | 10.1%          | 6.0%           |

**Notes:**

(1) Includes General, Special Revenue, Debt Service, and Capital Projects; excludes Internal Service Funds.

Last Ten Years

**GOVERNMENT-WIDE  
EXPENSES BY FUNCTION**

| Fiscal Year | General Administration (1) | Instruction (1) | Pupil Transportation | Operation and Maintenance of Plant (1) | Community Services | Food Services (1) | Interest Expense (2) | Total          |
|-------------|----------------------------|-----------------|----------------------|--|--------------------|-------------------|----------------------|----------------|
| 2005-2006   | \$ 26,057,015              | \$ 399,389,447  | \$ 17,181,490        | \$ 58,608,170                          | \$ 455,625         | \$ 14,471,253     | \$ 37,248,152        | \$ 553,411,152 |
| 2006-2007   | 18,449,790                 | 439,050,663     | 18,002,836           | 66,378,934                             | 813,222            | 15,518,427        | 34,012,953           | 592,226,825    |
| 2007-2008   | 27,232,757                 | 527,232,487     | 20,087,773           | 67,567,677                             | 396,467            | 16,054,390        | 36,773,707           | 695,345,258    |
| 2008-2009   | 27,132,910                 | 538,451,870     | 19,580,050           | 72,870,520                             | 481,852            | 16,855,858        | 36,393,199           | 711,766,259    |
| 2009-2010   | 31,243,745                 | 576,872,255     | 20,055,743           | 72,929,245                             | 460,142            | 17,085,879        | 35,284,867           | 753,931,876    |
| 2010-2011   | 24,167,797                 | 619,040,263     | 20,304,159           | 77,188,087                             | 521,657            | 19,026,380        | 33,201,590           | 793,449,933    |
| 2011-2012   | 29,412,334                 | 619,727,202     | 21,785,259           | 77,789,469                             | 3,556,333          | 19,207,955        | 29,829,001           | 801,307,553    |
| 2012-2013   | 31,000,400                 | 644,094,670     | 22,386,537           | 77,234,635                             | 3,508,691          | 19,977,813        | 23,475,990           | 821,678,736    |
| 2013-2014   | 27,427,601                 | 647,413,175     | 22,871,359           | 74,581,580                             | 3,619,453          | 21,551,586        | 25,679,718           | 823,144,472    |
| 2014-2015   | 29,622,367                 | 722,027,966     | 22,286,749           | 76,267,079                             | 483,365            | 23,430,716        | 24,877,042           | 898,995,284    |

## Notes:

(1) Includes loss on disposal of capital assets as follows:

(2) Interest expense has been restated per GASB 65.

## Loss on Disposal of Capital Assets

| Fiscal Year | General Administration | Instruction | Pupil Transportation | Operation and Maintenance of Plant | Community Services | Food Services | Interest Expense | Total        |
|-------------|------------------------|-------------|----------------------|------------------------------------|--------------------|---------------|------------------|--------------|
| 2005-2006   | \$ 8,448,099           | \$ --       | \$ --                | \$ --                              | \$ --              | \$ --         | \$ --            | \$ 8,448,099 |
| 2006-2007   | 3,342,264              | --          | --                   | --                                 | --                 | --            | --               | 3,342,264    |
| 2007-2008   | 5,485,017              | --          | --                   | --                                 | --                 | --            | --               | 5,485,017    |
| 2008-2009   | 3,988,190              | --          | --                   | --                                 | --                 | --            | --               | 3,988,190    |
| 2009-2010   | 8,652,636              | --          | --                   | --                                 | --                 | --            | --               | 8,652,636    |
| 2010-2011   | --                     | 8,524,769   | --                   | --                                 | --                 | --            | --               | 8,524,769    |
| 2011-2012   | --                     | 5,526,884   | --                   | --                                 | --                 | --            | --               | 5,526,884    |
| 2012-2013   | --                     | 1,260,294   | --                   | --                                 | --                 | --            | --               | 1,260,294    |
| 2013-2014   | --                     | 4,511,350   | --                   | --                                 | --                 | 51,856        | --               | 4,563,206    |
| 2014-2015   | 14,081                 | 4,318,154   | --                   | 5,148                              | --                 | --            | --               | 4,337,383    |

Last Ten Years

**GOVERNMENT-WIDE  
REVENUES BY TYPE**

| Program Revenues |                      |                                    |                                  |                |  |  |  |  |
|------------------|----------------------|------------------------------------|----------------------------------|----------------|--|--|--|--|
| Fiscal Year      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Total          |  |  |  |  |
| 2005-2006        | \$ 7,491,497         | \$ 74,942,367                      | \$ 38,065,413                    | \$ 120,499,277 |  |  |  |  |
| 2006-2007        | 7,060,819            | 74,316,517                         | 37,976,770                       | 119,354,106    |  |  |  |  |
| 2007-2008        | 7,700,114            | 171,431,127                        | 41,082,316                       | 220,213,557    |  |  |  |  |
| 2008-2009        | 7,115,057            | 161,289,667                        | 46,810,987                       | 215,215,711    |  |  |  |  |
| 2009-2010        | 6,756,203            | 167,633,175                        | 47,466,227                       | 221,855,605    |  |  |  |  |
| 2010-2011        | 8,682,220            | 197,545,476                        | 46,117,714                       | 252,345,410    |  |  |  |  |
| 2011-2012        | 6,079,822            | 204,363,184                        | 45,937,003                       | 256,380,009    |  |  |  |  |
| 2012-2013        | 6,403,507            | 213,328,761                        | 52,622,060                       | 272,354,328    |  |  |  |  |
| 2013-2014        | 4,893,368            | 213,075,640                        | 60,800,513                       | 278,769,521    |  |  |  |  |
| 2014-2015        | 4,809,087            | 291,396,193                        | 72,187,560                       | 368,392,840    |  |  |  |  |

| General Revenues |  |                   |                               |                       |                    |              |                |
|------------------|--|-------------------|-------------------------------|-----------------------|--------------------|--------------|----------------|
| Fiscal Year      | Appropriation from Municipality of Anchorage | Investment Income | Public School Funding Program | State Tuition Program | Federal Impact Aid | Other        | Total          |
| 2005-2006        | \$ 177,157,001                               | \$ 6,747,140      | \$ 248,771,460                | \$ --                 | \$ 11,804,273      | \$ 2,531,372 | \$ 447,011,246 |
| 2006-2007        | 191,602,288                                  | 7,862,943         | 273,377,337                   | --                    | 13,042,523         | 5,806,582    | 491,691,673    |
| 2007-2008        | 206,359,861                                  | 8,523,023         | 264,718,683                   | --                    | 14,150,178         | 17,341,726   | 511,093,471    |
| 2008-2009        | 217,971,708                                  | 3,148,355         | 281,733,376                   | --                    | 15,333,815         | 19,412,563   | 537,599,817    |
| 2009-2010        | 232,947,582                                  | 5,552,323         | 295,483,681                   | --                    | 17,952,860         | 1,119,024    | 553,055,470    |
| 2010-2011        | 234,759,972                                  | 2,376,959         | 310,300,774                   | --                    | 23,992,347         | 1,188,572    | 572,618,624    |
| 2011-2012        | 237,587,445                                  | 1,446,162         | 311,645,866                   | --                    | 20,166,071         | 8,009,165    | 578,854,709    |
| 2012-2013        | 232,606,002                                  | 1,107,327         | 325,447,016                   | --                    | 20,449,408         | 7,626,118    | 587,235,871    |
| 2013-2014        | 233,284,280                                  | 1,059,852         | 318,661,242                   | --                    | 18,251,918         | 10,084,602   | 581,341,894    |
| 2014-2015        | 239,576,423                                  | 1,147,782         | 327,797,266                   | --                    | 22,116,652         | 13,587,963   | 604,226,086    |

For the Last Ten Years

**GENERAL EXPENDITURES  
BY FUNCTION (1)**

| Fiscal Year | General Administration | Instruction    | Pupil Transportation | Operation and Maintenance of Plant | Community Services | Food Services | Debt Service  | Total (2)      |
|-------------|------------------------|----------------|----------------------|------------------------------------|--------------------|---------------|---------------|----------------|
| 2005-2006   | \$ 16,099,634          | \$ 381,655,470 | \$ 16,303,868        | \$ 57,586,718                      | \$ 362,629         | \$ 13,997,995 | \$ 76,574,207 | \$ 562,580,521 |
| 2006-2007   | 17,637,210             | 408,016,532    | 17,236,133           | 62,611,368                         | 359,537            | 15,112,931    | 74,903,513    | 595,877,224    |
| 2007-2008   | 21,029,531             | 497,955,761    | 18,982,195           | 67,154,630                         | 379,713            | 15,693,492    | 79,976,458    | 701,171,780    |
| 2008-2009   | 22,987,553             | 509,914,670    | 19,234,255           | 72,019,066                         | 443,763            | 16,594,195    | 83,911,579    | 725,105,081    |
| 2009-2010   | 22,181,161             | 543,875,057    | 20,137,537           | 72,256,844                         | 445,989            | 16,694,742    | 85,903,866    | 761,495,196    |
| 2010-2011   | 23,180,257             | 579,025,698    | 20,239,375           | 76,933,872                         | 508,686            | 18,017,232    | 87,645,259    | 805,550,379    |
| 2011-2012   | 28,638,280             | 587,388,122    | 22,277,229           | 77,442,084                         | 3,440,259          | 18,615,420    | 86,606,685    | 824,408,079    |
| 2012-2013   | 30,119,251             | 606,408,747    | 22,809,852           | 76,873,647                         | 3,507,066          | 19,502,420    | 85,007,752    | 844,228,735    |
| 2013-2014   | 26,964,679             | 606,791,232    | 22,931,732           | 74,658,873                         | 3,628,420          | 21,297,939    | 84,703,416    | 840,976,291    |
| 2014-2015   | 35,074,968             | 1,196,021,148  | 24,310,030           | 85,422,847                         | 576,814            | 25,694,692    | 86,762,858    | 1,453,863,357  |

## Notes:

- (1) Includes General, Special Revenue, and Debt Service Funds: excludes Capital Projects Fund.  
(2) For comparative analysis transfers have not been included.

## GENERAL REVENUES BY SOURCE (1)

| Fiscal<br>Year | Local<br>Sources | State<br>Sources | Federal<br>Sources | Total (2)      |
|----------------|------------------|------------------|--------------------|----------------|
| 2005-2006      | \$ 195,905,548   | \$ 304,908,978   | \$ 60,711,533      | \$ 561,526,059 |
| 2006-2007      | 211,118,561      | 334,381,044      | 60,124,838         | 605,624,443    |
| 2007-2008      | 228,551,829      | 434,028,791      | 61,864,635         | 724,445,255    |
| 2008-2009      | 237,534,125      | 425,548,573      | 65,203,075         | 728,285,773    |
| 2009-2010      | 255,230,975      | 425,783,030      | 89,594,070         | 770,608,075    |
| 2010-2011      | 254,313,179      | 450,344,820      | 113,428,143        | 818,086,142    |
| 2011-2012      | 255,891,995      | 478,489,890      | 91,487,261         | 825,869,146    |
| 2012-2013      | 247,956,503      | 520,748,415      | 77,065,389         | 845,770,307    |
| 2013-2014      | 250,591,677      | 516,226,642      | 76,062,447         | 842,880,766    |
| 2014-2015      | 255,888,014      | 1,135,684,301    | 83,507,289         | 1,475,079,604  |

## Notes:

- (1) Includes General, Special Revenue, and Debt Service Funds: excludes Capital Projects Fund.
- (2) For comparative analysis transfers and lapsing prior year encumbrances have not been included.

For the Last Ten Years

**ASSESSED AND ACTUAL VALUE  
OF TAXABLE PROPERTY (1)**

| Fiscal<br>Year | Real                 |                        |                   | Personal Property | Total Taxable<br>Assessed Value | Areawide<br>Tax Rate<br>(mils) |
|----------------|----------------------|------------------------|-------------------|-------------------|---------------------------------|--------------------------------|
|                | Residential Property | Commercial<br>Property | Total Real        |                   |                                 |                                |
| 2005           | 14,498,860,789       | 5,682,627,289          | 20,181,488,078    | 1,908,057,825     | 22,089,545,903                  | 8.23                           |
| 2006           | 17,043,312,074       | 6,622,078,149          | 23,665,390,223    | 2,178,724,534     | 25,844,114,757                  | 7.59                           |
| 2007           | 18,938,470,451       | 7,771,561,687          | 26,710,032,138    | 2,559,073,381     | 29,269,105,519                  | 7.02                           |
| 2008           | 19,467,058,556       | 8,706,338,583          | 28,173,397,139    | 2,407,424,007     | 30,580,821,146                  | 7.31                           |
| 2009           | 19,669,462,275       | 8,964,468,173          | 28,633,930,448    | 2,819,418,266     | 31,453,348,714                  | 7.67                           |
| 2010           | 19,538,749,838       | 8,982,605,974          | 28,521,355,812    | 2,942,321,080     | 31,463,676,892                  | 7.89                           |
| 2011           | 19,734,533,714       | 9,095,615,110          | 28,830,148,824    | 2,766,391,727     | 31,596,540,551                  | 7.61                           |
| 2012           | 19,617,776,607       | 9,152,490,728          | 28,770,267,335    | 2,944,070,041     | 31,714,337,376                  | 7.28                           |
| 2013           | 19,844,447,084       | 9,394,322,157          | 29,238,769,241    | 3,072,941,642     | 32,311,710,883                  | 6.92                           |
| 2014           | \$ 20,727,659,820    | \$ 9,726,237,558       | \$ 30,453,897,378 | \$ 3,207,149,855  | \$ 33,661,047,233               | 6.71                           |

## Notes:

(1) Information furnished by the Municipality of Anchorage which reports on a fiscal year ending December 31.



For the Last Ten Years

**PROPERTY TAX RATES AND TAX LEVIES  
DIRECT AND OVERLAPPING GOVERNMENTS  
SERVICE FUNDS (1)**

|   | TAX RATES (IN MILLS) |             |             |             |             |             |             |             |             |             |
|---|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|   | <u>2005</u>          | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| Area Wide:  |                      |             |             |             |             |             |             |             |             |             |
| Municipality of Anchorage                                   | 0.64                 | 0.46        | 0.23        | 0.37        | 0.49        | 0.45        | 0.09        | (0.29)      | (0.43)      | (0.35)      |
| Anchorage School District                                   | 7.59                 | 7.13        | 6.79        | 6.94        | 7.18        | 7.44        | 7.52        | 7.57        | 7.35        | 7.06        |
| Property Tax Credit   | --                   | --          | --          | (0.51)      | (0.57)      | --          | --          | --          | --          | --          |
| Total Areawide  | 8.23                 | 7.59        | 7.02        | 6.8         | 7.1         | 7.89        | 7.61        | 7.28        | 6.92        | 6.71        |
| Former City Service Area                                    | 0.01                 | 0.02        | 0.02        | --          | --          | --          | --          | --          | --          | --          |
| Chugiak Service Area  | 1.00                 | 0.91        | 1.00        | 0.99        | 0.97        | 0.96        | 0.97        | 1.00        | 1.00        | 0.95        |
| Glen Alps Service Area                                      | 2.75                 | 2.75        | 2.75        | 2.75        | 2.75        | 2.75        | 2.75        | 2.75        | 2.75        | 2.75        |
| Girdwood Service Area                                       | 3.47                 | 3.97        | 4.00        | 3.03        | 3.83        | 3.87        | 3.68        | 4.14        | 4.29        | 3.97        |
| Anchorage Fire Service Area                                 | 1.97                 | 1.76        | 1.73        | 1.77        | 1.75        | 1.83        | 2.09        | 2.13        | 2.21        | 2.44        |
| Roads & Drainage Service Area                               | 2.75                 | 2.80        | 2.59        | 2.60        | 2.77        | 2.13        | 2.46        | 2.78        | 2.60        | 2.36        |
| Limited Road Service Areas                                  | 1.31                 | 1.21        | 1.28        | 1.30        | 1.32        | 1.33        | 1.33        | 1.31        | 1.29        | 1.29        |
| Anchorage Police Service Area                               | 2.71                 | 2.57        | 2.60        | 2.56        | 2.61        | 2.67        | 2.70        | 2.76        | 3.23        | 2.95        |
| Parks & Recreation Service Area                             | 0.62                 | 0.56        | 0.60        | 0.65        | 0.70        | 0.66        | 0.62        | 0.62        | 0.60        | 0.59        |
| Building Safety Service Area                                | --                   | --          | --          | --          | --          | --          | --          | --          | --          | --          |
| Chugiak/Eagle River Recreational<br>Facilities Service Area | 1.17                 | 1.13        | 1.11        | 1.08        | 1.05        | 0.09        | 0.90        | 1.00        | 0.95        | 0.97        |

## Notes:

(1) Information furnished by the Municipality of Anchorage which reports on a fiscal year ending December 31.

Current Year  
and Nine Years Ago

## PRINCIPAL PROPERTY TAXPAYERS (1)

| Taxpayer                        | 2014                         |      |   | 2005                         |      |   |
|---------------------------------|------------------------------|------|---|------------------------------|------|---|
|                                 | Taxable<br>Assessed<br>Value | Rank | Percentage<br>of Total City<br>Taxable<br>Assessed<br>Value | Taxable<br>Assessed<br>Value | Rank | Percentage<br>of Total City<br>Taxable<br>Assessed<br>Value |
| G.C.I. Communications Corp.     | \$ 198,256,680               | 1    | 0.59 %  | \$ 87,063,951                | 6    | 0.39 %  |
| Calais Company, Inc.            | 177,279,919                  | 2    | 0.53  | 104,697,640                  | 3    | 0.47  |
| ACS of Anchorage, Inc.          | 166,404,216                  | 3    | 0.49  | 263,578,677                  | 1    | 1.18  |
| Fred Meyer Stores Inc.          | 135,729,163                  | 4    | 0.40  | 128,620,355                  | 2    | 0.58  |
| B.P. Exploration (Alaska) Inc.  | 134,363,428                  | 5    | 0.40  | 84,099,961                   | 7    | 0.38  |
| Galen Hospital Alaska, Inc.     | 132,984,668                  | 6    | 0.39  | 100,196,611                  | 4    | 0.45  |
| WEC 2000A-Alaska L.L.C.         | 131,523,465                  | 7    | 0.39  | 92,968,220                   | 5    | 0.42  |
| Enstar Natural Gas Company      | 119,171,195                  | 8    | 0.35  | 61,314,478                   | 10   | 0.27  |
| Anchorage Fueling & Service Co. | 112,786,221                  | 9    | 0.33  | 77,199,622                   | 8    | 0.35  |
| Hickel Investment Company       | 99,311,809                   | 10   | 0.29  | 65,519,447                   | 9    | 0.29  |
|                                 | <u>\$ 1,407,810,764</u>      |      | 4.16 %  | <u>\$ 1,065,258,962</u>      |      | 4.78 %  |

## Notes:

(1) Information furnished by the Municipality of Anchorage which reports on a fiscal year ending December 31.

For the Last Ten Years

## PROPERTY TAX LEVIES AND COLLECTIONS (1)(2)

| Fiscal Year | Total Tax Levy | Cash Collections on Tax Levy | Percent of Levy Collected | Delinquent Tax Collections | Total Tax Collections | Percent of Total Tax Collections to Tax Levy | Outstanding Delinquent Taxes | Percent of Delinquent Taxes to Tax Levy |
|-------------|----------------|------------------------------|---------------------------|----------------------------|-----------------------|--|------------------------------|---|
| 2005        | \$ 337,190,170 | \$ 325,033,543               | 96.4 %                    | \$ 12,155,680              | \$ 337,189,223        | 100.0 %                                      | \$ 947                       | 0.0 %                                   |
| 2006        | 357,895,662    | 353,993,904                  | 98.9                      | 3,900,372                  | 357,894,276           | 100.0  | 1,386                        | 0.0                                     |
| 2007        | 398,955,490    | 389,483,559                  | 97.6                      | 9,468,920                  | 398,952,479           | 100.0  | 3,011                        | 0.0                                     |
| 2008        | 386,615,505    | 378,829,566                  | 98.0                      | 7,659,884                  | 386,459,450           | 100.0  | 156,055                      | 0.0                                     |
| 2009        | 438,158,786    | 430,346,262                  | 98.2                      | 7,521,535                  | 437,867,797           | 99.9   | 290,989                      | 0.1                                     |
| 2010        | 463,732,284    | 454,799,895                  | 98.1                      | 8,634,507                  | 463,434,402           | 99.9   | 297,882                      | 0.1                                     |
| 2011        | 475,771,921    | 470,361,847                  | 98.9                      | 5,211,978                  | 475,573,825           | 100.0  | 198,096                      | 0.0                                     |
| 2012        | 477,009,470    | 477,142,831                  | 100.0                     | (2,509,692)                | 474,633,139           | 99.5   | 2,376,331                    | 0.5                                     |
| 2013        | 480,422,072    | 480,393,854                  | 100.0                     | (7,365,626)                | 473,028,228           | 98.5   | 7,393,844                    | 1.5                                     |
| 2014        | 503,962,630    | 500,381,108                  | 99.3                      | (6,412,951)                | 493,968,157           | 98.0   | 9,994,473                    | 2.0                                     |

## Notes:

- (1) Information furnished by the Municipality of Anchorage which reports on a fiscal year ending December 31.  
 (2) Prior years totals have been adjusted for additional collection of delinquent taxes.

**RATIO OF NET GENERAL BONDED DEBT TO  
ASSESSED VALUE AND NET BONDED DEBT  
PER CAPITA AND PER STUDENT**

For the Last Ten Years

| Fiscal Year | Population (1) | Average Daily Membership K-12 and Special Ed (2) | Assessed Valuation (3) | Gross Bonded Debt (4)(5) | Debt Service Monies Available | Net Bonded Debt | Total Personal Income |
|-------------|----------------|--|------------------------|--------------------------|-------------------------------|-----------------|-----------------------|
| 2005-2006   | 278,241        | 49,320   | \$ 22,343,272,432      | \$ 774,721,136           | \$ 5,799,233                  | \$ 768,921,903  | \$ 11,553,123         |
| 2006-2007   | 282,813        | 48,707   | 25,844,114,757         | 786,335,739              | 5,141,963                     | 781,193,776     | 12,431,611            |
| 2007-2008   | 283,823        | 48,144   | 29,269,105,519         | 806,326,035              | 2,709,624                     | 803,616,411     | 13,124,827            |
| 2008-2009   | 284,994        | 48,227   | 30,580,821,146         | 788,833,169              | 2,046,009                     | 786,787,160     | 14,464,870            |
| 2009-2010   | 290,588        | 49,061   | 31,453,348,714         | 758,366,481              | 2,051,689                     | 756,314,792     | 13,768,350            |
| 2010-2011   | 291,826        | 48,613   | 31,463,676,892         | 710,687,818              | 2,136,337                     | 708,551,481     | 14,483,033            |
| 2011-2012   | 296,197        | 48,422   | 31,596,540,551         | 654,044,477              | 1,709,552                     | 652,334,925     | 14,969,796            |
| 2012-2013   | 298,842        | 48,493   | 31,714,337,376         | 607,754,177              | 2,179,593                     | 605,574,584     | 16,196,041            |
| 2013-2014   | 301,134        | 47,770   | 32,599,587,241         | 591,551,332              | 2,733,186                     | 588,818,146     | 17,512,749            |
| 2014-2015   | 300,549        | 47,562   | 33,304,523,825         | 601,395,085              | 3,019,088                     | 598,375,997     | 17,152,933            |

| Fiscal Year | Ratio of Total Outstanding Debt to Personal Income | Ratio of Net Bonded Debt to Assessed Valuation | Gross Bonded Debt Per Capita | Net Bonded Debt Per Capita | Net Bonded Debt Per Student |
|-------------|--|--|------------------------------|----------------------------|-----------------------------|
| 2005-2006   | 67.1 %   | 3.4 %  | \$ 2,784                     | \$ 2,764                   | \$ 15,590                   |
| 2006-2007   | 63.3   | 3.0  | 2,780                        | 2,762                      | 16,039                      |
| 2007-2008   | 61.4   | 2.7  | 2,841                        | 2,831                      | 16,692                      |
| 2008-2009   | 54.5   | 2.6  | 2,768                        | 2,761                      | 16,314                      |
| 2009-2010   | 55.1   | 2.4  | 2,610                        | 2,603                      | 15,416                      |
| 2010-2011   | 49.1   | 2.3  | 2,435                        | 2,428                      | 14,575                      |
| 2011-2012   | 43.7   | 2.1  | 2,208                        | 2,202                      | 13,472                      |
| 2012-2013   | 37.5   | 1.9  | 2,034                        | 2,026                      | 12,488                      |
| 2013-2014   | 33.8   | 1.8  | 1,964                        | 1,955                      | 12,326                      |
| 2014-2015   | 35.1   | 1.8  | 2,001                        | 1,991                      | 12,581                      |

## Notes:

- (1) Approved by Municipality of Anchorage and Alaska Department of Community and Regional Affairs.
- (2) Average daily membership includes half-day kindergarten program reported at one-half time.
- (3) Assessed valuation restated to reflect actual assessed valuation received from the Municipality of Anchorage rather than the estimated amount used at time of mill rate determination.
- (4) Bonded debt is composed of General Obligation Bonds, net of premiums and discounts
- (5) Gross bonded debt was restated for years 2004-2005 through 2012-2013

June 30, 2015

**COMPUTATION OF DIRECT  
AND OVERLAPPING DEBT (1), AND  
LEGAL DEBT MARGIN (2)**

|                           | <u>Net<br/>Debt<br/>Outstanding</u> | <u>Percentage<br/>Applicable<br/>To</u> | <u>Amount<br/>Applicable<br/>To</u> |
|---------------------------|-------------------------------------|---|-------------------------------------|
| Overlapping               |                                     |   |                                     |
| Municipality of Anchorage | \$ 594,792,914                      | 100 %                                   | \$ 594,792,914                      |
| Direct:                   |                                     |   |                                     |
| Anchorage School District | 601,395,085                         | 100                                     | <u>601,395,085</u>                  |
|                           |                                     |   | <u><u>\$ 1,196,187,999</u></u>      |

## Notes:

(1) Information furnished by the Municipality of Anchorage.

(2) The Municipality of Anchorage has no legal debt limit mandated by the Municipal Charter, Code or State Law.

**RATIO OF ANNUAL DEBT SERVICE  
EXPENDITURES FOR GENERAL BONDED  
DEBT TO TOTAL GENERAL EXPENDITURES**

For the Last Ten Years

| <u>Fiscal<br/>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Fees</u> | <u>Total<br/>Debt<br/>Service</u> | <u>Total<br/>General<br/>Expenditures (1)</u> | <u>Ratio of Debt<br/>Service<br/>to General<br/>Expenditures<br/>(Percent)</u> |
|------------------------|------------------|-----------------|-------------|-----------------------------------|---|--|
| 2005-2006              | \$ 39,035,000    | \$ 37,525,701   | \$ 13,506   | \$ 76,574,207                     | \$ 562,580,521                                | 13.6 %   |
| 2006-2007              | 39,870,000       | 35,021,935      | 11,578      | 74,903,513                        | 595,877,224                                   | 12.6   |
| 2007-2008              | 44,080,000       | 35,884,852      | 11,606      | 79,976,458                        | 701,171,780                                   | 11.4   |
| 2008-2009              | 46,630,000       | 37,270,931      | 10,648      | 83,911,579                        | 725,105,081                                   | 11.6   |
| 2009-2010              | 49,520,000       | 36,372,658      | 11,208      | 85,903,866                        | 761,495,196                                   | 11.3   |
| 2010-2011              | 52,475,000       | 35,001,212      | 9,708       | 87,485,920                        | 805,550,379                                   | 10.9   |
| 2011-2012              | 54,875,000       | 31,722,282      | 9,403       | 86,606,685                        | 824,408,079                                   | 10.5   |
| 2012-2013              | 55,425,000       | 29,504,017      | 9,330       | 84,938,347                        | 844,228,735                                   | 10.1   |
| 2013-2014              | 57,340,000       | 27,354,466      | 8,950       | 84,703,416                        | 840,976,291                                   | 10.1   |
| 2014-2015              | 59,290,000       | 27,385,338      | 6,547       | 86,681,885                        | 1,453,863,357                                 | 6.0  |

## Notes:

(1) Includes General, Special Revenue, and Debt Service Funds; excludes Capital Projects Fund.

| <u>Fiscal<br/>Year (1)</u> | <u>Population (2)</u> | <u>Per Capita<br/>Personal<br/>Income (1)</u> | <u>Total<br/>Personal<br/>Income (1)<br/>(in thousands)</u> | <u>Average Daily<br/>Membership<br/>Grades K-12 and<br/>Special Education (3)</u> | <u>Unemployment<br/>Rate (4)</u> |
|----------------------------|-----------------------|---|---|---|----------------------------------|
| 2005                       | 278,241               | \$ 41,522                                     | \$ 11,553,123   | 49,320  | 5 %                              |
| 2006                       | 282,813               | 43,957  | 12,431,611  | 48,707  | 6                                |
| 2007                       | 283,823               | 46,243  | 13,124,827  | 48,144  | 6                                |
| 2008                       | 284,994               | 50,755  | 14,464,870  | 48,227  | 6                                |
| 2009                       | 290,588               | 47,381  | 13,765,350  | 49,061  | 7                                |
| 2010                       | 291,826               | 49,629  | 14,483,033  | 48,613  | 7                                |
| 2011                       | 296,197               | 50,540  | 14,969,796  | 48,422  | 6                                |
| 2012                       | 298,842               | 51,936  | 15,520,658  | 48,493  | 6                                |
| 2013                       | 301,134               | 58,156  | 17,512,749  | 47,770  | 5                                |
| 2014                       | 300,549               | 57,072  | 17,152,933  | 47,562  | 5                                |

Notes:

- (1) Information furnished by the Municipality of Anchorage which reports on a fiscal year ending December 31.
- (2) Approved by Municipality of Anchorage and Alaska Department of Labor.
- (3) Average daily membership includes half-day kindergarten program reported at one-half time.
- (4) Alaska State Department of Labor.

Current Year  
and Nine Years Ago

**PRINCIPAL EMPLOYMENT BY INDUSTRY (1)(2)**

| Industry  | 2014                            |                                      | 2005                            |                                      |
|---|---------------------------------|--------------------------------------|---------------------------------|--------------------------------------|
|   | Average<br>Annual<br>Employment | Percentage<br>of Total<br>Employment | Average<br>Annual<br>Employment | Percentage<br>of Total<br>Employment |
| Mining and Logging (less Oil and Gas)                         | 200                             | 0.1 %                                | 100                             | 0.1 %                                |
| Oil and Gas   | 3,700                           | 2.4                                  | 2,000                           | 1.4                                  |
| Construction  | 8,300                           | 5.3                                  | 9,600                           | 6.5                                  |
| Manufacturing   | 2,100                           | 1.3                                  | 1,900                           | 1.3                                  |
| Wholesale Trade   | 4,800                           | 3.1                                  | 4,800                           | 3.3                                  |
| Retail Trade  | 17,800                          | 11.3                                 | 17,300                          | 11.8                                 |
| Trans/Warehouse/Utilities (less Air Transportation)           | 10,800                          | 6.9                                  | 7,400                           | 5                                    |
| Air Transportation  | --                              | --                                   | 3,500                           | 2.4                                  |
| Information   | 4,000                           | 2.5                                  | 4,500                           | 3.1                                  |
| Financial Activities  | 7,500                           | 4.8                                  | 9,200                           | 6.3                                  |
| Professional And Business Services                            | 20,500                          | 13                                   | 16,500                          | 11.2                                 |
| Educational and Health Services (less Health Care)            | 6,400                           | 4.1                                  | 4,800                           | 3.3                                  |
| Health Care   | 18,500                          | 11.8                                 | 14,300                          | 9.8                                  |
| Leisure and Hospitality                                       | 16,900                          | 10.8                                 | 15,200                          | 10.3                                 |
| Other Services  | 6,100                           | 3.9                                  | 5,500                           | 3.8                                  |
| Federal Government  | 8,500                           | 5.4                                  | 9,500                           | 6.5                                  |
| State Government (less State Education)                       | 8,100                           | 5.2                                  | 7,400                           | 5                                    |
| State Education   | 2,700                           | 1.7                                  | 2,300                           | 1.6                                  |
| Local Government (less Local Education and Tribal Government) | 2,800                           | 1.8                                  | 3,000                           | 2                                    |
| Local Education   | 7,300                           | 4.6                                  | 7,500                           | 5.1                                  |
| Tribal Government   | --                              | --                                   | 300                             | 0.2                                  |
|   | <u>157,000</u>                  | 100 %                                | <u>146,600</u>                  | 100.0 %                              |

## Notes:

- (1) Due to new federal confidentiality laws, the data for this table will now be based on major industry rather than principal employers.
- (2) Data presented is current, as information is collected by calendar year only.

Source: State of Alaska Department of Labor Workforce and Development, Research and Analysis Section



For the Last Ten Years

**AVERAGE GENERAL EXPENDITURES PER PUPIL**

| <u>Fiscal<br/>Year</u> | <u>Total<br/>General<br/>Expenditures (1)</u> | <u>General<br/>Expenditures<br/>Percentage<br/>Increase<br/>Over Prior<br/>Year</u> | <u>Average<br/>Daily<br/>Membership<br/>Grades K-12<br/>and<br/>Special<br/>Education (2)</u> | <u>General<br/>Expenditures<br/>Per Student<br/>Capita</u> | <u>General<br/>Expenditures<br/>per Student<br/>Capita<br/>Percentage<br/>Increase<br/>Over Prior Year</u> |
|------------------------|---|---|---|--|--|
| 2005-2006              | \$ 562,580,521                                | 8.40 %  | 49,320  | \$ 11,407  | 8.09 %   |
| 2006-2007              | 595,877,224                                   | 5.92  | 48,707  | 12,234   | 7.25   |
| 2007-2008              | 701,171,780                                   | 17.67   | 48,144  | 14,564   | 19.05  |
| 2008-2009              | 725,105,080                                   | 3.41  | 48,227  | 15,035   | 3.24   |
| 2009-2010              | 761,495,196                                   | 5.02  | 49,061  | 15,521   | 3.23   |
| 2010-2011              | 805,550,379                                   | 5.79  | 48,613  | 16,571   | 6.76   |
| 2011-2012              | 824,408,079                                   | 2.34  | 48,422  | 17,025   | 2.74   |
| 2012-2013              | 844,228,735                                   | 2.40  | 48,493  | 17,409   | 2.25   |
| 2013-2014              | 840,976,291                                   | (0.39)  | 47,770  | 17,605   | 1.12   |
| 2014-2015              | 1,453,863,357                                 | 72.88   | 47,562  | 30,568   | 73.63  |

## Notes:

- (1) Includes General, Special Revenue and Debt Service Funds: excludes Capital Projects Fund.  
 (2) Average daily membership includes half-day kindergarten program reported at one half time.

For the Last Ten Years

**AVERAGE DAILY MEMBERSHIP AS COMPARED  
TO ASSESSED VALUATION SHOWING ASSESSED  
VALUATION SUPPORT PER STUDENT**

| <u>Fiscal<br/>Year</u> | <u>Average<br/>Daily<br/>Membership<br/>Grades K-12<br/>and<br/>Special<br/>Education (1)</u> | <u>Average Daily<br/>Membership<br/>Percentage<br/>Increase (Decrease)<br/>Over<br/>Prior Year</u> | <u>Assessed<br/>Valuation (2)</u> | <u>Assessed<br/>Valuation<br/>Percentage<br/>Increase<br/>Over<br/>Prior Year</u> | <u>Assessed<br/>Valuation<br/>Support Per<br/>Student</u> |
|------------------------|---|--|-----------------------------------|---|---|
| 2005-2006              | 49,320  | 0.28 %   | \$ 22,089,545,903                 | 7.80 %  | \$ 447,882  |
| 2006-2007              | 48,707  | (1.24)   | 25,844,114,757                    | 17.00   | 530,604   |
| 2007-2008              | 48,144  | (1.16)   | 29,269,105,519                    | 13.25   | 607,949   |
| 2008-2009              | 48,227  | 0.17   | 30,580,821,146                    | 4.48  | 634,102   |
| 2009-2010              | 49,061  | 1.73   | 31,453,348,714                    | 2.85  | 641,107   |
| 2010-2011              | 48,613  | (0.91)   | 31,463,676,892                    | 0.03  | 647,228   |
| 2011-2012              | 48,422  | (0.39)   | 31,596,540,551                    | 0.42  | 652,524   |
| 2012-2013              | 48,493  | 0.15   | 31,714,337,376                    | 0.37  | 653,998   |
| 2013-2014              | 47,770  | (1.49)   | 32,599,587,241                    | 2.79  | 682,428   |
| 2014-2015              | 47,562  | (0.44)   | 33,304,523,825                    | 2.16  | 700,234   |

## Notes:

- (1) Average daily membership includes half-day kindergarten program reported at one-half time.
- (2) Assessed valuation restated to reflect actual assessed valuation furnished by the Municipality of Anchorage rather than the estimated amount used at time of mill rate determination.

For the Last Ten Years

**AUTHORIZED POSITIONS BY CATEGORY  
GENERAL OPERATIONS (1)(2)**

| Employee Category          | Fiscal Year  |              |              |              |              |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
|                            | 2005-2006    | 2006-2007    | 2007-2008    | 2008-2009    | 2009-2010    |
| Administration             | 159          | 145          | 189          | 190          | 202          |
| Principals                 | 144          | 144          | 149          | 151          | 151          |
| Teachers                   | 3,240        | 3,240        | 3,305        | 3,315        | 3,353        |
| Technical                  | 182          | 183          | 179          | 197          | 205          |
| Clerical and teacher aides | 1,005        | 1,000        | 1,030        | 1,089        | 1,118        |
| Maintenance/warehouse      | 198          | 183          | 187          | 187          | 187          |
| Custodial                  | 354          | 353          | 361          | 361          | 371          |
| Drivers/attendants         | 105          | 105          | 111          | 112          | 111          |
| Noon attendants            | 74           | 74           | 74           | 74           | 75           |
| Food service               | 197          | 200          | 205          | 207          | 208          |
| Total authorized positions | <u>5,658</u> | <u>5,627</u> | <u>5,790</u> | <u>5,883</u> | <u>5,981</u> |
| Employee Category          | Fiscal Year  |              |              |              |              |
|                            | 2010-2011    | 2011-2012    | 2012-2013    | 2013-2014    | 2014-2015    |
| Administration             | 197          | 186          | 180          | 171          | 169          |
| Principals                 | 149          | 149          | 149          | 152          | 149          |
| Teachers                   | 3,386        | 3,318        | 3,342        | 3,302        | 3,273        |
| Technical                  | 209          | 231          | 230          | 221          | 209          |
| Clerical and teacher aides | 1,136        | 1,135        | 1,111        | 1,019        | 1,003        |
| Maintenance/warehouse      | 188          | 184          | 181          | 174          | 164          |
| Custodial                  | 370          | 370          | 368          | 331          | 331          |
| Drivers/attendants         | 111          | 112          | 111          | 112          | 110          |
| Noon attendants            | 75           | 76           | 73           | 73           | 74           |
| Food service               | 211          | 214          | 208          | 215          | 220          |
| Total authorized positions | <u>6,032</u> | <u>5,975</u> | <u>5,953</u> | <u>5,770</u> | <u>5,702</u> |

## Notes:

- (1) The number of positions include all employees authorized in the General Fund and the Food Service Special Revenue Fund. These positions include those working on Joint Base Elmendorf Richardson.
- (2) Information furnished by the Anchorage School District Budget.

Current Year

**TEACHER EDUCATION AND SALARY INFORMATION (1)**

| <b>Education</b>                              | <b>Number<br/>of Teachers (2)</b> | <b>Low<br/>Salary</b> | <b>High<br/>Salary (3)</b> |
|---|-----------------------------------|-----------------------|----------------------------|
| Bachelor's Degree                             | 300                               | \$ 47,923             | \$ 63,217                  |
| Bachelor's Degree plus 18 semester credits    | 300                               | 50,310                | 65,930                     |
| Bachelor's Degree plus 36 semester credits    | 353                               | 52,697                | 70,920                     |
| Master's Equivalency with 54 semester credits | 175                               | 57,687                | 75,910                     |
| Master's Equivalency with 72 semester credits | 123                               | 60,072                | 79,598                     |
| Master's Equivalency with 90 semester credits | 363                               | 62,458                | 89,343                     |
| Master's Degree                               | 315                               | 53,275                | 71,650                     |
| Master's Degree with 54 semester credits      | 275                               | 55,663                | 82,460                     |
| Master's Degree with 72 semester credits      | 256                               | 58,048                | 87,750                     |
| Master's Degree with 90 semester credits      | 915                               | 60,435                | 92,718                     |
| Doctorate Degree with 90 semester credits     | 27                                | 65,904                | 94,561                     |

## Notes:

- (1) Information furnished through Anchorage School District internal report.
- (2) Number of teachers (by FTE) as of May 2015. Does not include all authorized positions.
- (3) Salary amounts include salary schedule plus 6% additional for Related Services staff.

**AVERAGE DAILY MEMBERSHIP  
AND PUPIL TO CLASSROOM  
TEACHER RATIO (2)**

For the Last Ten Years

**AVERAGE DAILY MEMBERSHIP**

| Fiscal Year | Average Daily Membership<br>Grades K-6 (1) | Percentage Increase (Decrease)<br>Over Prior Year<br>Grades K-6 | Average Daily Membership<br>Grades 7-12 | Percentage Increase (Decrease)<br>Over Prior Year<br>Grades 7-12 |
|-------------|--|---|---|--|
| 2004-2005   | 26,060                                     | (1.59) %  | 23,122                                  | 1.48 %   |
| 2005-2006   | 26,011                                     | 0.18  | 23,309                                  | 0.80   |
| 2006-2007   | 26,255                                     | 0.93  | 22,452                                  | (3.68)   |
| 2007-2008   | 25,412                                     | (3.21)  | 22,732                                  | 1.25   |
| 2008-2009   | 25,894                                     | 1.90  | 22,333                                  | (1.76)   |
| 2009-2010   | 26,544                                     | 2.51  | 22,517                                  | 0.82   |
| 2010-2011   | 25,910                                     | (2.39)  | 22,703                                  | 0.83   |
| 2011-2012   | 26,515                                     | 2.34  | 21,907                                  | (3.51)   |
| 2012-2013   | 26,525                                     | 0.03  | 21,968                                  | 0.28   |
| 2013-2014   | 26,267                                     | (0.97)  | 21,503                                  | (2.12)   |
| 2014-2015   | 26,306                                     | 0.14  | 21,256                                  | (1.14)   |

## Notes:

- (1) Average daily membership includes half-day kindergarten program reported at one-half time.  
 (2) Information furnished by state approved Foundation Report for fiscal year 2014-2015.

**PUPIL TO CLASSROOM TEACHER RATIO (3)**

| Fiscal Year | Kindergarten<br>(FTE) | Grade<br>1 | Grades<br>2 - 3 | Grades<br>4 - 6 | Grades<br>7 - 12   | Special<br>Education |
|-------------|-----------------------|------------|-----------------|-----------------|--------------------|----------------------|
| 2005-2006   | 20.75 to 1            | 21.25 to 1 | 24.25 to 1      | 27.25 to 1      | 25.79 - 27.33 to 1 | Various              |
| 2006-2007   | 20.75 to 1            | 21.25 to 1 | 24.25 to 1      | 27.25 to 1      | 25.79 - 27.33 to 1 | Various              |
| 2007-2008   | 20.5 to 1             | 21 to 1    | 24 to 1         | 27 to 1         | 25.54 - 27.08 to 1 | Various              |
| 2008-2009   | 20.5 to 1             | 21 to 1    | 24 to 1         | 27 to 1         | 25.54 - 27.08 to 1 | Various              |
| 2009-2010   | 20.5 to 1             | 21 to 1    | 24 to 1         | 27 to 1         | 25.54 - 27.08 to 1 | Various              |
| 2010-2011   | 20.5 to 1             | 21 to 1    | 24 to 1         | 27 to 1         | 26.25 - 27.91 to 1 | Various              |
| 2011-2012   | 20.5 to 1             | 21 to 1    | 24.25 to 1      | 27.25 to 1      | 26.25 - 27.91 to 1 | Various              |
| 2012-2013   | 20.5 to 1             | 21 to 1    | 24.75 to 1      | 26.25 to 1      | 27.25 - 29.41 to 1 | Various              |
| 2013-2014   | 20 to 1               | 21 to 1    | 24 to 1         | 26 to 1         | 27 - 29 to 1       | Various              |
| 2014-2015   | 20 to 1               | 21 to 1    | 24 to 1         | 26 to 1         | 27 - 29 to 1       | Various              |

## Notes:

- (3) Information furnished by the Anchorage School District Budget.

For the Last Ten Years

**FACILITY UTILIZATION AND SCHOOL BUILDINGS (1)****FACILITY UTILIZATION**

| <u>Fiscal Year</u> | <u>Elementary</u>           |                             |                         |                                 | <u>Secondary</u>            |                             |                         |                                 | <u>Students Graduated</u> |
|--------------------|-----------------------------|-----------------------------|-------------------------|---------------------------------|-----------------------------|-----------------------------|-------------------------|---------------------------------|---------------------------|
|                    | <u>Gross Square Footage</u> | <u>Number of Classrooms</u> | <u>Program Capacity</u> | <u>Average Daily Membership</u> | <u>Gross Square Footage</u> | <u>Number of Classrooms</u> | <u>Program Capacity</u> | <u>Average Daily Membership</u> |                           |
| 2005-2006          | 3,298,895                   | 1,442                       | 27,669                  | 26,011                          | 3,469,921                   | 999                         | 20,622                  | 23,309                          | 2,807                     |
| 2006-2007          | 3,298,895                   | 1,443                       | 26,255                  | 26,255                          | 3,469,921                   | 1,033                       | 20,925                  | 22,452                          | 2,831                     |
| 2007-2008          | 3,298,895                   | 1,444                       | 27,127                  | 25,412                          | 3,510,941                   | 1,039                       | 21,379                  | 22,732                          | 2,963                     |
| 2008-2009          | 3,298,895                   | 1,444                       | 27,417                  | 25,894                          | 3,580,066                   | 1,041                       | 21,379                  | 22,333                          | 2,967                     |
| 2009-2010          | 3,320,887                   | 1,444                       | 27,210                  | 26,544                          | 3,760,066                   | 1,090                       | 22,437                  | 22,517                          | 3,084                     |
| 2010-2011          | 3,337,675                   | 1,446                       | 27,694                  | 25,910                          | 3,760,066                   | 1,090                       | 22,437                  | 22,703                          | 3,062                     |
| 2011-2012          | 3,343,712                   | 1,446                       | 27,821                  | 26,515                          | 3,783,765                   | 1,090                       | 22,437                  | 21,907                          | 2,989                     |
| 2012-2013          | 3,343,712                   | 1,437                       | 27,191                  | 26,525                          | 3,783,765                   | 1,151                       | 23,310                  | 21,968                          | 3,038                     |
| 2013-2014          | 3,340,607                   | 1,435                       | 26,568                  | 26,267                          | 3,778,328                   | 1,142                       | 23,082                  | 21,503                          | 2,807                     |
| 2014-2015          | 3,340,607                   | 1,435                       | 26,568                  | 26,306                          | 3,778,328                   | 1,142                       | 23,267                  | 21,256                          | 3,063                     |

**SCHOOL BUILDINGS**

| <u>Fiscal Year</u> | <u>High Schools</u> | <u>Middle Schools</u> | <u>Elementary Schools</u> | <u>Alternative Secondary Schools</u> | <u>Special Education Schools</u> | <u>Vocational Schools</u> | <u>Charter Schools</u> |
|--------------------|---------------------|-----------------------|---------------------------|--------------------------------------|----------------------------------|---------------------------|------------------------|
| 2005-2006          | 8                   | 9                     | 60                        | 6                                    | 2                                | 1                         | 6                      |
| 2006-2007          | 8                   | 9                     | 60                        | 6                                    | 2                                | 1                         | 6                      |
| 2007-2008          | 8                   | 9                     | 60                        | 6                                    | 2                                | 1                         | 7                      |
| 2008-2009          | 8                   | 10                    | 60                        | 6                                    | 2                                | 1                         | 8                      |
| 2009-2010          | 8                   | 10                    | 60                        | 6                                    | 2                                | 1                         | 8                      |
| 2010-2011          | 8                   | 10                    | 60                        | 6                                    | 2                                | 1                         | 8                      |
| 2011-2012          | 8                   | 10                    | 60                        | 6                                    | 2                                | 1                         | 8                      |
| 2012-2013          | 8                   | 10                    | 60                        | 7                                    | 2                                | 1                         | 8                      |
| 2013-2014          | 8                   | 10                    | 60                        | 7                                    | 2                                | 1                         | 8                      |
| 2014-2015          | 8                   | 10                    | 60                        | 7                                    | 2                                | 1                         | 8                      |

Notes:

(1) Information furnished from Anchorage School District's 6-year Capital Improvement Plan 2014-2020.

For the Last Ten Years

## STUDENT NUTRITION LOCAL REVENUES (1)

| Fiscal Year | Lunch Sales Student | Lunch Sales Adult | Breakfast Program | Milk Program | A la Carte Program | Special Meals | After School Snack Program | Other Revenues | Total        |
|-------------|---------------------|-------------------|-------------------|--------------|--------------------|---------------|----------------------------|----------------|--------------|
| 2005-2006   | \$ 2,771,585        | \$ 43,126         | \$ 117,898        | \$ 53,527    | \$ 2,179,350       | \$ 81,703     | \$ 3,177                   | \$ 837         | \$ 5,251,203 |
| 2006-2007   | 2,704,353           | 66,034            | 111,429           | 61,749       | 1,939,316          | 94,831        | --                         | 269            | 4,977,981    |
| 2007-2008   | 2,936,022           | 58,203            | 129,579           | 83,407       | 1,777,953          | 96,377        | --                         | 24,240         | 5,105,781    |
| 2008-2009   | 3,101,173           | 62,789            | 162,447           | 87,592       | 1,401,884          | 95,386        | --                         | 97,043         | 5,008,314    |
| 2009-2010   | 2,854,711           | 32,329            | 169,837           | 71,482       | 1,241,874          | 99,223        | --                         | 117,191        | 4,586,647    |
| 2010-2011   | 2,418,659           | 38,012            | 110,489           | 76,205       | 1,179,231          | 79,788        | --                         | 79,603         | 3,981,987    |
| 2011-2012   | 2,212,106           | 6,306             | 133,988           | 76,624       | 880,255            | 33,967        | --                         | 49,792         | 3,393,038    |
| 2012-2013   | 1,777,761           | 30,978            | 142,910           | 29,476       | 751,712            | 3,466         | --                         | 53,125         | 2,789,428    |
| 2013-2014   | 1,699,282           | 15,577            | 148,385           | 3,224        | 70,476             | 473,817       | --                         | 115,527        | 2,526,288    |
| 2014-2015   | 1,688,934           | 22,636            | 133,316           | 74,169       | 300,676            | --            | --                         | 54,820         | 2,274,551    |

## Notes:

(1) Information furnished through Anchorage School District internal report.

For the Last Ten Years

**MISCELLANEOUS STATISTICS**

Date of adoption of Home Rule Charter  
Municipality of Anchorage

September 16, 1975

## Number of Type A lunches served (1):

| Fiscal<br>Year | Paid      | Free      | Reduced<br>Price | Adult  |
|----------------|-----------|-----------|------------------|--------|
| 2005-2006      | 1,133,118 | 1,344,486 | 362,348          | 23,057 |
| 2006-2007      | 1,129,042 | 1,417,381 | 385,667          | 21,761 |
| 2007-2008      | 1,397,294 | 1,174,379 | 310,784          | 31,451 |
| 2008-2009      | 1,015,940 | 1,594,965 | 369,837          | 27,904 |
| 2009-2010      | 900,291   | 1,729,615 | 424,749          | 18,246 |
| 2010-2011      | 842,922   | 1,872,472 | 350,103          | 15,291 |
| 2011-2012      | 771,537   | 1,978,760 | 318,368          | 11,034 |
| 2012-2013      | 697,198   | 1,980,407 | 313,853          | 6,437  |
| 2013-2014      | 653,996   | 1,931,623 | 290,795          | 4,789  |
| 2014-2015      | 638,916   | 2,390,256 | 153,041          | 27,031 |

## Pupil transportation statistics (1):

| Fiscal<br>Year | Number of Routes                        |            |  |            |
|----------------|---|------------|--|------------|
|                | Regular to and from schools<br>District | Contracted | Special Education to and from school<br>District | Contracted |
| 2005-2006      | 50                                      | 99         | 26   | 63         |
| 2006-2007      | 49                                      | 95         | 28   | 63         |
| 2007-2008      | 53                                      | 95         | 28   | 63         |
| 2008-2009      | 53                                      | 95         | 28   | 63         |
| 2009-2010      | 51                                      | 96         | 28   | 63         |
| 2010-2011      | 51                                      | 91         | 29   | 68         |
| 2011-2012      | 51                                      | 91         | 29   | 69         |
| 2012-2013      | 51                                      | 91         | 29   | 69         |
| 2013-2014      | 51                                      | 91         | 29   | 69         |
| 2014-2015      | 50                                      | 91         | 29   | 69         |

## Notes:

(1) Information furnished through Anchorage School District internal report.



For the Last Ten Years

**EMPLOYER MEDICAL CONTRIBUTIONS BY BARGAINING UNIT (3)**

| Fiscal Year                 | AEA            | Support Services Employees (1) | Local 71, AFL-CIO | Local 959 (Bus Drivers and Attendants) | Retiree         | Total         |
|-----------------------------|----------------|--------------------------------|-------------------|--|-----------------|---------------|
| 2005-2006                   | \$ 28,633,260  | \$ 16,000,905                  | \$ 2,360,002      | \$ 632,641                             | \$ 18,221,310   | \$ 65,848,118 |
| 2006-2007                   | 30,377,068     | 19,111,501                     | 2,586,220         | 771,668                                | 18,042,551      | 70,889,008    |
| 2007-2008                   | 36,299,128     | 22,467,313                     | 2,985,731         | 913,298                                | 90,100,424 (2)  | 152,765,894   |
| 2008-2009                   | 40,196,860     | 25,221,558                     | 3,369,982         | 1,008,895                              | 86,145,444 (2)  | 155,942,739   |
| 2009-2010                   | 45,849,570     | 32,884,058                     | 3,904,788         | 1,120,094                              | 69,895,943 (2)  | 153,654,453   |
| 2010-2011                   | 51,221,082     | 36,712,647                     | 4,242,853         | 1,276,105                              | 66,526,816 (2)  | 159,979,503   |
| 2011-2012                   | 55,796,248     | 37,838,928                     | 4,787,536         | 1,406,654                              | 66,648,278 (2)  | 166,477,644   |
| 2012-2013                   | 58,116,015     | 34,929,173                     | 5,229,978         | 1,490,836                              | 93,762,731 (2)  | 193,528,733   |
| 2013-2014                   | 59,293,542 (4) | 31,926,745                     | 5,182,153         | 1,657,997                              | 93,972,863 (2)  | 192,033,300   |
| 2014-2015                   | 60,421,659     | 32,558,294                     | 5,327,780         | 1,654,275                              | 417,437,931 (2) | 517,399,939   |
| Compound Annual Growth Rate | 8.7%           | 8.2%                           | 9.5%              | 11.3%                                  | 41.6%           | 25.7%         |

## Notes:

(1) Includes: Superintendent, School Board, Local 959 (Maint. & Warehouse), Totem, APA, ACE, Exempt, Local 959 (Food Service) and Non-rep.

(2) Includes incremental State of Alaska On-behalf payments for PERS/TRS for the health coverage cost component.

(3) Information furnished from Anchorage School District internal report(s).

(4) Includes waiver account funds used for employees share of health coverage premiums.

## CHARTER SCHOOL FUND BALANCE

For the Last Ten Years

| Fiscal Year | Alaska Native Cultural Charter School | Aquarian Charter School | Eagle Academy Charter School | Family Partnership Charter School | Frontier Charter School |
|-------------|---------------------------------------|-------------------------|------------------------------|-----------------------------------|-------------------------|
| 2005-2006   | \$ --                                 | \$ 7,418                | \$ 63,942                    | \$ 363,648                        | \$ 218,612              |
| 2006-2007   | --                                    | 12,362                  | 103,381                      | 690,528                           | 299,635                 |
| 2007-2008   | --                                    | 195,779                 | 210,032                      | 1,058,541                         | 507,252                 |
| 2008-2009   | 1,475                                 | 190,340                 | 176,307                      | 1,061,944                         | 495,508                 |
| 2009-2010   | 8,509                                 | 135,549                 | 135,865                      | 829,651                           | 525,700                 |
| 2010-2011   | 118,304                               | 139,478                 | 125,356                      | 445,095                           | 636,166                 |
| 2011-2012   | 214,694                               | 207,036                 | 218,037                      | 207,422                           | 798,198                 |
| 2012-2013   | 243,659                               | 217,374                 | 212,096                      | 115,182                           | 855,361                 |
| 2013-2014   | 189,432                               | 144,015                 | 274,091                      | 175,926                           | 890,631                 |
| 2014-2015   | 803,944                               | 775,373                 | 758,422                      | 977,677                           | 1,090,945               |

| Fiscal Year | Highland Tech Charter School | Rilke Schule Charter School | Winterberry Charter School | Grand Total |
|-------------|------------------------------|-----------------------------|----------------------------|-------------|
| 2005-2006   | \$ 36,641                    | \$ --                       | \$ 90                      | \$ 690,351  |
| 2006-2007   | 118,008                      | --                          | 15,187                     | 1,239,101   |
| 2007-2008   | 206,258                      | 190,819                     | 91,359                     | 2,460,040   |
| 2008-2009   | 112,539                      | 29,388                      | 18,770                     | 2,086,271   |
| 2009-2010   | 167,071                      | 54,612                      | 15,980                     | 1,872,937   |
| 2010-2011   | 168,290                      | 4,965                       | 11,911                     | 1,649,565   |
| 2011-2012   | 166,763                      | 46,831                      | 7,577                      | 1,866,558   |
| 2012-2013   | 24,568                       | 582                         | 47,023                     | 1,715,845   |
| 2013-2014   | 49,482                       | 31,481                      | 49,123                     | 1,804,181   |
| 2014-2015   | 378,080                      | 393,522                     | 516,885                    | 5,694,848   |

June 30, 2015

## SCHEDULE OF INSURANCE IN FORCE

| Carrier/Coverage  | Policy Number     | Limits   | Expiration Date |
|---|-------------------|--|-----------------|
| Starr Indemnity & Liability Co.<br>GL/Auto/Educational Liability                    | 1000005375        | \$5,000,000 Each Occurrence<br>\$10,000,000 Aggregate, except auto<br>Self Insured Retention claim - \$1,500,000 | 7/1/2016        |
| National Casualty<br>2nd Excess Liability   | XCS0000022        | \$10,000,000 Occurrence<br>\$10,000,000 Aggregate  | 7/1/2016        |
| Navigator's Specialty Ins. Co.<br>3rd Excess Liability                              | SF15EXC747258IC   | \$15,000,000 Occurrence<br>\$15,000,000 Aggregate  | 7/1/2016        |
| Houston Casualty Co.<br>4th Excess Liability  | H15XC50354-01     | \$10,000,000 Occurrence<br>\$10,000,000 Aggregate  | 7/1/2016        |
| State National Ins. Company<br>Excess Workers Compensation<br>& Employers Liability | NDE-0858940-15    | Statutory Limits Part I<br>\$1,000,000 Part II<br>Self Insured Retention - \$1,000,000<br>\$50,000,000 Cap       | 7/1/2016        |
| ACE American Ins. Co.<br>Travel Accident Insurance<br>Teachers, Board Members       | N04966144         | \$500,000 Class I & II Principal Sum<br>\$5,000,000 Aggregate, per Accurance                                     | 7/1/2016        |
| Ace/Myers-Stevens Toohey<br>Student Accident Athlete<br>Catastrophic Insurance      | SDAN0420512151993 | \$1,000,000 Each Occurrence<br>\$25,000 Deductible   | 7/1/2016        |
| Hiscox Ins. Co.<br>Crime Insurance  | UC21272021.15     | \$1,000,000 Bond Limit<br>\$25,000 Deductable  | 7/1/2016        |
| ACE American Ins. Co.<br>Foreign Liability  | D38442855         | \$1,000,000 per Occurance<br>\$2,000,000 Aggregate Limit   | 7/1/2016        |
| Lloyds of London/Beazley<br>Illinois Insurance Co.<br>Cyber Liability Insurance     | W15E52150201      | \$1,000,000  | 7/1/2016        |
| Hartford Accident & Indemnity<br>Treasurer Bond/Bettye Davis                        | 52BSBGN2654       | \$50,000   | 4/27/2016       |
| Nautilus Insurance CO.<br>Storage Tank Liability                                    | CST200199916      | \$1,000,000 Each Incident<br>\$1,000,000 Aggregate   | 3/23/2016       |
| FM Global Insurance Company<br>Property Insurance excluding Quake                   | 1004184           | \$1,000,000,000 Limit  | 7/1/2016        |

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