



# Anchorage School District Comprehensive Annual Financial Report

*For the fiscal year ended June 30, 2018*

A Component Unit of the Municipality of Anchorage  
Anchorage, AK

Comprehensive Annual  
Financial Report

ANCHORAGE SCHOOL DISTRICT

for the Fiscal Year Ended  
June 30, 2018

Dr. Deena Bishop  
Superintendent

Prepared by Business Management Division

Jim Anderson, Chief Financial Officer

Melissa Myers  
Senior Director, Finance

James Farrington  
Treasurer

Andrew Ratliff  
Senior Director, OMB

Aurora Cokerland  
Controller



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 Education Act, Title II of the Americans with Disabilities Act and the relevant disability provisions of Alaska law.

Any student or employee who violates this policy will be subject to appropriate disciplinary action.

Inquiries or complaints may be addressed to ASD's Compliance/Equal Employment Opportunity Senior Director, who also serves as the Title IX and ADA Coordinator, ASD Education Center, 5530 E. Northern Lights Blvd, Anchorage, AK 99504-3135 (907) 742-4132, [EEO@asdk12.org](mailto:EEO@asdk12.org), or to any of the following external agencies: **Alaska State Commission for Human Rights, Anchorage Equal Rights Commission, Equal Employment Opportunity Commission, or the Office for Civil Rights-U.S. Department of Education.** REVISED: 8/2007, 8/2012, 5/2013, 7/2014, 3/2017, 9/2017

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## **Introductory Section**



# Anchorage School District

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## Education Center

5530 E. Northern Lights Blvd. • Anchorage, AK 99504 • 907-742-4000 • www.asdk12.org

December 14, 2018

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, 2018, 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, 2018. 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 Municipality of Anchorage was 297,483 (2017) – a decrease of 0.5 percent from the prior year. The district primarily serves 46,794 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, Pupil Transportation Special Revenue Fund, and Debt Service Fund 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**

Sustained low oil prices, which began to fall in the middle of 2014 and has not fully recovered, has put a continual strain on State finances and employment – while unemployment in the U.S. rose to 10 percent in 2009, migrated down toward 4.1 percent (October 2017), and declined to 3.7 percent (September 2018). This summer, the Alaska unemployment rate is currently at 6.7 percent (August 2018), down from 7.2 percent a year ago.

The district serves the state’s largest city, Anchorage, which contains approximately 40 percent of Alaska’s population. The most recently reported per capita income for the Municipality of Anchorage was \$58,990 compared to \$57,750 for Alaska and \$50,620 for the U.S. (May 2017). The average unemployment rate in Anchorage has declined from 7.4 percent in fiscal year 2009-2010 to 6.7 percent (August 2018).

In fiscal year 2017-2018 the Municipal Assembly authorized the collection of a 6.91 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 declined by 1.36 percent from 2017 to 2018.

## **LONG-TERM FINANCIAL PLANNING**

The district saw no increase to the Base Student Allocation of \$5,930 for fiscal year 2018-2019, staying the same as the previous two years. The State did provide some additional funds to school districts in the form of a one-time payout of \$20 million to be distributed on the basis of Adjusted Average Daily Membership to all districts. Anchorage is anticipating approximately \$5.77 million of the distribution.

Current statutes provide for another one-time payout of \$30 million to Alaskan districts in fiscal year 2019-2020, however, this is still contingent upon legislative funding. While the state continues to grapple with sustained low oil prices and a projected \$3 billion budget deficit, it is unknown what changes to K-12 education might occur.

Due to the uncertainty of State funding and declining enrollment, the district is projecting a budget shortfall of between \$10 million and \$20 million in fiscal year 2018-2019. For fiscal years 2019-2020 and 2020-2021, 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 is expected to be between \$40 and \$60 million and result in the elimination of up to 600 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 991 students (2.1 percent) from the prior fiscal year to 45,958 for fiscal year 2017-2018. Projections for fiscal years 2019-2020 and 2020-2021, anticipate decreases in enrollment to 45,397 and 45,319 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. Renovations were completed at Bartlett High Kitchen and Cafeterias, King Career Center shop areas, and the West High and Romig Middle school library. Renovations at Turnagain and Gladys Wood elementary schools are nearing completion. The average age of district facilities is 33 years, there are 6 facilities which are 60 years or older and 24 that are 50 years and older.

Currently, the district is working on design and construction that will replace and upgrade roof systems, HVAC systems, and fire suppression systems at 10 elementary schools, 4 secondary schools and one support facility. 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 ACADEMIC INITIATIVES**

ASD's curriculum is aligned with the Common Core Standards and research-based instructional practices to support student learning. The departments within the Academic Services Division work in partnership to ensure that academic and social-emotional learning needs are met for all student needs within a multi-tiered system of supports.

The district reviewed and adopted a new English Language Arts (ELA) curriculum for grades K-2 in fiscal year 2017-2018, and for grades 3-5 in fiscal year 2018-2019. This has resulted in the creation of priority plans and extensive professional learning for principals and teachers on the new curriculum and research-based reading instruction. Grades 6-8 ELA curriculum is under currently under review for recommended adoption in fiscal year 2019-2020.

ASD is committed to expanding opportunities for students to engage in their education. These opportunities include the following:

- Over fiscal years 2018-2019 and 2019-2020 ASD will increase the number of pre-AP and AP (i.e., Advanced Placement) courses offered and the number of students taking these rigorous courses at the secondary level.
- ASD opened Alaska Middle College School (AMCS) in fiscal year 2017-2018 in a partnership with the University of Alaska, Anchorage (UAA). AMCS serves students in 11<sup>th</sup> and 12<sup>th</sup> grade

who are ready to take college level courses. As of the fiscal year 2018-2019, students who attend AMCS have the option to take classes at the Chugiak-Eagle River UAA Campus or Main UAA Campus.

- King Career Center shifted from a program to King Tech High School in fiscal year 2018-2019. This school is a hybrid model with both full-time and part-time students in 11<sup>th</sup> and 12<sup>th</sup> grade who are interested in Career and Technical Education (CTE). CTE pathways prepare students for both career options and post-secondary education and training.
- PAIDEIA Cooperative School shifted from being a charter school to an ASD cooperative correspondence school in fiscal year 2018-2019. PAIDEIA combines the structure of the ASD with the home-school philosophy of individualized learning for K-12 students. This provides students the opportunity to have a blended and project-based learning experience, which is personalized to each student's needs.

The district is committed to supporting the learning of all students through implementation of social-emotional learning and trauma informed practices. In fiscal years 2017-2018 and 2018-2019 the following programs and professional learning are being implemented to support this important work:

- All elementary staff participated in professional learning on trauma informed practices in fiscal year 2017-2018 and all secondary staff participated in similar professional learning in fiscal year 2018-2019.
- Secondary staff are receiving professional development in practices such as Youth Mental Health First Aide and restorative practices to provide prevent and provide alternatives to suspension and expulsion.
- All middle and high schools will be trained in and implement *Capturing Kids Hearts* to ensure a safe and positive learning culture in schools and classrooms.
- Elementary and middle schools will implement a SEL curriculum. Elementary schools will choose between *Second Step* or *Connected and Respected*. Middle schools will implement *Lions Quest*, which replaces *Aggressors, Victims and Bystanders* (AVB).

## **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, 2017.

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, 2017.

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**

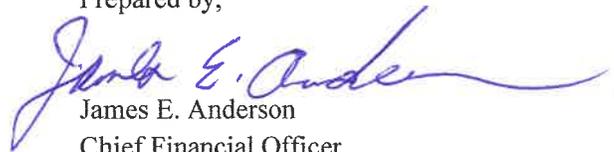
The preparation of this report could not be accomplished without the efficient and dedicated services of the entire finance and budget staff, independent auditors and other administrative staff. We would like to express our appreciation to all staff members who assisted and contributed to its preparation. 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,



Dr. Deena Bishop  
Superintendent

Prepared by,



James E. Anderson  
Chief Financial Officer

# The Anchorage School Board



Starr Marsett  
President



Deena Mitchell  
Vice President



Alisha Hilde  
Clerk



Elisa Snelling  
Treasurer



Mark A. Foster



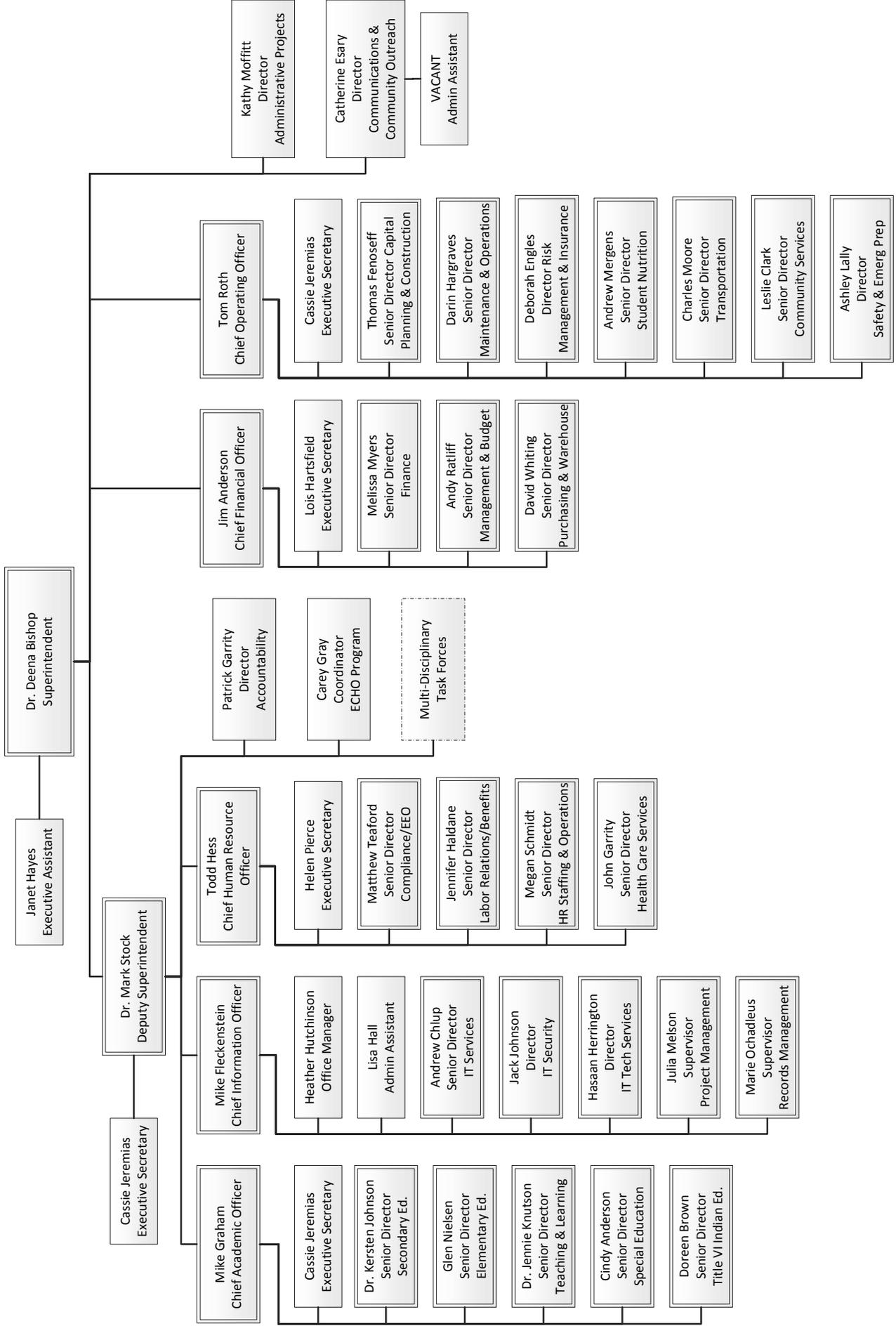
Dave Donley



Andy Holleman

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 unless noticed otherwise. Work sessions begin at 4 p.m., executive sessions at 6 p.m., and regular sessions at 7 p.m. The work and regular session meetings are held in the board room of the ASD Education Center located at 5530 E. Northern Lights Boulevard. Executive sessions, when needed, are held in the Board Conference Room. In addition, special meetings and additional work sessions are scheduled throughout the year on an as-needed basis. Regular sessions may be watched live on ASD-TV online and are also available on-demand online after the meetings are over.

**2018-2019  
Office of the Superintendent**





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Anchorage School District  
Alaska**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

## Anchorage School District

for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2017.

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



A handwritten signature in black ink that reads 'Charles E. Peterson, Jr.' The signature is written in a cursive style.

Charles E. Peterson, Jr., SFO, RSBA, MBA  
President

A handwritten signature in black ink that reads 'John D. Musso'. The signature is written in a cursive style.

John D. Musso, CAE  
Executive Director



## **Financial Section**



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3601 C Street, Suite 600  
Anchorage, AK 99503

## 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), a component unit of the Municipality of Anchorage, Alaska, as of and for the year ended June 30, 2018, 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 Anchorage School District, as of June 30, 2018, 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 2018 the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than 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, 2017, 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, schedules of net pension and OPEB liabilities and pension and OPEB contributions* on pages 3 through 15, 71 through 74 and 75 through 83, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit 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 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 December 14, 2018 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Anchorage School District's 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 the Anchorage School District's internal control over financial reporting and compliance.

*BDO USA, LLP*

Anchorage, Alaska  
December 14, 2018

## 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, 2018. 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 2017-2018 to reflect the change in accounting principle as the district adopted GASB Statement 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans*. The net position of the district for fiscal year 2017-2018 was \$353,788,097 million, consisting of \$727.5 million in net investment in capital assets, \$26.8 million in restricted net position, and a negative \$400.5 million in unrestricted net position. The negative \$400.5 million in unrestricted net position is primarily a result of recognizing the district's \$473.7 million share of the unfunded pension and OPEB liability in the State's retirement systems. Restatement of the net position opening balance represented an overall change in net position of the governmental activities with an increase of \$48.8 million, reflected in Exhibit II.

The district's net position decreased by \$27.4 million, reflected in Exhibit I. The decrease in net position is attributable to the \$13.4 million decrease in capital assets, net of accumulated depreciation; the decrease of deferred outflows by \$70 million; the \$71.6 million increase to deferred inflows; an increase in net investment in capital assets of \$10.1 million; and, a decrease in liabilities of \$120.7 million.

#### Revenues and Expenses

Total government-wide program and general revenues decreased by \$4 million, due to a \$7 million decrease from operating grants and contributions, a \$4.5 million decrease in general revenues, and an increase of \$7.5 million in capital grants revenue.

The decrease in general revenues of \$4.5 million were primarily driven by a decrease of \$3.5 million in the Public School Funding Program and a decrease in Impact Aid by \$1.4 million. This was partially offset by an increase in investment income of \$0.6 million and an increase in the appropriation from the Municipality of Anchorage by \$2.6 million.

Total government-wide expenses decreased from the previous fiscal year, changing from \$904.5 million to \$743.4 million, or 17.8 percent. Expenses were decreased in general administration, instruction, pupil transportation, operation and maintenance of plant, community services, food service, and interest expense, for a total year over year decrease in government-wide expenditures of \$161.1 million.

#### Fund Balance

At the close of the fiscal year, the district's governmental funds reported a combined ending fund balance of \$149 million, which included:

- \$5.1 million in inventory and prepaid items (non-spendable).
- \$26.8 million in restricted funds associated with the bond rating and Federal Impact Aid Section 8003(d).

- \$86.4 million in committed and assigned funds associated with service, supplies and material encumbrances, authorized construction, self-insurance, Federal Impact Aid Sections 8003 (b), pupil transportation, student activities, food service, and equipment.
- \$30.7 million of unassigned funds that are available for spending at the district's discretion which represents 5 percent of the total annual general fund expenditures.
- The district is maintaining a level of unreserved fund balance in the general fund of 9.93 percent, which is within the School Board adopted policy range of 8 to 10 percent of general fund expenditures, (10 percent being the maximum allowed by the state).

Major contributors to the overall increase in fund balance of \$291,083 were due to the decreases in the general administration and instruction expenditures, and increases in local revenues from the Municipal tax appropriations and E-rate reimbursement from the FY17 applicable technology expenditures.

## 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
- 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 17-18 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 unmatured 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, Food Service and Pupil Transportation Special Revenue Funds, and Debt Service Fund. 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 19-21 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 23-25 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 26-70 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 71-86 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 87-135 of this report. Detailed information on the district's Internal Service Funds can also be found on pages 137-139.

### **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 \$353,788,097 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	
	2017-2018	2016-2017
<b>ASSETS</b>		
Current and other assets	\$ 334,626,110	\$ 327,758,931
Capital assets	1,278,530,439	1,291,938,766
Total assets	<u>1,613,156,549</u>	<u>1,619,697,697</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related	43,876,068	125,711,709
OPEB related	12,023,141	--
Deferred charges on refundings	7,985,930	8,146,058
Total deferred outflows of resources	<u>63,885,139</u>	<u>133,857,767</u>
<b>LIABILITIES</b>		
Bonds payable, net of premium/discount	513,779,142	531,839,336
Net pension liability	425,770,222	579,323,265
Net OPEB liability	47,895,390	--
Other liabilities	124,240,834	121,202,526
Total liabilities	<u>1,111,685,588</u>	<u>1,232,365,127</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related	56,058,638	15,666,113
OPEB related	32,721,642	--
Tax appropriations	122,787,723	124,305,792
Total deferred inflows of resources	<u>211,568,003</u>	<u>139,971,905</u>
<b>NET POSITION</b>		
Invested in capital assets	727,508,283	717,402,083
Restricted	26,809,323	25,676,010
Unrestricted	(400,529,509)	(361,859,661)
Total net position	<u>\$ 353,788,097</u>	<u>\$ 381,218,432</u>

By far, the largest portion of the district's total assets reflects its investment in capital assets; e.g., land, buildings, 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 \$727,508,283. 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 \$400,529,509 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 decrease associated with the pension liability is \$153.6 million, down to \$425.8 million – the net of \$43.9 million in deferred outflows, \$56 million in deferred inflows, and the \$425.8 million net pension liability.

Table 2 highlights the district's revenues and expenses for the fiscal year 2017-2018. 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 of \$523,023 in program revenues is mainly attributable to capital grants and contributions revenues, offset by decreases in charges for services and operating grants and contributions. The net decrease in general revenues is mainly attributable to the decrease in Public School Funding Program and decrease in Federal Impact Aid, offset by increases in the appropriation from the Municipality of Anchorage and investment income.

Government-wide expenses were \$743,404,799 an 18 percent decrease from the prior year. Decreases were made in general administration, instruction, transportation, operation and maintenance of plant, community services, afood services, and interest expense.

Table 2 – Program Revenues and Expenses

	Governmental Activities	
	2017-2018	2016-2017
Revenues:		
Program revenues:		
Charges for services and sales	\$ 7,466,991	\$ 7,480,617
Operating grants and contributions	145,014,620	151,974,370
Capital grants and contributions	44,295,140	36,798,741
General revenues:		
Appropriation from		
Municipality of Anchorage	248,611,584	246,003,265
Investment income	2,592,213	1,976,485
Public school funding program	326,734,512	330,187,510
Federal impact aid	18,406,484	19,780,064
Other	(938,858)	1,932,405
Total revenues	<u>\$ 792,182,686</u>	<u>\$ 796,133,457</u>
Program expenses:		
General administration	\$ 26,270,521	\$ 33,833,671
Instruction	578,830,520	707,221,741
Pupil transportation	23,514,207	25,948,005
Operation and maintenance of plant	71,737,781	87,007,105
Community services	408,963	626,343
Food services	22,332,988	26,614,714
Interest expense	20,309,819	23,204,597
Total expenses	<u>743,404,799</u>	<u>904,456,176</u>
Increase (decrease) in net position	48,777,887	(108,322,719)
Net position beginning of year, as restated	<u>305,010,210</u>	<u>489,541,151</u>
Net positions ending	<u>\$ 353,788,097</u>	<u>\$ 381,218,432</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 Services 2017-2018	Program Revenues 2017-2018	Net Cost of Services 2017-2018
General administration	\$ 26,270,521	\$ 818,590	\$ 25,451,931
Instruction	578,830,520	143,653,590	435,176,930
Pupil transportation	23,514,207	22,443,644	1,070,563
Operation and maintenance of plant	71,737,781	5,286,020	66,451,761
Community service	408,963	657,880	(248,917)
Food service	22,332,988	23,917,027	(1,584,039)
Interest expense	20,309,819	--	20,309,819
Total expenses	<u>\$ 743,404,799</u>	<u>\$ 196,776,751</u>	<u>\$ 546,628,048</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 \$291,083 for the year ended June 30, 2018. This is attributable to increases in the fund balances within General and non-major governmental funds, and decreases in the fund balances within debt service and capital projects.

#### *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 \$31,051,802 while total fund balance was \$116,732,571. Total fund balance increased by \$357,838 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 \$87,851,520 or 14.69 percent of expenditures. In addition, the level of unrestricted fund balance to expenditures as calculated on a state basis was 9.93 percent, which is within the School Board's adopted fund balance policy range of 8 to 10 percent and below the 10 percent maximum allowed under state law.

Actual revenues on the budgetary basis were 100.12 percent of budgeted revenues while actual expenditures on the budgetary basis were 99.46 percent of budgeted expenditures. Actual expenditures for general administration and instructional related purchased services, salaries, benefits and supplies and materials were lower than anticipated, after factoring in the \$17,966,322 million attrition offset included in General Administration.

The General Fund expenditure budget for the year ended June 30, 2018 was \$582,681,702, an increase of \$19,711,001 from the prior year budget of \$562,970,701.

#### *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 \$49,986,139, an increase of six percent from the prior year amount of \$47,109,378.

#### *Debt Service Fund*

The Debt Service Fund has a total fund balance of \$1,401,974, all of which is restricted for payment of debt service. The district projected higher than actual interest payments, and, due to issuance of a refunding bond, the district was able to realize interest savings during the year. The district also did a funds transfer of \$1,920,859 back to the General Fund of remaining funds not used from a transfer in the prior year. The net result was an overall negative budget variance of \$518,885.

#### *Capital Projects Fund*

The Capital Projects Fund closed the fiscal year with \$41,939,084 in expenditures. Proceeds from the current year general obligation bond sale and funds from state legislative grants primarily financed the activity for the year. Expenditures were in excess of current year revenues, which resulted in a decrease to the total fund balance on June 30, 2018 of \$23,431,173 from \$23,969,678.

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

**Capital assets** – the district’s investment in capital assets for its governmental activities as of June 30, 2018 amounts to \$1,278,530,439 (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 1.1 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:

- Abbott Loop Elementary School Construction
- Birchwood Elementary School Renovation
- East High School Renovation
- Homestead Elementary School Construction
- Martin Luther King Jr. Career Center Renovation
- Mears Middle School Renovation

North Star Elementary School Renovation  
 Ptarmigan Elementary School Construction  
 Rogers Park Elementary School Construction  
 Service High School Renovation  
 West High/Romig Middle Schools Renovation  
 Willow Crest Elementary School Construction

The following table shows ending balances of capital assets (net of accumulated depreciation) invested in various categories. The district recognized a total increase of \$13,408,327 in capital assets net of accumulated depreciation in part due to new construction projects.

Table 4 – Capital Assets as of June 30, 2018 (Net of Depreciation)

	Governmental Activities	
	2017-2018	2016-2017
Land	\$ 42,357,063	\$ 42,357,063
Land improvements	22,583,728	23,208,531
Buildings, equipment and vehicles	1,212,820,691	1,225,550,329
Construction in progress	768,957	822,843
Totals	<u>\$ 1,278,530,439</u>	<u>\$ 1,291,938,766</u>

**Long-term debt** – as of June 30, 2018 the district had outstanding general obligation bonds totaling \$517,000,000. This entire amount of \$517,000,000 comprises debt backed by the full faith and credit of the municipality. Over the fiscal year, the district paid \$56,500,000 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, 2018

	Governmental Activities		
	2017-2018	2016-2017	Maturity
General obligation bonds	<u>\$ 517,000,000</u>	<u>\$ 541,595,000</u>	2039

As of June 30, 2018, the district’s available authorized but unissued general obligation school bonds amounted to \$95,258,500.

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, 2017.

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 20, 2018, the Anchorage Assembly approved ordinance AO 2018-10 which provided local funding of \$245,575,446 and an upper limit of \$785,776,778. Upper limit authority was reallocated between funds on June 4, 2018 with School Board Memorandum #179 (2017-2018) to account for changes in State funding.

Revisions passed by the Alaska Legislature and the Governor made changes to State revenues including additional operating funds outside of the State's Foundation Formula, as well as, capital and preschool grants. These changes will have an anticipated increase of \$5.77 million in fiscal year 2018-2019 as well as having the potential to effect funding in future years. A summary of legislation effecting future revenues and/or expenditures are, as follows:

- Senate Bill 142 – provided \$20 million to school districts to be distributed on the basis of Adjusted Average Daily Membership (AADM) for fiscal year 2018-2019 only. The Anchorage School District expects to receive approximately \$5.77 million.
- House Bill 287 – provides \$30 million to school districts to be distributed on the basis of AADM for fiscal year 2019-2020. The Anchorage School District expects to receive approximately \$8.7 million in State funding, plus the potential for an additional \$2 million in local contributions, consistent with the maximum local contribution limit.
- Senate Bill 216 – allows districts to consolidate schools without losing State funding, based on school size in the first two years, and stepping down the reduction in funding the two years thereafter. Districts who are forced to close schools due to enrollment declines will be provided with a transitional period of consistent revenue in order to make the operational adjustment.

A major driving force of the district's financial outlook is student enrollment. The district initially anticipated an overall decrease in enrollment of 0.46 percent in fiscal year 2018-2019. 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. Economic impacts resulting from sustained low oil prices has put further pressure on enrollment, as skilled workers from the energy sector and related services, such as construction, search for employment opportunities elsewhere.

This year, the district's enrollment at the end of September was 46,794 students, which was 909 fewer students than in fiscal year 2017-2018, about 693 students below what was projected. This preliminary enrollment data is below projected enrollment by approximately 1.46 percent, which represents a decrease in State Public School Foundation Formula and local municipal tax funding of roughly \$6.9 million, although that reduction is expected to be offset by increases to the formula funding for students with intensive needs.

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. The Legislature has, so far, been unable to come to an agreement on fundamental changes to increase State revenues to cover future deficits including the use of Alaska Permanent Fund earnings, statewide income and/or sales taxes, and increases to the tax structure of natural resource extraction.

On the expense side, excessive workers' compensation and medical cost inflation continue to increase, as management continues to monitor and manage group medical plan costs and values 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. For fiscal year 2017-2018, the district has opened an employer-sponsored healthcare clinic to help flatten the ongoing cost curve of medical increases and provide high quality primary care, wellness coaching, and acute care to employees at little or no cost to the employee.

The local heating 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. For fiscal year 2018-2019, rates are expected to increase up to 15 percent depending on the utility provider. The district budget for fiscal year 2018-2019 includes \$5.99 million for natural gas. 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 more efficient systems. In addition, the district continues to replace florescent lighting with new high efficiency LED lighting systems. The investment in energy efficiency has primarily been realized in the district's usage of electricity, which is not expecting any material increase for fiscal year 2018-2019.

In addition to rate increases on fixed costs, the district is contending increasing capital needs for both building and network infrastructure. In 2015, the State placed a moratorium on reimbursing bond debt for capital projects, which has put the entire burden for any new projects on local taxpayers and the use of operating funds. Additionally, more resources will need to be put towards securing the district's network as the level of attacks on district servers increases in both number and sophistication.

Rate increases, generally trending with inflation, 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 2018-2019 is 3.65 percent.

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

The state allows an indirect rate of up to 9 percent for capital grants for fiscal year 2018-2019. 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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# Basic Financial Statements

June 30, 2018  
With Comparative Totals for  
June 30, 2017

## STATEMENT OF NET POSITION

	Governmental Activities	
	2018	2017
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 156,125,396	\$ 160,580,200
Cash and investments with paying agent	24,872,415	11,560,611
Accounts receivable, net of allowances	2,568,632	2,865,466
Interest receivable	11,063	7,027
Due from other governments	141,343,429	148,407,252
Prepaid items	6,673,668	1,095,044
Inventory	3,031,507	3,243,331
Total current assets	334,626,110	327,758,931
Non-current assets:		
Capital assets:		
Non-depreciable:		
Land	42,357,063	42,357,063
Construction in progress	768,957	822,843
Depreciable:		
Land improvements	71,895,948	70,616,275
Buildings and equipment	1,847,939,195	1,828,582,343
Pupil transportation equipment	20,137,362	20,630,348
Accumulated depreciation	(704,568,087)	(671,070,106)
Capital assets, net of accumulated depreciation	1,278,530,438	1,291,938,766
Total assets	1,613,156,548	1,619,697,697
<b>Deferred outflows of resources</b>		
Pension related	43,876,068	125,711,709
OPEB related	12,023,141	--
Deferred charges on refunding loss	7,985,930	8,146,058
Total deferred outflows of resources	63,885,139	133,857,767
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	3,110,626	2,857,181
Contracts payable	4,915,606	2,900,448
Medical claims payable, including IBNR	6,047,842	6,095,255
Interest payable	6,992,867	8,612,079
Accrued salaries and related items:		
Wages and salaries payable	2,975,430	2,667,163
Payroll taxes, other accrued and withheld items	16,169,044	14,482,752
Accrued compensated absences	6,666,468	6,192,131
Workers' compensation payable	5,837,080	4,888,342
Bonds payable	55,080,000	56,500,000
Unearned revenue	2,688,659	2,958,253
Total current liabilities	110,483,622	108,153,604
Non-current liabilities:		
Accrued compensated absences	5,401,350	4,939,407
Workers' compensation payable	8,355,862	8,109,515
Bonds payable, net	513,779,141	531,839,336
Net pension liability	425,770,222	579,323,265
Net OPEB liability	47,895,390	--
Total non-current liabilities	1,001,201,965	1,124,211,523
Total liabilities	1,111,685,587	1,232,365,127
<b>Deferred inflows of resources</b>		
Pension related	56,058,638	15,666,113
OPEB related	32,721,642	--
General property tax receipts	104,173,639	104,739,311
Debt service tax receipts	18,614,084	19,566,481
Total deferred inflows of resources	211,568,003	139,971,905
<b>Net Position</b>		
Net investment in capital assets	727,508,283	717,402,083
Restricted for:		
Bond rating	24,575,544	24,861,158
Debt service	1,401,974	--
Federal Impact Aid 8003(d)	831,805	814,852
Unrestricted	(400,529,509)	(361,859,661)
Total net position	\$ 353,788,097	\$ 381,218,432

See accompanying notes to basic financial statements

For the Year Ended June 30, 2018

## STATEMENT OF ACTIVITIES

	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b><u>Functions/Programs</u></b>					
District-wide activities					
General administration	\$ (26,270,521)	\$ 242	\$ 818,348	\$ --	\$ (25,451,931)
Instruction	(578,830,520)	4,777,768	94,580,682	44,295,140	(435,176,930)
Pupil transportation	(23,514,207)	--	22,443,644	--	(1,070,563)
Operation and maintenance of plant	(71,737,781)	--	5,286,020	--	(66,451,761)
Community services	(408,963)	646,485	11,395	--	248,917
Food services	(22,332,988)	2,042,496	21,874,531	--	1,584,039
Interest expense	(20,309,819)	--	--	--	(20,309,819)
Total district-wide activities	<u>\$ (743,404,799)</u>	<u>\$ 7,466,991</u>	<u>\$ 145,014,620</u>	<u>\$ 44,295,140</u>	<u>\$ (546,628,048)</u>
General revenues:					
Unrestricted:					
Appropriation from Municipality of Anchorage					\$ 248,611,584
Investment income					2,592,213
Public School Funding Program					326,734,512
Federal Impact Aid					18,406,484
Other					(961,613)
Proceeds from sale of property & equipment					<u>22,755</u>
Total general revenues					<u>595,405,935</u>
Change in net position					48,777,887
Net position at beginning of year, as restated (see note 10)					<u>305,010,210</u>
Net position at end of the year					<u>\$ 353,788,097</u>

June 30, 2018  
With Comparative Totals for  
June 30, 2017

## BALANCE SHEET - GOVERNMENTAL FUNDS

						Totals	
	General	Grants Special Revenue	Debt Service	Capital Projects	Non-Major Governmental	2018	2017
<b>Assets</b>							
Cash and investments	\$ 124,902,769	\$ --	\$ --	\$ 422,855	\$ 3,040,622	\$ 128,366,246	\$ 132,913,780
Cash and investments with paying agent	--	--	7,855	24,864,560	--	24,872,415	11,568,298
Accounts receivable (net of any allowances for uncollectables)	2,125,740	22,263	--	--	30,647	2,178,650	2,161,812
Interest receivable	--	--	--	11,063	--	11,063	7,027
Due from other funds	13,265,122	--	961,485	3,519,218	4,023,312	21,769,137	34,554,703
Due from other governments	104,173,639	17,518,071	19,046,718	483,672	121,329	141,343,429	148,407,252
Prepaid items	2,300,590	41,630	--	700	240	2,343,160	1,095,044
Inventory	1,173,113	--	--	--	1,858,394	3,031,507	3,243,330
Total assets	<u>\$ 247,940,973</u>	<u>\$ 17,581,964</u>	<u>\$ 20,016,058</u>	<u>\$ 29,302,068</u>	<u>\$ 9,074,544</u>	<u>\$ 323,915,607</u>	<u>\$ 333,951,246</u>
<b>Liabilities</b>							
Accounts payable	\$ 2,221,795	\$ 79,679	\$ --	\$ 767,084	\$ 42,068	\$ 3,110,626	\$ 2,857,181
Contracts payable	--	--	--	4,915,606	--	4,915,606	2,900,448
Medical claims and other contracts payable	535,983	--	--	--	--	535,983	552,638
Due to other funds	8,504,015	13,201,385	--	--	63,737	21,769,137	34,554,703
Accrued salaries and related items	15,762,240	3,206,423	--	91,015	84,796	19,144,474	17,149,915
Unearned revenue	10,730	1,094,477	--	97,190	1,486,262	2,688,659	2,958,253
Total liabilities	<u>27,034,763</u>	<u>17,581,964</u>	<u>--</u>	<u>5,870,895</u>	<u>1,676,863</u>	<u>52,164,485</u>	<u>60,973,138</u>
<b>Deferred inflows of resources</b>							
General property tax appropriation	104,173,639	--	--	--	--	104,173,639	104,739,311
Debt service tax appropriation	--	--	18,614,084	--	--	18,614,084	19,566,481
Total deferred inflows of resources	<u>104,173,639</u>	<u>--</u>	<u>18,614,084</u>	<u>--</u>	<u>--</u>	<u>122,787,723</u>	<u>124,305,792</u>
<b>Fund balances:</b>							
Non-spendable	3,473,702	41,630	--	700	1,598,309	5,114,341	4,104,718
Restricted	25,407,349	--	1,401,974	--	--	26,809,323	25,676,010
Committed	517,116	--	--	23,430,473	--	23,947,589	29,733,375
Assigned	56,282,602	--	--	--	6,152,479	62,435,081	58,538,824
Unassigned	31,051,802	(41,630)	--	--	(353,107)	30,657,065	30,619,389
Total fund balances	<u>116,732,571</u>	<u>--</u>	<u>1,401,974</u>	<u>23,431,173</u>	<u>7,397,681</u>	<u>148,963,399</u>	<u>148,672,316</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 247,940,973</u>	<u>\$ 17,581,964</u>	<u>\$ 20,016,058</u>	<u>\$ 29,302,068</u>	<u>\$ 9,074,544</u>	<u>\$ 323,915,607</u>	<u>\$ 333,951,246</u>

See accompanying notes to basic financial statements

June 30, 2018  
With Comparative Totals for  
June 30, 2017

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

	2018	2017
Total governmental fund balances	\$ 148,963,399	\$ 148,672,316
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	1,270,365,341	1,284,124,736
Other long-term liabilities not due and payable in the current period, and therefore not reported in the funds:		
Workers' compensation payable	(14,192,942)	(12,997,857)
General obligation debt	(517,000,000)	(541,595,000)
Accrued interest on general obligation debt	(6,992,867)	(8,612,079)
Unamortized loss/(gain) on refunding bonds	7,985,930	8,146,057
Unamortized general obligation bond premium	(51,859,142)	(46,744,336)
Net pension liability	(425,770,222)	(579,323,265)
Net OPEB liability	(47,895,390)	--
Prepaid pension expense	4,330,508	--
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	43,876,068	125,711,709
Deferred outflows of resources related to OPEB	12,023,141	--
Deferred inflows of resources related to pensions	(56,058,638)	(15,666,113)
Deferred inflows of resources related to OPEB	(32,721,642)	--
Internal service fund net position	18,734,553	19,502,264
Total reconciling items	204,824,698	232,546,116
Net position of governmental activities	\$ 353,788,097	\$ 381,218,432

For the Year Ended June 30, 2018  
With Comparative Totals  
For the Year Ended June 30, 2017

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

	General	Grants Special Revenue	Debt Service	Capital Projects	Non-Major Governmental Funds	Totals	
						2018	2017
<b>Revenues:</b>							
Local sources	\$ 215,926,939	\$ 721,875	\$ 39,133,776	\$ 109,996	\$ 9,814,463	\$ 265,707,049	\$ 262,307,289
State sources	363,100,258	4,633,259	43,263,394	843,026	22,718,133	434,558,070	434,632,230
Federal sources	19,486,888	44,631,005	258,687	53,314	21,408,286	85,838,180	85,202,564
Total revenues	598,514,085	49,986,139	82,655,857	1,006,336	53,940,882	786,103,299	782,142,083
<b>Expenditures:</b>							
<b>Current:</b>							
General administration	28,779,186	--	--	--	7,265,544	36,044,730	27,101,599
Instruction	491,777,523	49,986,139	--	--	--	541,763,662	557,021,305
Pupil transportation	--	--	--	--	23,831,655	23,831,655	23,704,287
Operation and maintenance of plant	77,108,843	--	--	--	--	77,108,843	77,544,041
Community services	462,202	--	--	--	--	462,202	481,496
Food services	--	--	--	--	23,515,710	23,515,710	23,679,018
<b>Debt service:</b>							
Refunding bond issuance cost	--	--	141,879	--	--	141,879	131,362
Principal	--	--	56,500,000	--	--	56,500,000	56,455,000
Interest	--	--	24,758,330	--	--	24,758,330	26,374,289
Fiscal agent fees	--	--	2,900	--	--	2,900	3,050
Bond issuance cost	--	--	--	89,460	--	89,460	63,281
Capital outlays	--	--	--	41,849,624	--	41,849,624	58,874,536
Total expenditures	598,127,754	49,986,139	81,403,109	41,939,084	54,612,909	826,068,995	851,433,264
Excess (deficiency) of revenues over (under) expenditures	386,331	--	1,252,748	(40,932,748)	(672,027)	(39,965,696)	(69,281,181)
<b>Other financing sources (uses):</b>							
Proceeds from sale of property and equipment	13,310	--	--	--	--	13,310	201,680
Issuance of general obligation bonds	--	--	--	35,660,000	--	35,660,000	20,270,000
Premium on issuance of general obligation bonds	--	--	--	4,434,243	--	4,434,243	1,999,723
Issuance of refunding bonds	--	--	57,020,000	--	--	57,020,000	41,960,000
Premium on issuance of refunding bonds	--	--	4,815,851	--	--	4,815,851	4,497,070
Payments to refunding escrow	--	--	(61,686,625)	--	--	(61,686,625)	(46,316,633)
Transfers in	1,920,859	--	--	300,000	1,662,662	3,883,521	9,043,823
Transfers out	(1,962,662)	--	(1,920,859)	--	--	(3,883,521)	(9,546,021)
Total other financing sources (uses)	(28,493)	--	(1,771,633)	40,394,243	1,662,662	40,256,779	22,109,642
Net change in fund balances	357,838	--	(518,885)	(538,505)	990,635	291,083	(47,171,539)
Fund balances at beginning of year	116,374,733	--	1,920,859	23,969,678	6,407,046	148,672,316	195,843,855
Fund balances at end of year	\$ 116,732,571	\$ --	\$ 1,401,974	\$ 23,431,173	\$ 7,397,681	\$ 148,963,399	\$ 148,672,316

See accompanying notes to basic financial statements

For the Year Ended June 30, 2018  
With Comparative Totals  
For the Year Ended June 30, 2017

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

	2018	2017
Net change in fund balances - total governmental funds (page 23)	\$ 291,083	\$ (47,171,539)
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	41,771,580	58,816,311
Current depreciation expense	(43,869,199)	(42,738,849)
Loss on disposal of assets	(11,661,776)	(2,582,393)
Net adjustment for change in fund balance, total government funds to arrive at changes in net position of governmental activities	(13,759,395)	13,495,069
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	(35,660,000)	(20,270,000)
Premium on issuance of general obligation bonds	(4,434,243)	(1,999,723)
Issuance of refunding general obligation bonds	(57,020,000)	(41,960,000)
Payment to escrow agent for refunding	61,686,625	46,316,633
Premium on issuance of refunding general obligation bonds	(4,815,851)	(4,497,070)
Principal payments on general obligation bonds and refunded bonds	56,500,000	56,445,000
Net change in refunding loss	(1,071,754)	(937,858)
Net change in general obligation bonds premium	4,135,290	3,689,598
Accrued interest	1,619,212	615,645
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:		
Workers' compensation payable	(1,195,085)	(189,802)
Pension contributions	2,890,945	10,526,703
Cost of benefits earned net of employee contributions	28,433,932	(120,738,888)
OPEB expense	7,614,331	--
Prepaid pension expense	4,330,508	--
Change in net position - Internal Service Funds	(767,711)	(1,646,487)
Total reconciling items	48,486,804	(61,151,180)
Change in net position of governmental activities (page 18)	\$ 48,777,887	\$ (108,322,719)

See accompanying notes to basic financial statements

June 30, 2018  
With Comparative Totals for  
June 30, 2017

## INTERNAL SERVICE FUNDS

## STATEMENT OF NET POSITION

	Governmental Activities	
	2018	2017
<b>Assets</b>		
Current Assets:		
Investments	\$ 27,759,150	\$ 27,658,732
Accounts receivable	389,982	703,656
Total current assets	<u>28,149,132</u>	<u>28,362,388</u>
Non-current assets:		
Machinery and equipment	34,463,759	33,035,581
Accumulated depreciation	<u>(26,298,661)</u>	<u>(25,221,551)</u>
Capital assets (net of accumulated depreciation)	<u>8,165,098</u>	<u>7,814,030</u>
Total assets	<u>36,314,230</u>	<u>36,176,418</u>
<b>Liabilities</b>		
Current liabilities:		
Medical claims and other payables	5,511,859	5,542,617
Accrued compensated absences	<u>6,666,468</u>	<u>6,192,130</u>
Total current liabilities	12,178,327	11,734,747
Non-current liabilities		
Accrued compensated absences	<u>5,401,350</u>	<u>4,939,407</u>
Total non-current liabilities	<u>5,401,350</u>	<u>4,939,407</u>
Total liabilities	<u>17,579,677</u>	<u>16,674,154</u>
<b>Net Position</b>		
Net investment in capital assets	8,165,098	7,814,030
Unrestricted	<u>10,569,455</u>	<u>11,688,234</u>
Total net position	<u>\$ 18,734,553</u>	<u>\$ 19,502,264</u>

See accompanying notes to basic financial statements

For the Year Ended June 30, 2018  
 With Comparative Totals  
 For the Year Ended June 30, 2017

## INTERNAL SERVICE FUNDS

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION

	Governmental Activities	
	2018	2017
Operating revenues:		
Charges for services	\$ 1,714,571	\$ 1,597,161
Charges for health insurance services	36,962,401	36,992,486
Charges for accrued compensated absences	15,997,907	13,532,598
Total operating revenues	<u>54,674,879</u>	<u>52,122,245</u>
Operating expenses:		
Depreciation	1,714,571	1,597,161
Costs of services	2,493,235	124,026
Medical plan administration	2,427,168	4,813,819
Medical claims	32,954,158	34,677,774
Compensated absences expense	15,923,048	13,682,544
Total operating expenses	<u>55,512,180</u>	<u>54,895,324</u>
Operating gain (loss)	<u>(837,301)</u>	<u>(2,773,079)</u>
Non-operating revenues:		
Gain on sale of capital assets	(29,496)	(1,542)
Investment income	(54,958)	295,513
Total non-operating revenues	<u>(84,454)</u>	<u>293,971</u>
Total income (loss) before capital contributions and transfers	<u>(921,755)</u>	<u>(2,479,108)</u>
Capital contributions	154,044	330,423
Transfers in - General Fund	--	502,198
Total capital contributions and transfers	<u>154,044</u>	<u>832,621</u>
Changes in net position	(767,711)	(1,646,487)
Net position at beginning of year	<u>19,502,264</u>	<u>21,148,751</u>
Net position at end of year	<u>\$ 18,734,553</u>	<u>\$ 19,502,264</u>

See accompanying notes to basic financial statements

For the Year Ended June 30, 2018  
 With Comparative Totals  
 For the Year Ended June 30, 2017

## INTERNAL SERVICE FUNDS

## STATEMENT OF CASH FLOWS

	Governmental Activities	
	2018	2017
Cash flows from operating activities:		
Receipts from interfund activities	\$ 54,674,879	\$ 52,122,245
Payments for interfund services used	(14,986,767)	(13,737,281)
Payments for medical claims and other health insurance activity	(37,961,569)	(40,172,392)
Net cash flows provided by operating activities	<u>1,726,543</u>	<u>(1,787,428)</u>
Cash flows from non-capital financing activities:		
Transfers from other funds	--	500,000
Net cash flows provided by non-capital and related financing activities	<u>--</u>	<u>500,000</u>
Cash flow from capital and related financing activities:		
Acquisition of capital assets	(1,580,737)	(2,232,140)
Sale of capital assets	9,570	11,364
Net cash used in capital and related financing activities	<u>(1,571,167)</u>	<u>(2,220,776)</u>
Cash flows from investing activities:		
Sale of investments	(100,418)	3,212,691
Interest earnings received	(54,958)	295,513
Net cash provided by investing activities	<u>(155,376)</u>	<u>3,508,204</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 used by operating activities:		
Operating loss	\$ (837,301)	\$ (2,773,078)
Adjustments to reconcile operating income to net cash used by operating activities		
Depreciation expense	1,714,571	1,597,161
Change in assets and liabilities		
Receivables, net	(56,250)	(318,750)
Accounts and other payables	905,523	(292,761)
Net cash used by operating activities	<u>\$ 1,726,543</u>	<u>\$ (1,787,428)</u>
Non-cash investing, capital, and financing activities:		
Contributed capital and equipment	<u>\$ 154,044</u>	<u>\$ 330,423</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, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Balance/Net Position

##### 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 are reported at fair value or cost/amortized cost in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. 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, 2018, the district holds equity total of \$142,392,516, about 23.8 percent 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, excluding asset-backed 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 S&P sovereign rating of "AAA", or a Moody's sovereign rating for bank deposits 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 (investment grade) by S&P’s Rating Service or the equivalent by another nationally recognized rating agency.
9. Dollar denominated corporate debt instruments rated lower than “BBB-” (non-investment grade) by S&P’s Rating Service or the equivalent by another nationally recognized rating agency, including emerging markets.
10. Dollar denominated debt instruments of foreign governments rated “BBB-” or better (investment grade) by S&P’s Rating Service or the equivalent by another nationally recognized rating agency.
11. Asset-backed securities (ABS), excluding 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, as well as non-agency mortgage-backed securities, collateralized mortgage obligations (CMOs), or commercial mortgage-backed securities (CMBS), which must have a credit rating of “AA-” or better 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, as long as they consist of allowable securities as outlined above.
15. Alaska Municipal League Investment Pool (AMLIP).
16. Mutual funds consisting of allowable securities as outlined above.
17. Interfund loans from a Municipal Cash Pool to a Municipal Fund.

In addition to providing a list of authorized investments, AMC 06.50.030 specifically prohibits investments in the following:

1. Structured investment vehicles.
2. Asset backed commercial paper.
3. Short sales.
4. Securities not denominated in U.S. Dollars.
5. Commodities.
6. Real estate investments.
7. Derivatives, except “to be announced” forward mortgage-backed securities (TBA’s) and derivatives for which payment is guaranteed by the U.S, government or an agency thereof.

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

Fund	Carrying Amount	Bank 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	\$ 3,030,385	\$ 3,030,385
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	10,580,983	15,205,147
Grand total	\$ 13,611,368	\$ 18,235,532

The district has minimized its exposure to custodial credit risk by properly collateralizing its bank deposits with securities held by the bank's trust department in the district's name. The district measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs.

The district has the following recurring fair value measurements as of June 30, 2018:

- *Municipal Investment Pool* – valued at the end of month closing market value as determined by the fund advisor.
- *Money market funds and U.S. government securities* – valued at month end using published fair value of shares or units held.

A summary of the district's investments as of June 30, 2018, recognizing a three-tiered fair value hierarchy, is as follows:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
June 30, 2018				
U.S. government securities	\$ --	\$ 6,389,415	\$ --	\$ 6,389,415
Municipal Investment Pool	--	142,392,517	--	142,392,517
Total investments	\$ --	\$ 148,781,932	\$ --	\$ 148,781,932

The district has interest-earning investment contracts through the municipality that had a remaining maturity of one year or less at the time of purchase that are excluded from measurement at fair value. These investments are measured at amortized cost and are generally equivalent to fair value.

	Carrying Amount
Investments through Municipality:	
United States Treasury	\$ 18,594,274
Money Market	10,237
Total investments through the municipality	\$ 18,604,511

As of June 30, 2018 the district's investments had the following maturities:

Investment Type	Value	Investment Maturities (in years)		
		Less than 1	1 to 5	More than 5
United States Treasury	\$ 18,594,274	\$ 18,594,274	\$ --	\$ --
Money Market	10,237	10,237	--	--
U.S. government securities	6,389,415	6,389,415	--	--
Municipal Investment Pool	142,392,516	142,392,517	--	--
Total	\$ 167,386,442	\$ 167,386,443	\$ --	\$ --

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, 2018. 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 Acquired</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Carrying Amount</u>
<b>General Fund</b>				
Municipal Investment Pool				\$ 114,321,786
<b>Capital Projects Fund</b>				
United States Treasury				
US Treasury Discount Note	6/18/2018	0.88 %	7/15/2018	\$ 5,000,000
US Treasury Discount Note	6/18/2018	0.75	8/31/2018	5,000,000
US Treasury Discount Note	6/18/2018	0.75	10/31/2018	3,100,000
US Treasury Discount Note	6/18/2018	3.75	3/27/2019	5,383,000
Total United States Treasury				<u>18,483,000</u>
Accrued Interest				78,336
Investment premium				32,938
Municipal Investment Pool				311,581
<b>Total Capital Projects Fund</b>				<u><u>\$ 18,905,855</u></u>
<b>Internal Service Fund</b>				
Municipal Investment Pool				
Health Insurance Fund				\$ 6,383,310
Equipment Replacement Fund				9,273,009
Compensated Absences Fund				12,102,831
<b>Total Internal Service Funds</b>				<u><u>\$ 27,759,150</u></u>
<b>Special Revenue Fund</b>				
Money Market				10,237
<b>Total Special Revenue Fund</b>				<u><u>\$ 10,237</u></u>

Cash with Paying Agent

The total amount of cash with paying agent at June 30 is \$6,389,415, which is recorded in the Capital Projects Fund and Debt Service Fund.

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 \$104,173,639 and \$18,614,084, respectively. In addition, there is \$483,827 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 State of Alaska in the Special Revenue Funds, include \$669,038 for fiscal year 2017-2018 reimbursements under cost reimbursable grants and \$121,329 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 \$432,634 for fiscal year 2017-2018 reimbursements under the Aid for School Construction Program. The amounts due from the United States Government in the Grants Special Revenue Fund include \$16,848,878 for fiscal year 2017-2018 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 2018 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 2018, taxes were levied on April 25. 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 2017-2018 budget:

January 1, 2018 through June 30, 2018	\$248,611,584 x 50%	=	\$124,305,792
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Amount required by the district to fund the first half of the fiscal year 2018-2019 budget:

July 1, 2018 through December 31, 2018	\$245,575,446 x 50%	=	<u>\$122,787,723</u>
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Total amount required by the district for calendar year 2018			<u>\$247,093,515</u>
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#### **Computation of Mill Rate Required to Fund Calendar Year 2018**

Total amount required by the district for calendar year 2018	\$247,093,515
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Assessed valuation	\$35,752,230,952
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Mill rate assessment for schools during calendar year 2018	6.91
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The district has accrued the taxes of \$104,173,639 and \$18,614,084 for funding of the first half of the fiscal year 2018-2019 budget as of June 30, 2018 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 \$725,391 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 \$447,722 and \$1,598,069, respectively, and are equally offset as non-spendable fund balance. The value of USDA food commodities under the consumption method was \$260,325 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 \$1,173,113.

#### 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 acquisition 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 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 and OPEB

For purposes of measuring the net pension liabilities, OPEB, and related deferred outflows of resources, deferred inflows of resources, and pension-OPEB 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. Issuance 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, 2018:

	General Fund	Grants Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	Totals
<b>Non-spendable</b>						
Inventory	\$ 1,173,113	\$ --	\$ --	\$ --	\$ 1,598,069	\$ 2,771,182
Prepaid items	2,300,589	41,630	--	700	240	2,343,159
Total non-spendable	3,473,702	41,630	--	700	1,598,309	5,114,341
<b>Restricted</b>						
Bond rating	24,575,544	--	--	--	--	24,575,544
Debt service	--	--	1,401,974	--	--	1,401,974
Federal Impact Aid - 8003(d)	831,805	--	--	--	--	831,805
Total restricted	25,407,349	--	1,401,974	--	--	26,809,323
<b>Committed</b>						
Services [1]	113,243	--	--	--	--	113,243
Supplies [1]	343,873	--	--	--	--	343,873
Equipment [1]	60,000	--	--	--	--	60,000
Authorized construction - other	--	--	--	23,430,473	--	23,430,473
Total committed	517,116	--	--	23,430,473	--	23,947,589
<b>Assigned</b>						
Federal Impact Aid - 8003(b)	15,158,716	--	--	--	--	15,158,716
Self-insurance	20,272,471	--	--	--	--	20,272,471
Subsequent year's expenditures	4,000,000	--	--	--	--	4,000,000
Services [1]	12,240,784	--	--	--	--	12,240,784
Supplies [1]	2,031,955	--	--	--	--	2,031,955
Equipment [1]	2,578,676	--	--	--	--	2,578,676
Pupil Transportation	--	--	--	--	622,225	622,225
Student activities	--	--	--	--	5,530,254	5,530,254
Total assigned	56,282,602	--	--	--	6,152,479	62,435,081
Unassigned	31,051,802	(41,630)	--	--	(353,107)	30,657,065
Total fund balance	\$ 116,732,571	\$ --	\$ 1,401,974	\$ 23,431,173	\$ 7,397,681	\$ 148,963,399

[1] All items in these categories have been encumbered as of June 30, 2018

### 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 \$1,920,859 from the Debt Service Fund to the General Fund due to an excess of funds transferred to the Debt Service Fund the prior fiscal year. Another transfer of \$1,578,956 was made from the General Fund to the Pupil Transportation Fund to support planned operational expenses. Additional transfers of \$83,706 and \$300,000 were made from the General Fund to the Food Service and Capital Projects Funds, respectively, to fund unpaid student meals and for school consolidation.

A summary of interfund receivables and payables as of June 30, 2018 is as follows:

	<u>Interfund receivable</u>	<u>Interfund payable</u>
Major funds		
General Fund	\$ 13,265,122	\$ 8,504,015
Grants Special Revenue Fund	--	13,201,385
Debt Service Fund	961,485	--
Capital Projects Fund	3,519,218	--
Non-major funds	4,023,312	63,737
<b>Total</b>	<u>\$ 21,769,137</u>	<u>\$ 21,769,137</u>

A summary of interfund transfers for the year ended June 30, 2018 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds		
General Fund	\$ 1,920,859	\$ 1,962,662
Debt Service Fund	--	1,920,859
Capital Projects Fund	300,000	--
Non-major funds	1,662,662	--
<b>Total</b>	<u>\$ 3,883,521</u>	<u>\$ 3,883,521</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, 2018, from which the summarized information was derived.

**NOTE 2 – CHANGES IN CAPITAL ASSETS**

The capital assets activity for the fiscal year ended June 30, 2018 is as follows:

**NOTE 2 - CHANGES IN CAPITAL ASSETS**

The capital assets activity for the fiscal year ended June 30, 2018 are as follows:

	Balance July 1, 2017	Additions/ Transfers	Deductions/ Transfers	Balance June 30, 2018
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 42,357,063	\$ --	\$ --	\$ 42,357,063
Construction in progress	822,843	41,779,307	41,833,193	768,957
Total capital assets not being depreciated	<u>43,179,906</u>	<u>41,779,307</u>	<u>41,833,193</u>	<u>43,126,020</u>
Capital assets being depreciated:				
Land improvements	70,616,275	1,279,673	--	71,895,948
Buildings and equipment	1,828,582,343	42,672,487	23,315,635	1,847,939,195
Pupil transportation equipment	20,630,348	--	492,986	20,137,362
Total capital assets being depreciated	<u>1,919,828,966</u>	<u>43,952,160</u>	<u>23,808,621</u>	<u>1,939,972,505</u>
Less accumulated depreciation for:				
Land improvements	(47,407,744)	(1,904,477)	--	(49,312,221)
Buildings and equipment	(614,077,028)	(42,783,806)	(11,592,803)	(645,268,031)
Pupil transportation equipment	(9,585,334)	(895,487)	(492,986)	(9,987,835)
Total accumulated depreciation	<u>(671,070,106)</u>	<u>(45,583,770)</u>	<u>(12,085,789)</u>	<u>(704,568,087)</u>
Total capital assets, being depreciated, net	<u>1,248,758,860</u>	<u>(1,631,610)</u>	<u>11,722,832</u>	<u>1,235,404,418</u>
Governmental activities capital assets, net	<u>\$ 1,291,938,766</u>	<u>\$ 40,147,697</u>	<u>\$ 53,556,025</u>	<u>\$ 1,278,530,438</u>

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

Governmental activities:	Amount
General administration	\$ 1,243,757
Instruction	42,492,044
Pupil transportation	880,191
Operation and maintenance of plant	605,859
Community services	972
Food services	360,947
Total depreciation expense, governmental activities	<u>\$ 45,583,770</u>

Construction in progress, less projects completed in 2018 is comprised of the following:

	Project Authorization (Ending balance)	Expended to 6/30/2018	Committed
Secondary schools:			
Bartlett High School Kitchen Renovation	\$ 1,051,815	\$ --	\$ --
Begich Middle School Construction	65,883	--	144,009
Benny Benson Intercom Upgrades	34,057	1	--
Central Middle School Improvements	2,136,848	--	24,850
Chugiak High School HVAC	944,391	--	756,848
Clark Middle School HVAC	13,400	2,253	614,307
Dimond High School	361,702	1,023	13,858
Eagle River Stadium Lighting	40,709	15,490	--
East High School Stadium Seating/Scoreboard	8,066,710	8,172	372,729
Goldenview Middle School	323,009	440	8,557
Gruening Middle School Planning	2,557,266	1	203,046
Hanshaw Middle School Lighting Upgrades	13,298	3,000	355
Martin Luther King Jr. Career Center	4,402,406	1,312	2,789,450
Mears Middle School Fire Alarm Upgrades	10,016,101	(73)	292,735
Romig Middle School Electrical Upgrades	71,833	853	--
Save High School Security Upgrades	88,374	--	569
Service High School Renovations	6,449,524	31,555	4,800
South High School Field Improvements	292,866	--	569
Steller Secondary School Electrical Upgrades	46,742	3,994	--
Wendler Middle School Technology Lab	321,620	2,275	135,193
West HS & Romig MS CTE	16,559,831	(4,232)	4,168,085
Whaley Middle School	850,647	947	19,897
Total secondary schools	<u>54,709,032</u>	<u>67,011</u>	<u>9,549,857</u>

## Construction in progress (continued):

	Project Authorization (Ending balance)	Expended to 6/30/2018	Committed
Elementary schools:			
Abbott Loop Elementary School	\$ 3,976,717	\$ --	\$ 9,300
Airport Heights Cable Upgrades	913,160	1,963	34,770
Aplenglow Elem Heat Upgrades	156,232	18,690	569
Aquarian Charter School Lighting Upgrades	24,485	7,666	--
Aurora Elem Gym	532,581	(1,489)	180,329
Baxter Elem Renovation	99,478	2,990	--
Bayshore Elementary School	82,639	37	10,461
Bear Valley Elem Boiler Upgrades	104,085	--	9,023
Birchwood Elem Gym	4,462,847	(640)	7,500
Bowman Elem Ice Rink	683,501	(64)	8,850
Campbell Elem Ice Rink	162,112	--	--
Chester Valley Elementary ADA	4,091	--	--
Chinook Elementary School Lighting	52,830	(568)	--
Chugach Elementary School Playground	90,280	--	23,969
Chugiak Elem Doors & Windows Upgrades	5,268	1	--
College Gate Elem HVAC	140	--	--
Creekside Park Renovations	155,488	496	569
Denali Elem Security Upgrades	10,109	--	569
Eagle River Elem Renew Doors & Windows	10,524	1	--
Fairview Elem Site Improvement	31,830	(2,369)	569
Fire Lake Elem Roof	11,971	(1)	9,023
Girdwood Elem Construction	662,691	320	--
Gladys Wood Addition	651,811	1,700	260,450
Government Hill Security Cameras	161,909	--	569
Homestead Elementary School	5,822,506	--	4,800
Huffman Renovation	1,827,900	1,927	--
Inlet View Elem Equipment & Upgrades	486,973	--	5,622
Kasuun CCTV Upgrades	556,693	--	9,205
Kincaid Elementary SRTS	511,972	--	23,496
Klatt Elementary School	251,458	1,200	9,592
Lake Hood Elem Fire Upgrades	509,029	--	8,850
Lake Otis Elementary School	9,285	2,050	--
Mountain View Elementary Renovation	121,443	456	4,856
Mt. Iliamna Fire Alarm Upgrades	56,946	56,024	--

## Construction in progress (continued):

	Project Authorization (Ending balance)	Expended to 6/30/2018	Committed
Mt. Spurr Elem Emergency Upgrades	\$ 150,383	\$ (22)	\$ --
Muldoon Elementary School	494,877	--	181,400
North Star Elem HVAC	5,759,660	19	6,600
Northern Lights ABC Elementary School	524,625	--	8,636
Northwood Elem Doors and Windows	1,584,208	(350)	537,614
Nunaka Valley Elem Gym	2,125,708	1,785	1,182,202
Ocean View Elementary School	93,578	411	569
O'Malley Elem School Design	1,077,369	336	8,341
Orion Elem Fire Alarm Upgrades	18,879	(614)	--
Polaris Elementary School	445,422	936	--
Ptarmigan Elementary School	4,003,916	2,000	5,700
Rabbit Creek Elem Renovation	79,009	--	50,000
Ravenwood Elem Security Cameras	13,424	--	9,023
Rogers Park Elementary School	9,094,007	--	5,818,392
Russian Jack Elementary School	588,941	200	8,850
Sand Lake Elem Wall Replacement	16,092	(749)	-
Scenic Park Elem CCTV Upgrades	92,138	--	569
Spring Hill Elem CCTV Upgrades	173,883	--	21,882
Susitna Elem School Renovation	302,015	--	569
Taku Elementary School	4,406	100	--
Trailside Elem Playgrounds	634,880	1,386	8,850
Tudor Elementary School	548,923	964	569
Turnagain Elementary School	983,270	1	598,103
Ursa Major Elem HVAC	194,904	--	--
William Tyson Elem Roof	148,414	--	--
Willwaw Elementary School	3,210	3,541	--
Willow Crest Elementary School	8,825,638	--	7,123,716
Wonder Park Elem Security System Upgrades	659,998	--	2,196
Total elementary schools	61,842,761	100,334	16,196,722

## Construction in progress (continued):

	Project Authorization	Expended to 6/30/2018	Committed
Other capital projects:			
District-wide Asbestos, ADA	\$ 179,802	\$ 168,051	\$ --
District-wide Building Life Extension	934,111	274,913	8,528
District-wide Electric Upgrades	5,429,240	4,146	187,396
District-wide Emergency Prep	289,166	--	--
District-wide Federal Impact Aid	660,316	--	--
District-wide Maintenance Equip	11,922	--	--
District-wide Mechanical Upgrades	331,931	47,801	28,937
District-wide Roof and Replacements	21,935	--	--
District-wide Safety/Security	135,153	871	50,271
District-wide Site Acquisition	575,868	--	--
District-wide Underground Storage Tank	3,654	--	--
Other capital projects	4,427,378	105,828	2,134,581
Total other capital projects	<u>13,000,476</u>	<u>601,610</u>	<u>2,409,713</u>
Total construction in progress	<u>\$ 129,552,269</u>	<u>\$ 768,957</u>	<u>\$ 28,156,292</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, 2018 (in thousands):

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018
General obligation bonds	\$ 541,595	\$ 92,680	\$ 117,275	\$ 517,000
Unamortized premium/discount on bonds	46,744	9,250	4,135	51,859
	<u>\$ 588,339</u>	<u>\$ 101,930</u>	<u>\$ 121,410</u>	<u>\$ 568,859</u>

## B. 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, 2018, the amount of general obligation bonds considered defeased is \$211,800,000.

## C. Bonds Payable

Bonds payable at June 30, 2018 are comprised of the following individual issues (in thousands):

General Obligation Bonds	Amount	Due within One year
\$171,155,000 2007 series B school construction refunding bonds due in annual installments of \$60,000 to \$21,245,000 through September 2021; interest at 4.0 percent to 5.0 percent	78,715	18,175
\$29,840,000 2008 series B school construction serial bonds due in annual installments of \$1,105,000 to \$2,285,000 through August 2018; interest at 4.0 percent to 5.25 percent	1,385	1,385
\$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	13,415	930
\$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	2,110	505
\$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	3,295	2,010
\$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	11,510	615
\$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	34,485	1,470
\$59,075,000 2014 series C 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	53,485	2,045
\$37,150,000 2014 series D 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	27,830	2,225
\$69,170,000 2015 series C school construction serial bonds due in annual installments of \$2,095,000 to \$5,265,000 through September 2035; interest at 2.0 percent to 5.0 percent	64,905	2,285
\$81,040,000 2015 series D school construction refunding bonds due in annual installments of \$1,260,000 to \$15,090,000 through September 2026; interest at 2.0 percent to 5.0 percent	71,620	15,090
\$20,270,000 2016 series B school construction serial bonds due in annual installments of \$665,000 to \$1,500,000 through September 2036; interest at 2.0 percent to 5.0 percent	19,605	685
\$41,960,000 2016 series C school construction refunding bonds due in annual installments of \$7,660,000 to \$13,015,000 through September 2021; interest at 5.0 percent	41,960	7,660
\$35,660,000 2018 series C school construction serial bonds due in annual installments of \$1,105,000 to \$2,640,000 through September 2038; interest at 2.25 percent to 5.0 percent	35,660	--
\$57,020,000 2018 series D school construction refunding bonds due in annual installments of \$9,825,000 to \$28,455,000 through September 2024; interest at 5.0 percent	57,020	--
	<u>\$ 517,000</u>	<u>\$ 55,080</u>

## Bonds payable (continued):

The annual requirements to amortize all general obligation debt outstanding for the year ended June 30, 2018, including interest payments in the amount of \$154,557,371 are as follows (in thousands):

	Principal	Interest	Total
2019	\$ 55,080	\$ 22,058	\$ 77,138
2020	54,640	20,479	75,119
2021	57,325	17,733	75,058
2022	45,660	15,205	60,865
2023	47,235	13,057	60,292
2024-2028	133,660	42,783	176,443
2029-2033	76,470	19,482	95,952
2034-2039	46,930	3,760	50,690
	<u>\$ 517,000</u>	<u>\$ 154,557</u>	<u>\$ 671,557</u>

## D. Bonds Authorized But Unissued

For the year ended June 30, 2018, 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/ replacement/major maintenance	April 03, 2012	none	\$ 59,077	\$ 55,665	\$ 3,412
Construction/renovation/ replacement/major maintenance	April 02, 2013	none	54,825	47,035	7,790
Construction/renovation/ replacement/major maintenance	April 01, 2014	none	57,285	51,785	5,500
Construction/renovation/ replacement/major maintenance	April 07, 2015	none	59,250	57,400	1,850
Construction/renovation/ replacement/major maintenance	April 04, 2017	none	58,450	28,000	30,450
Construction/renovation/ replacement/major maintenance	April 03, 2018	none	50,656	4,400	46,256
			<u>\$ 339,543</u>	<u>\$ 244,285</u>	<u>\$ 95,258</u>

## E. Refunded Bonds

In the fiscal year ended June 30, 2018, the Municipality of Anchorage issued \$57,020,000 general obligation refunding school bonds to refund \$60,775,000 of general obligation school bonds, resulting in a decrease of \$6,627,125 in total debt service. The economic gain of this refunding is \$6,301,871. The bonds refunded are as follows (in thousands):

	<u>Total Issue</u>	<u>Refunded Principal</u>
2007 General Obligation Refunding School Bonds, Series B	\$ 171,155	\$ 60,775

## F. 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, 2018 is as follows:

<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
\$ 11,131,537	\$ 16,859,329	\$ 15,923,048	\$ 12,067,818	\$ 6,666,468

## G. 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, 2018 is as follows:

<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
\$ 12,997,857	\$ 6,754,209	\$ 5,559,124	\$ 14,192,942	\$ 5,837,080

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

As of June 30, 2018, 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/dr/>.

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 22percent 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 percent. 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, 2018 was \$263,799,611 which compares to the district's total payroll of \$386,249,222.

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 percent (9.60 percent for employees on a nine-month contract) of their annual covered salary (2.97 percent for pension and 3.78 percent for healthcare) for PERS and 8.65 percent (4.45 percent for pension and 4.20 percent 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 percent of eligible wages for PERS and 12.56 percent 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. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2039. This change results in lower ARM Board Rates than previously adopted.

#### On-behalf Contribution Rate

This is the rate normally paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate.

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

#### GASB Rate

This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. Additionally, the rate disregards all future Medicare Part D payments. For fiscal year 2017-2018, the GASB rate uses an 8.00 percent pension discount rate and a 4.3 percent healthcare discount rate for PERS and a 4.43 percent health discount rate for TRS. The GASB rate and the ARM Board Adopted Rate differ significantly as a direct result of variances in the actuarial methods and assumptions used.

The district's contribution rates for the year ended June 30, 2018 were determined as part of the June 30, 2015 actuarial valuation and are as follows:

	Contractual	ARM Board	State	GASB
<b>PERS</b>	Rate	Adopted Rate	Contribution Rate	Rate
Pension	17.12 %	21.90 %	3.01 %	29.07 %
Postemployment healthcare	4.88	3.11	--	66.85
<b>Total contribution rate</b>	<u>22.00 %</u>	<u>25.01 %</u>	<u>3.01 %</u>	<u>95.92 %</u>

	Contractual	ARM Board	State	GASB
<b>TRS</b>	Rate	Adopted Rate	Contribution Rate	Rate
Pension	8.40 %	24.19 %	14.22 %	37.86 %
Postemployment healthcare	4.16	2.59	--	64.72
<b>Total contribution rate</b>	<u>12.56 %</u>	<u>26.78 %</u>	<u>14.22 %</u>	<u>102.58 %</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 percent of covered payroll, subject to a wage floor. In addition, the State of Alaska contributed approximately 3.01 percent 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 \$3,098,493 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, 2018, 2017, and 2016, respectively, were equal to the contractually agreed upon rate for each year.

Year ended June 30	Annual Pension Cost	Annual OPEB Cost	Total Benefit Cost (TBC)	District Contributions	Percent of TBC Contributed
2018	\$ 16,770,089	\$ 4,780,254	\$ 21,550,343	\$ 21,550,343	100
2017	15,029,796	6,752,517	21,782,313	21,782,313	100
2016	12,779,616	8,519,744	21,299,360	21,299,360	100

#### Annual Pension and Postemployment Healthcare Cost - TRS

The district is required to contribute 12.56 percent of covered payroll, subject to a wage floor. In addition, the State of Alaska contributed approximately 14.22 percent 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 \$35,487,788 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, 2018, 2017, and 2016, respectively, were equal to the contractually agreed upon rate for each year.

Year ended June 30	Annual Pension Cost	Annual OPEB Cost	Total Benefit Cost (TBC)	District Contributions	Percent of TBC Contributed
2018	\$ 22,174,799	\$ 10,981,796	\$ 33,156,594	\$ 33,156,594	100
2017	20,829,853	12,233,406	33,063,259	33,063,259	100
2016	18,525,291	14,555,585	33,080,876	33,080,876	100

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

At June 30, 2018, 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:

Net Pension Liability	PERS	TRS
District's proportionate share of NPL	\$ 168,408,440	\$ 257,361,782
State's proportionate share of NPL associated with the district	62,742,930	449,147,186
<b>Total net pension liability</b>	<b>\$ 231,151,370</b>	<b>\$ 706,508,968</b>

The net pension liabilities were measured as of June 30, 2017, 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, 2017, the district's proportion of PERS was 3.25777 percent, which was a decrease of 0.66011 from its proportion measured as of June 30, 2016. For TRS the district's proportion was 12.69911 percent, representing a decrease of 3.08167 from the prior year.

For the year ended June 30, 2018, the district recognized a pension expense/(benefit) of \$(4,626,062) for PERS and \$40,818,237 for TRS. In addition, the district recognized on-behalf revenue from the State of Alaska in the amounts of \$4,980,000 and \$36,497,226 for PERS and TRS, respectively. At June 30, 2018, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ --	\$ (7,320,063)
Changes in assumptions	--	--
Net difference between projected and actual earnings on pension plan investments	16,283,872	--
Changes in proportion and differences between District contributions and proportionate share of contributions	1,603,848	(48,738,575)
District contributions subsequent to the measurement date	25,988,348	--
<b>Total</b>	<u>\$ 43,876,068</u>	<u>\$ (56,058,638)</u>

The \$25,988,348 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, 2018. 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,	
2019	\$ (52,020,383)
2020	15,323,392
2021	7,223,796
2022	(8,697,723)
2023	--
Thereafter	--

Actuarial Assumptions

The total pension liabilities were determined by actuarial valuations as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2017. The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience. Generally, both PERS and TRS follow the same assumptions, except as noted:

Actuarial Cost Method	Entry Age Normal – Level Percentage of Payroll
Amortization Method	Level dollar, closed
Allocation Methodology	Amounts for FY17 were allocated to employers based on the projected present value of contributions for FY2019-FY2039. The liability is expected to go to zero at 2039.
Inflation	3.12%
Salary Increases	Graded by service, from 8.11% to 3.87% for teachers Graded by age and service, from 8.55% to 4.34% for all others
Investment Return / Discount Rate	8.00%, net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
Mortality	Pre-termination – Based on the 2010-2013 actual mortality experience, 68% of male and 60% of female post-termination rates for teachers, 60% of male and 65% of female for all others. Deaths are assumed to be non-occupational 85% of the time for teachers, 50% of the time for others.  Post-termination – Based 94% of the male rates and 97% of the female rates for teachers, 96% for all others, of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB with a three-year setback for males and four-year setback for females.

Long-term Expected Rate of Return

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	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	26%	8.83%
Global ex-U.S. equity	22%	7.79 %
Intermediate Treasuries	13%	1.29%
Opportunistic	5%	4.76%
Real assets	17%	4.94%
Absolute return	7%	4.76%
Private equity	9%	12.02%
Cash equivalents	1%	0.63%

#### Discount Rate

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

	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
<b>PERS</b>				
District's proportionate share of the net pension liability	3.25777%	\$ 221,220,023	\$ 168,408,440	\$ 123,811,091
<b>TRS</b>				
District's proportionate share of the net pension liability	12.69911%	\$ 362,783,100	\$ 257,361,782	\$ 168,796,418

Defined Benefit OPEB

As part of its participation in the PERS and TRS DB Plans (Tiers I, II, III for PERS and Tiers I and II for TRS), which are cost-sharing multiple employer plans, the District participates in the Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD). The ARHCT is self-funded and provides major medical coverage to retirees of the DB Plans. Benefits vary by Tier level. The RMP provides major medical coverage to retirees of the PERS and TRS DC Plans (Tier IV for PERS and Tier III for TRS). The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS and TRS. The Plans are administered by the State of Alaska, Department of Administration.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the OPEB Plans

At June 30, 2018, the District reported a liability for its proportionate share of the net OPEB liabilities (NOL) that reflected a reduction for State OPEB support provided to the District. The amount recognized by the District for its proportional share, the related State proportion, and the total were as follows:

<b>Net OPEB Liability</b>	PERS	TRS
District's proportionate share of NOL - ARHCT	\$ 27,523,645	\$ 23,283,858
District's proportionate share of NOL - RMP	255,728	(1,463,229)
District's proportionate share of NOL - ODD	(695,787)	(1,008,825)
State's proportionate share of NOL associated with the district	10,262,394	40,836,969
<b>Total net OPEB liability</b>	<u>\$ 37,345,980</u>	<u>\$ 61,648,773</u>

The total OPEB liabilities for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 to calculate the net OPEB liabilities as of that date. The District's proportion of the net OPEB liabilities were based on a projection of the District's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

<b>PERS</b>	June 30, 2016 Measurement Date Employer Proportion	June 30, 2017 Measurement Date Employer Proportion	Change
District's Proportionate Share of the Net OPEB Liabilities:			
ARHCT	3.91961 %	3.25817 %	(0.66144) %
RMP	4.72128	4.90371	0.18243
ODD	4.72128	4.90371	0.18243

TRS	June 30, 2016	June 30, 2017	Change
	Measurement Date Employer Proportion	Measurement Date Employer Proportion	
District's Proportionate Share of the Net OPEB Liabilities:			
ARHCT	15.72127 %	12.65888 %	(3.06239) %
RMP	31.12136	30.86980	(0.25156)
ODD	31.12136	30.86980	(0.25156)

As a result of its requirement to contribute to the Plan, the District recognized OPEB expense of \$2,635,125 and \$1,785,347 for PERS and TRS, respectively. In addition, the District recognized on-behalf revenue of \$0 and \$0 for PERS and TRS, respectively, for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ --	\$ (4,529,681)
Changes in assumptions	--	--
Net difference between projected and actual earnings on OPEB plan investments	--	(21,633,660)
Changes in proportion and differences between District contributions and proportionate share of contributions	27,622	(6,558,301)
District contributions subsequent to the measurement date	11,995,519	--
<b>Total</b>	<u>\$ 12,023,141</u>	<u>\$ (32,721,642)</u>

The \$11,995,519 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30,	
2019	\$ (12,383,646)
2020	(9,464,177)
2021	(5,413,433)
2022	(5,413,433)
2023	(5,017)
Thereafter	(14,314)

Actuarial Assumptions

The total OPEB liability for the measurement period ended June 30, 2017 (District fiscal year 2018) was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2017. The actuarial assumptions used in the June 30, 2016 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

Actuarial Cost Method	Entry Age Normal – Level Percentage of Payroll
Amortization Method	Level dollar, closed
Allocation Methodology	Amounts for FY17 were allocated to employers based on the projected present value of contributions for FY2019-FY2039. The liability is expected to go to zero at 2039.
Inflation	3.12%
Salary Increases	Graded by service, from 8.11% to 3.87% for teachers Graded by age and service, from 8.55% to 4.34% for all others
Investment Return / Discount Rate	8.00%, net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
Healthcare Cost Trend Rates	Pre-65 medical; 8.8% grading down to 4.4% Post-65 medical; 5.8% grading down to 4.0% Prescription drug; 5.4% grading down to 4.0%
Mortality	Pre-termination – Based on the 2010-2013 actual mortality experience, 68% of male and 60% of female post-termination rates for teachers, 60% of male and 65% of female for all others. Deaths are assumed to be non-occupational 85% of the time for teachers, 50% of the time for others.  Post-termination – Based 94% of the male rates and 97% of the female rates for teachers, 96% for all others, of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB with a three-year setback for males and four-year setback for females.

The long-term expected rate of return on OPEB 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 postretirement healthcare 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	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	26%	8.83%
Global ex-U.S. equity	22%	7.79%
Intermediate Treasuries	13%	1.29%
Opportunistic	5%	4.76%
Real assets	17%	4.94%
Absolute return	7%	4.76%
Private equity	9%	12.02%
Cash equivalents	1%	0.63%

#### Discount Rate

The discount rate used to measure the total OPEB liability was 8.00 percent. 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 OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

#### Discount Rate Sensitivity

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

	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
<b>PERS</b>				
District's proportionate share of the net OPEB liabilities				
ARHCT	3.25817 %	\$ 59,903,500	\$ 27,523,645	\$ 1,128,892
RMP	4.90371	1,198,025	255,728	(480,073)
ODD	4.90371	(628,116)	(695,787)	(751,101)

	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
<b>TRS</b>				
District's proportionate share of the net OPEB liabilities				
ARHCT	12.65888 %	\$ 70,952,262	\$ 23,283,585	\$ (16,267,420)
RMP	30.86980	627,274	(1,463,229)	(3,051,480)
ODD	30.86980	(1,013,764)	(1,008,825)	(1,006,356)

#### Healthcare Cost Trend Rates Sensitivity

The following presents the District's proportionate share of the net OPEB liabilities calculated using the healthcare cost trend rate, as well as what the District's proportionate share of the net OPEB liabilities would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Proportional Share	1% Decrease	Current Discount Rate	1% Increase
<b>PERS</b>				
District's proportionate share of the net OPEB liabilities				
ARHCT	3.25817 %	\$ (3,053,136)	\$ 27,523,645	\$ 64,284,275
RMP	4.90371	(633,020)	255,728	1,446,496
ODD	4.90371	--	(695,787)	--

	Proportional Share	1% Decrease	Current Discount Rate	1% Increase
<b>TRS</b>				
District's proportionate share of the net OPEB liabilities				
ARHCT	12.65888 %	\$ (21,705,042)	\$ 23,283,585	\$ 77,996,929
RMP	30.8698	(3,368,204)	(1,463,229)	1,171,818
ODD	30.8698	--	(1,008,825)	--

#### 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 eight percent of their annual covered salary and the district is required to make the following contributions:

	PERS Tier IV	TRS Tier III
Individual account	5.00 %	7.00 %
Retiree medical	1.03	0.91
Occupational death and disability benefits	0.16	--
	<u>6.19 %</u>	<u>7.91 %</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, 2018, were \$6,101,577 and \$4,304,772, respectively. The district and employee contributions to TRS for the year ended June 30, 2018 were \$12,304,201 and \$8,898,244, 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, 2018, the district contributes three dollars (\$3.08) for each hour of compensation earned by each permanent bus driver and attendant with more than six years of continuous regular experience with the district, and one dollar (\$1.54) for each hour of compensation earned by each permanent bus driver and attendant with six or fewer years of continuous regular experience with the district. The district contributed \$324,973 in 2016, \$317,391 in 2017, and \$318,401 in 2018 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, 2018 was \$3,234,408, which compares to the district's total of \$386,249,222. 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 31 as of June 30, 2018. The cost of the retiree supplemental health benefits is recognized as expenditure when incurred. The total amount expended for the year ended June 30, 2018 is \$108,396.

**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 \$20,272,471. 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, 2018 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 2018, 2017, and 2016 are as follows:

		Liability Balance July 1	Current Year Claims and Changes in Estimates	Claims Payment	Liability Balance June 30
2018	Health	\$ 6,095,255	\$ 32,906,745	\$ 32,954,158	\$ 6,047,842
	Unemployment	45,649	172,779	187,498	30,930
	Workers' Comp	12,997,857	6,754,209	5,559,124	14,192,942
		<u>\$ 19,138,761</u>	<u>\$ 39,833,733</u>	<u>\$ 38,700,780</u>	<u>\$ 20,271,714</u>
2017	Health	\$ 6,294,661	\$ 34,478,368	\$ 34,677,774	\$ 6,095,255
	Unemployment	35,197	224,302	213,850	45,649
	Workers' Comp	12,808,055	4,845,366	4,655,564	12,997,857
		<u>\$ 19,137,913</u>	<u>\$ 39,548,036</u>	<u>\$ 39,547,188</u>	<u>\$ 19,138,761</u>
2016	Health	\$ 7,872,203	\$ 33,415,077	\$ 34,992,619	\$ 6,294,661
	Unemployment	48,881	164,272	177,956	35,197
	Workers' Comp	13,847,913	3,292,765	4,332,623	12,808,055
		<u>\$ 21,768,997</u>	<u>\$ 36,872,114</u>	<u>\$ 39,503,198</u>	<u>\$ 19,137,913</u>

#### NOTE 7 – COMMITMENTS

Commitments under lease agreements for the various administration buildings provide for minimum annual rental payments of \$3,316,624. Rent expenditures for the year ended June 30, 2018 were \$7,407,113.

On November 30, 2018, the Anchorage area of Alaska experienced a magnitude 7.0 earthquake. This earthquake and the related aftershocks caused damage to most of the District's buildings, for some buildings the damage was severe. The district is in the process of assessment and repair of damages sustained as a result of the earthquake, and have notified their insurer of the potential claims. As of the date of the issuance of these financial statements, the District cannot reasonably estimate the potential losses resulting from this event.

#### 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, 2018 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	\$ 208,967,951
Debt Service Fund	39,132,966

#### Charges for services:

Operations of swimming pools	\$ (267,630)
------------------------------	--------------

#### Joint property and liability insurance:

Purchase of a single property and liability policy, which covers both the municipality and district	\$ (1,513,097)
--	----------------

Under Alaska law, the Anchorage School District cannot legally hold title to real property, nor incur long-term debt. However, the Municipality of Anchorage has delegated to 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 two defined benefit plans: The Alaska Public Retirement System (PERS) plan and the Teachers Retirement System (TRS) plan. In 2018, the District adopted the provisions of GASB Statement No. 75 Accounting and Financial Reporting

for Postemployment Benefits Other Than Pensions, which, among other accounting and reporting criteria, requires the District to recognize its proportional share of the Net OPEB 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 OPEB liabilities and related accounts and to decrease opening net position as follows:

	Opening net position, as originally presented	Change in accounting principle adjustment	Opening net position, as restated
Governmental Activities	\$ 381,218,432	\$ (76,208,222)	\$ 305,010,210

#### 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 83 – Certain Asset Retirement Obligations* – Effective for year-end June 30, 2019, with earlier application encouraged – This statement addresses accounting and financial reporting for certain asset retirement obligations that are legally enforceable liabilities associated with the retirement of a tangible capital asset.

*GASB 84 – Fiduciary Activities* – Effective for year-end June 30, 2020, with earlier application encouraged – This statement addresses criteria for identifying and reporting fiduciary activities.

*GASB 87 – Leases* – Effective for year-end June 30, 2021, with earlier application encouraged – This statement addresses accounting and financial reporting for certain lease assets and liabilities for leases that previously were classified as operating leases. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

*GASB 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* - Effective for year-end June 30 2019, with earlier application encouraged – This statement addresses note disclosures related to debt, clarifies which liabilities to include when disclosing information related to debt, and defines debt for the purpose of disclosure. It requires additional essential information related to debt be disclosed in the notes, as well as information for direct borrowings and direct placements.

*GASB 89 - Accounting for Interest Cost Incurred before the End of a Construction Period* – Effective for year-end June 30, 2021, with earlier application encouraged – This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

GASB 90 – *Majority Equity Interests* – an amendment of GASB Statements No. 14 and No. 61 – Effective for year-end June 30, 2020, with earlier application encouraged – This statement addresses accounting and financial reporting for a majority equity interest in a legally separate organization. It provides a definition of a majority equity interest and provides guidance for further presentation as either an investment or a component unit, based on specific criteria.



## Required Supplementary Information

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

For the Year Ended June 30, 2018

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
<b>Revenues:</b>						
Revenues from local sources:						
Appropriation from Municipality of Anchorage	\$ 208,967,951	\$ --	\$ 208,967,951	\$ 209,478,622	\$ 209,478,622	\$ (510,671)
Reimbursement for school facilities rental	646,485	--	646,485	725,000	725,000	(78,515)
Nonresident tuition	29,487	--	29,487	15,000	15,000	14,487
Investment income	340,719	--	340,719	1,000,000	1,000,000	(659,281)
E-Rate	4,092,825	--	4,092,825	4,107,004	4,107,004	(14,179)
Other revenues	1,849,472	18,900,345	20,749,817	3,487,047	20,677,345	72,472
<b>Total revenues from local sources</b>	<b>215,926,939</b>	<b>18,900,345</b>	<b>234,827,284</b>	<b>218,812,673</b>	<b>236,002,971</b>	<b>(1,175,687)</b>
Revenues from state sources:						
Public school funding program	326,734,512	--	326,734,512	327,056,355	327,056,355	(321,843)
Retirement systems employer relief	35,957,262	(35,957,262)	--	--	--	--
On-Base tuition	408,484	--	408,484	408,484	408,484	--
<b>Total revenues from state sources</b>	<b>363,100,258</b>	<b>(35,957,262)</b>	<b>327,142,996</b>	<b>327,464,839</b>	<b>327,464,839</b>	<b>(321,843)</b>
Revenues from federal sources:						
Reserve Officers Training Corps	644,368	--	644,368	775,000	775,000	(130,632)
Federal Impact Aid	18,353,170	--	18,353,170	16,016,033	16,016,033	2,337,137
Medicaid reimbursement	489,350	--	489,350	500,000	500,000	(10,650)
<b>Total revenues from federal sources</b>	<b>19,486,888</b>	<b>--</b>	<b>19,486,888</b>	<b>17,291,033</b>	<b>17,291,033</b>	<b>2,195,855</b>
<b>Total revenues</b>	<b>598,514,085</b>	<b>(17,056,917)</b>	<b>581,457,168</b>	<b>563,568,545</b>	<b>580,758,843</b>	<b>698,325</b>
<b>Expenditures:</b>						
Current:						
General administration	28,779,186	1,049,774	29,828,960	22,794,928	13,545,316	(16,283,644)
Instruction	491,777,523	(22,135,148)	469,642,375	461,508,559	485,572,624	15,930,249
Operation and maintenance of plant	77,108,843	2,302,471	79,411,314	78,769,257	82,859,418	3,448,104
Community services	462,202	194,172	656,374	497,801	704,344	47,970
<b>Total expenditures</b>	<b>598,127,754</b>	<b>(18,588,731)</b>	<b>579,539,023</b>	<b>563,570,545</b>	<b>582,681,702</b>	<b>3,142,679</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>386,331</b>	<b>1,531,814</b>	<b>1,918,145</b>	<b>(2,000)</b>	<b>(1,922,859)</b>	<b>3,841,004</b>

See accompanying notes to required supplementary information  
(Continued)

For the Year Ended June 30, 2018

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Other financing sources (uses):						
Proceeds from sale of property and equipment	\$ 13,310	\$ --	\$ 13,310	\$ 2,000	\$ 2,000	\$ 11,310
Transfers in - Debt Service Fund	1,920,859	--	1,920,859	--	1,920,859	--
Transfers out - Capital Projects Fund	(300,000)	--	(300,000)	--	--	(300,000)
Transfers out - Food Service Fund	(83,706)	--	(83,706)	--	--	(83,706)
Transfers out - Pupil Transportation Fund	(1,578,956)	--	(1,578,956)	--	--	(1,578,956)
Total other financing sources (uses)	(28,493)	--	(28,493)	2,000	1,922,859	(1,951,352)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	357,838	\$ 1,531,814	\$ 1,889,652	\$ --	\$ --	\$ 1,889,652
Fund balance at beginning of year	116,374,733					
Fund balance at end of year	\$ 116,732,571					

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		\$ 598,514,085
Add: budgeted fund balance	\$ 1,710,047	
Add: fund balance from prior year encumbrances	17,190,298	
Deduct: retirement systems employer relief	(35,957,262)	
		(17,056,917)
Revenues reported on the basis of budgeting		581,457,168
Expenditures reported on the basis of GAAP		598,127,754
Add: current year encumbrances	\$ 17,368,531	
Deduct: retirement systems employer relief	(35,957,262)	
		(18,588,731)
Expenditures and encumbrances reported on the basis of budgeting		579,539,023
Excess (deficiency) of revenues over (under) expenditures on the basis of budgeting		\$ 1,918,145

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

For the Year Ended June 30, 2018

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance Positive (Negative)
				Original	Final	
Revenues:						
Revenues from local grants:						
Anchorage Schools Foundation	\$ 10,011	\$ --	\$ 10,011	\$ 17,750	\$ 17,750	\$ 7,739
Charter School Supplemental Grants	620	--	620	--	--	(620)
Districtwide Recycling Program	55,002	--	55,002	--	--	(55,002)
Donations From Local Agencies	476,985	(7,251)	469,734	388,831	388,831	(80,903)
NoVo Foundation Alaska Native Cultural Charter School	118,483	--	118,483	600,000	600,000	481,517
NoVo Foundation Social and Emotional Learning	60,774	(3,893)	56,881	--	--	(56,881)
Contingency	--	--	--	--	(317,972)	(317,972)
Total revenues from local grants	721,875	(11,144)	710,731	1,006,581	688,609	(22,122)
Revenues from state grants:						
Designated Legislative Grants						
Senate Bill 18	458,986	(118,418)	340,568	(348,048)	(348,048)	(688,616)
Senate Bill 119	302,273	(6,124)	296,149	--	--	(296,149)
Senate Bill 160	93,690	(93,996)	(306)	--	--	306
Total Designated Legislative Grants	854,949	(218,538)	636,411	(348,048)	(348,048)	(984,459)
Alaska Railroad Summer Youth Program	19,735	--	19,735	20,000	20,000	265
Alaska State School for the Deaf	318,788	--	318,788	319,000	319,000	212
Alternative Schools Health and Wellness	96,801	--	96,801	96,800	96,800	(1)
Confucious Grant	9,662	--	9,662	71	71	(9,591)
Cultural Collaboration Project	16,682	--	16,682	15,170	15,170	(1,512)
Obesity Prevention Partnership	16,394	--	16,394	36,000	36,000	19,606
Office of Children's Services Transportation Program	195,888	--	195,888	150,000	150,000	(45,888)
Pre-School Kindergarten Program	295,281	--	295,281	301,263	301,263	5,982
Providence Heights	90,547	--	90,547	145,000	145,000	54,453
Retirement Systems Employer Relief	2,213,191	(2,213,191)	--	--	--	--
Safe Children's Act	1,286	16,283	17,569	30,000	30,000	12,431
Suicide Awareness	27,181	--	27,181	27,180	27,180	(1)
Youth in Detention	476,874	(18,090)	458,784	541,578	541,578	82,794
Total revenues from state grants	4,633,259	(2,433,536)	2,199,723	1,334,014	1,334,014	(865,709)
Revenues from federal grants:						
Access to Education for Homeless Children	46,999	--	46,999	60,000	60,000	13,001
Alaska Family Directory Website	27,567	--	27,567	29,000	29,000	1,433
Alaska State School for the Deaf	64,981	--	64,981	65,000	65,000	19
Artists in Schools	1,734	--	1,734	--	--	(1,734)
Big Brothers Big Sisters Mentoring	24,952	--	24,952	63,000	63,000	38,048
Bike Sharing Education Program	--	--	--	125,196	125,196	125,196
Carl Perkins Vocational Education	1,046,655	(24,500)	1,022,155	1,088,427	1,088,427	66,272
Centennial Challenge	21,872	--	21,872	22,727	22,727	855
CITC SEL Grant	177,494	13,120	190,614	226,822	226,822	36,208
Community Centers Learning Program	1,386,695	--	1,386,695	1,608,130	1,608,130	221,435
Educational Camp Program	8,369	--	8,369	10,062	10,062	1,693
ESEA Consolidated	896,723	790	897,513	906,181	906,181	8,668
Military Impacted Students	249,266	46,780	296,046	--	--	(296,046)
Northwest Eisenhower Consortium Program	1,243	--	1,243	--	--	(1,243)
Pre-School Handicapped	327,454	--	327,454	332,546	332,546	5,092
Project Aware	471,603	--	471,603	566,668	566,668	95,065
Project Ki'L	680,923	(18,238)	662,685	--	--	(662,685)
Project Lead the Way	15,328	--	15,328	25,000	25,000	9,672
Project Yugtun Qanerluten	34,619	140,389	175,008	400,852	400,852	225,844
StarTalk - Language Culture Summer Camp	97,469	(310)	97,159	89,967	89,967	(7,192)

See accompanying notes to required supplementary information  
(Continued)

For the Year Ended June 30, 2018

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance Positive (Negative)
				Original	Final	
Title I -No Child Left Behind Act						
Delinquent and At-Risk Youth Program	\$ 184,200	\$ 214	\$ 184,414	\$ 187,141	\$ 187,141	\$ 2,727
District-wide	13,151,181	63,791	13,214,972	17,537,464	17,537,464	4,322,492
Homeless	993,932	259	994,191	1,021,313	1,021,313	27,122
McLaughlin Youth Center	199,723	--	199,723	243,363	243,363	43,640
Parent Involvement Program	140,789	--	140,789	260,772	260,772	119,983
Preschool	1,493,064	--	1,493,064	1,677,413	1,677,413	184,349
School Improvement Program	25,860	--	25,860	69,420	69,420	43,560
Total Title I - No Child Left Behind	16,188,749	64,264	16,253,013	20,996,886	20,996,886	4,743,873
Title I -Migrant Education						
Book Program	47,404	--	47,404	48,000	48,000	596
Competitive	41,877	--	41,877	80,000	80,000	38,123
District-wide	1,729,382	1,573	1,730,955	1,791,755	1,791,755	60,800
Parent Involvement Program	1,798	--	1,798	5,500	5,500	3,702
Summer Program	244,539	4,555	249,094	1,592,450	1,592,450	1,343,356
Total Title I -Migrant Education	2,065,000	6,128	2,071,128	3,517,705	3,517,705	1,446,577
Title II-A - Professional Development Program	3,783,312	30,783	3,814,095	4,941,073	4,941,073	1,126,978
Title III - English Language Acquisition	506,794	(13,713)	493,081	562,319	562,319	69,238
Title IV-A Student Support Academic	26,111	--	26,111	659,312	659,312	633,201
Title VI - Indian, Native Hawaiian, and Alaska Native Education	3,237,988	33,865	3,271,853	3,254,999	3,254,999	(16,854)
Title VI-B - Education of All Handicapped Children Act	13,241,105	74,049	13,315,154	15,741,370	15,741,370	2,426,216
Total revenues from federal grants	44,631,005	353,407	44,984,412	55,293,242	55,293,242	10,308,830
Total revenues	\$ 49,986,139	\$ (2,091,273)	\$ 47,894,866	\$ 57,633,837	\$ 57,315,865	\$ 9,420,999
Expenditures:						
Current:						
Instruction:						
Local grants	\$ 721,875	\$ (11,144)	\$ 710,731	\$ 1,006,581	\$ 688,609	\$ (22,122)
State grants	4,633,259	(2,433,536)	2,199,723	1,334,014	1,334,014	(865,709)
Federal grants	44,631,005	353,407	44,984,412	55,293,242	55,293,242	10,308,830
Total expenditures	49,986,139	(2,091,273)	47,894,866	57,633,837	57,315,865	9,420,999
Excess (deficiency) of revenues over (under) 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		\$ 49,986,139
Add revenues from current year encumbrances	\$ 478,871	
Deduct retirement systems employer relief	(2,213,191)	
Deduct revenues on prior year encumbrances	(356,953)	
		(2,091,273)
Revenues reported on the basis of budgeting		47,894,866
Expenditures reported on the basis GAAP		49,986,139
Add current year encumbrances	\$ 478,871	
Deduct retirement systems employer relief	(2,213,191)	
Deduct expenditures on prior year encumbrances	(356,953)	
		(2,091,273)
Expenditures and encumbrances reported on the basis of budgeting		47,894,866
Excess (deficiency) of revenue over (under) expenditures on 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, 2018

Fiscal Year	District's proportion of the net pension liability	District's proportionate share of the net pension liability	State of Alaska proportionate share of the net pension liability	Total net pension liability	District's covered employee payroll	District's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014-2015	2.18564 %	\$ 101,941,409	\$ 92,597,159	\$ 194,538,568	\$ 92,324,124	110.42 %	62.37 %
2015-2016	4.20029	203,714,484	54,563,611	258,278,095	93,835,892	217.10	63.96
2016-2017	3.91788	218,993,759	27,597,059	246,590,818	93,208,546	234.95	59.55
2017-2018	3.25777	168,408,440	62,742,930	231,151,370	99,947,301	168.50	63.37

See accompanying notes to required supplementary information

## SCHEDULE OF DISTRICT CONTRIBUTIONS

For the Year Ended June 30, 2018

## PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered- employee payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2014-2015	\$ 9,072,746	\$ 9,072,746	\$ --	\$ 93,835,892	9.669 %
2015-2016	9,471,451	9,471,451	--	96,208,546	9.845
2016-2017	10,815,102	10,815,102	--	99,947,301	10.821
2017-2018	12,034,514	12,034,514	--	97,738,015	12.313

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, 2018

Fiscal Year	District's proportion of the net pension liability	District's proportionate share of the net pension liability	State of Alaska proportionate share of the net pension liability	Total net pension liability	District's covered employee payroll	District's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014-2015	5.25205 %	\$ 157,512,125	\$ 857,033,106	\$ 1,014,545,231	\$ 257,085,802	61.27 %	55.70 %
2015-2016	13.49123	250,997,703	433,895,000	684,892,703	259,242,742	96.82	73.82
2016-2017	15.78078	360,329,506	428,284,379	788,613,885	263,081,928	136.96	68.40
2017-2018	12.69911	257,361,782	449,147,186	706,508,968	263,540,009	97.66	72.39

See accompanying notes to required supplementary information

## SCHEDULE OF DISTRICT CONTRIBUTIONS

For the Year Ended June 30, 2018

## TEACHERS RETIREMENT SYSTEM (TRS)

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered- employee payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2014-2015	\$ 12,831,267	\$ 12,831,267	\$ --	\$ 259,242,742	4.950 %
2015-2016	11,865,598	11,865,598	--	263,081,928	4.510
2016-2017	12,975,965	12,975,965	--	263,540,009	4.924
2017-2018	13,953,834	13,953,834	--	263,799,611	5.290

See accompanying notes to required supplementary information

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

For the Year Ended June 30, 2018

<u>Fiscal Year</u>	<u>District's proportion of the net OPEB liability</u>	<u>District's proportionate share of the net OPEB liability</u>	<u>State of Alaska proportionate share of the net OPEB liability</u>	<u>Total net OPEB liability</u>	<u>District's covered employee payroll</u>	<u>District's proportionate share of the net OPEB liability as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total OPEB liability</u>
2017-2018	3.25817 %	\$ 27,083,586	\$ 10,262,394	\$ 37,345,980	\$ 99,947,301	27.10 %	89.68 %

See accompanying notes to required supplementary information

## SCHEDULE OF DISTRICT CONTRIBUTIONS

For the Year Ended June 30, 2018

## PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) OPEB PLAN

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered- employee payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2017-2018	\$ 4,072,211	\$ 4,072,211	\$ --	\$ 97,738,015	4.166 %

See accompanying notes to required supplementary information

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

For the Year Ended June 30, 2018

<u>Fiscal Year</u>	<u>District's proportion of the net OPEB liability</u>	<u>District's proportionate share of the net OPEB liability</u>	<u>State of Alaska proportionate share of the net OPEB liability</u>	<u>Total net OPEB liability</u>	<u>District's covered employee payroll</u>	<u>District's proportionate share of the net OPEB liability as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total OPEB liability</u>
2017-2018	12.65888 %	\$ 20,811,804	\$ 40,836,969	\$ 61,648,773	\$ 263,540,009	7.90 %	93.75 %

See accompanying notes to required supplementary information

## SCHEDULE OF DISTRICT CONTRIBUTIONS

For the Year Ended June 30, 2018

## TEACHERS RETIREMENT SYSTEM (TRS) OPEB PLAN

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered- employee payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2017-2018	\$ 7,923,308	\$ 7,923,308	\$ --	\$ 263,799,611	3.004 %

See accompanying notes to required supplementary information

## SCHEDULE OF DISTRICT CONTRIBUTIONS

For the Last Ten Years

## ALASKA TEAMSTER - EMPLOYER TRUST FUND

Fiscal Year	Annual Pension Cost	District Contributions	Percent Contributed
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
2015-2016	324,973	324,973	100
2016-2017	317,391	317,391	100
2017-2018	318,401	318,401	100

See accompanying notes to required supplementary information

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**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 21, 2017, the Assembly approved Assembly Ordinance AO NO. 2017-39 determining and approving the district's combined budget of \$789,688,247 with \$248,611,584 in local tax appropriation for the following funds: General Fund, Grants Special Revenue Fund, Pupil Transportation Fund, Food Service Special Revenue Fund, Student Activities Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

On November 20, 2017 the School Board approved a revision to the financial plan with ASD Memorandum No. 077 (2017-2018) which reallocated budget authority from the Capital Projects Fund into the General Fund for the purpose of purchasing new language arts curriculum, and into the Food Service Special Revenue Fund to match expected increases in revenue from higher meal counts.

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, 2018, the plan measurement date is June 30, 2017.

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

This table reports the District's pension contributions to PERS during fiscal year 2018. These contributions are reported as a deferred outflow on the June 30, 2018 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, 2018, the plan measurement date is June 30, 2017.

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

This table reports the District's pension contributions to TRS during fiscal year 2018. These contributions are reported as a deferred outflow on the June 30, 2018 basic financial statements.

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

Information in this table is presented based on the Plan measurement date. For June 30, 2018, the plan measurement date is June 30, 2017.

#### Schedule of District Contributions – Public Employees Retirement System – PERS (OPEB Plan)

This table reports the District's pension contributions to PERS during fiscal year 2018. These contributions are reported as a deferred outflow on the June 30, 2018 basic financial statements.

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

Information in this table is presented based on the Plan measurement date. For June 30, 2018, the plan measurement date is June 30, 2017.

#### Schedule of District Contributions – Public Employees Retirement System – TRS (OPEB Plan)

This table reports the District's pension contributions to TRS during fiscal year 2018. These contributions are reported as a deferred outflow on the June 30, 2018 basic financial statements.

All eight pension and OPEB 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 54% for every dollar contributed in fiscal year 2017-2018. Additionally, the district was required to make supplemental contributions of 54 percent in fiscal year 2016-2017, 44 percent in fiscal year 2015-2016, and 34 percent in fiscal year 2014-2015.



# **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, 2018  
With Comparative Totals for  
June 30, 2017

## BALANCE SHEET

	2018	2017
<b>Assets</b>		
Cash and investments	\$ 124,902,769	\$ 129,792,176
Accounts receivable (net of any allowances for uncollectables)	2,125,740	1,989,917
Due from other funds:		
State and Federal Grants Special Revenue Fund	13,201,385	15,175,343
Student Activity Special Revenue Fund	63,737	4,615
Food Service Special Revenue Fund	--	1,598,896
Pupil Transportation Special Revenue Fund	--	65,830
Debt Service Fund	--	335,108
Due from other governments:		
Municipality of Anchorage	104,173,639	104,739,311
Prepaid items	2,300,590	1,043,767
Inventory, at weighted average cost	1,173,113	1,348,493
Total assets	<u>\$ 247,940,973</u>	<u>\$ 256,093,456</u>
<b>Liabilities</b>		
Accounts payable	\$ 2,221,795	\$ 1,653,628
Medical claims and other contracts payable	535,983	552,638
Due to other funds:		
Debt Service Fund	961,485	--
Food Service Special Revenue Fund	794,077	--
Student Activity Special Revenue Fund	2,539,090	2,743,439
Capital Projects Fund	3,519,218	14,631,472
Pupil Transportation Special Revenue Fund	690,145	--
Accrued salaries and related items:		
Wages and salaries payable	2,017,533	1,859,495
Payroll taxes, other accrued and withheld items	13,744,707	13,527,591
Unearned revenue	10,730	11,149
Total liabilities	<u>27,034,763</u>	<u>34,979,412</u>
<b>Deferred inflows of resources</b>		
General property tax appropriations	104,173,639	104,739,311
Total deferred inflows of resources	<u>104,173,639</u>	<u>104,739,311</u>
<b>Fund balance</b>		
Non-spendable	3,473,702	2,392,260
Restricted	25,407,349	25,676,010
Committed	517,116	3,843,138
Assigned	56,282,602	53,013,097
Unassigned	31,051,802	31,450,228
Total fund balance	<u>116,732,571</u>	<u>116,374,733</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 247,940,973</u>	<u>\$ 256,093,456</u>

For the Year Ended June 30, 2018  
 With Comparative Totals  
 For the Year Ended June 30, 2017

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

	2018	2017
Revenues:		
Revenues from local sources:		
Appropriation from Municipality of Anchorage	\$ 208,967,951	\$ 205,283,878
Reimbursement for school facilities rental	646,485	753,599
Non-resident tuition	29,487	10,894
Investment income	340,719	1,157,190
E-Rate	4,092,825	1,199,461
Other revenues	1,849,472	2,080,231
Total revenues from local sources	<u>215,926,939</u>	<u>210,485,253</u>
Revenues from state sources:		
Public school funding program	326,734,512	330,187,510
Retirement systems employer relief	35,957,262	41,327,009
On-Base tuition	408,484	408,484
Total revenues from state sources	<u>363,100,258</u>	<u>371,923,003</u>
Revenues from federal sources:		
Reserve Officers Training Corps	644,368	971,013
Federal Impact Aid	18,353,170	19,350,440
Medicaid reimbursement	489,350	1,131,084
Total revenues from federal sources	<u>19,486,888</u>	<u>21,452,537</u>
Total revenues	<u>598,514,085</u>	<u>603,860,793</u>
Expenditures:		
Current:		
General administration	28,779,186	27,101,599
Instruction	491,777,523	502,146,540
Operation and maintenance of plant	77,108,843	77,544,041
Community services	462,202	481,496
Total expenditures	<u>598,127,754</u>	<u>607,273,676</u>
Excess (deficiency) of revenues over (under) expenditures	386,331	(3,412,883)
Other financing sources (uses):		
Proceeds from sale of property and equipment	13,310	31,580
Transfers in - Debt Service Fund	1,920,859	--
Transfers out - Capital Projects Fund	(300,000)	(1,700,000)
Transfers out - Debt Service Fund	--	(5,648,542)
Transfers out - Health Insurance Fund	--	(500,000)
Transfers out - Pupil Transportation Fund	(1,578,956)	(1,688,889)
Transfers out - Compensated Absences Fund	--	(2,198)
Transfers out - Food Service Fund	(83,706)	--
Total other financing sources (uses)	<u>(28,493)</u>	<u>(9,508,049)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	357,838	(12,920,932)
Fund balance at beginning of year	116,374,733	129,295,665
Fund balance at end of year	<u>\$ 116,732,571</u>	<u>\$ 116,374,733</u>

For the Year Ended June 30, 2018  
 With Comparative Totals  
 For the Year Ended June 30, 2017

## SCHEDULE OF EXPENDITURES - GAAP BASIS

	<u>2018</u>	<u>2017</u>
Current:		
General administration:		
Anchorage School Board	\$ 752,981	\$ 711,638
Superintendent	1,509,533	1,517,549
Instruction	332,348	339,511
Support services	4,306,998	4,100,997
Planning, communications and development	471,842	837,353
Business management	3,161,585	2,943,999
Employee relations	3,386,397	3,648,903
Assessment and evaluation	664,423	1,024,971
Technology/management information systems	14,409,599	12,673,960
Other general administration	<u>(216,520)</u>	<u>(697,282)</u>
Total general administration	<u>28,779,186</u>	<u>27,101,599</u>
Instruction:		
Instructional support:		
Curriculum and staff development	16,810,853	11,692,333
Instructional media	1,241,886	1,358,493
Technology/management information systems	<u>3,678,489</u>	<u>10,748,215</u>
Total instructional support	21,731,228	23,799,041
Elementary education	172,488,725	174,369,644
Charter schools	23,487,872	22,026,751
Middle school education	49,436,983	52,905,426
High school education	97,868,159	101,822,590
Special education services:		
Special services	21,423,053	25,677,880
Special education	<u>84,304,606</u>	<u>81,211,921</u>
Total special education services	105,727,659	106,889,801
English language learners	12,967,168	13,063,433
Gifted education	5,379,914	5,387,835
Native education	770,158	630,506
Other instruction	<u>1,919,657</u>	<u>1,251,513</u>
Total instruction	<u>491,777,523</u>	<u>502,146,540</u>

(Continued)

For the Year Ended June 30, 2018  
 With Comparative Totals  
 For the Year Ended June 30, 2017

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

	<u>2018</u>	<u>2017</u>
Operation and maintenance of plant:		
Elementary schools	\$ 12,766,624	\$ 12,620,360
Charter schools	4,027,608	3,749,749
Middle schools	4,043,264	4,015,781
High schools	7,467,140	7,971,648
Custodial services	18,835,341	19,506,684
Facilities	22,490,886	21,878,815
Vehicle maintenance	1,243,488	1,326,580
Other operations and maintenance of plant	<u>6,234,492</u>	<u>6,474,424</u>
Total operations and maintenance of plant	<u>77,108,843</u>	<u>77,544,041</u>
Community services	<u>462,202</u>	<u>481,496</u>
Total expenditures	<u>\$ 598,127,754</u>	<u>\$ 607,273,676</u>

For the Year Ended June 30, 2018

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Current:						
General administration:						
Anchorage school board:						
Salaries	\$ 277,440	\$ --	\$ 277,440	\$ 262,641	\$ 262,641	\$ (14,799)
Employee benefits	89,326	(6,009)	83,317	91,158	91,938	8,621
Purchased services	384,519	149,741	534,260	344,595	537,104	2,844
Supplies and materials	1,696	--	1,696	4,948	2,648	952
Total anchorage school board	752,981	143,732	896,713	703,342	894,331	(2,382)
Superintendent:						
Salaries	616,321	--	616,321	423,478	590,728	(25,593)
Employee benefits	280,032	(61,913)	218,119	161,054	209,478	(8,641)
Purchased services	599,040	77,941	676,981	954,600	1,022,986	346,005
Supplies and materials	14,140	22,598	36,738	17,900	39,882	3,144
Total superintendent	1,509,533	38,626	1,548,159	1,557,032	1,863,074	314,915
Instruction:						
Salaries	226,375	--	226,375	233,652	233,652	7,277
Employee benefits	104,381	(22,957)	81,424	82,351	83,911	2,487
Purchased services	922	--	922	3,750	3,200	2,278
Supplies and materials	670	--	670	1,210	1,210	540
Total instruction	332,348	(22,957)	309,391	320,963	321,973	12,582
Support services:						
Salaries	2,461,264	--	2,461,264	2,436,579	2,443,825	(17,439)
Employee benefits	1,471,112	(75,823)	1,395,289	1,451,641	1,453,323	58,034
Purchased services	175,984	85,285	261,269	421,386	301,195	39,926
Supplies and materials	95,549	27,885	123,434	174,670	167,336	43,902
Capital outlay	103,089	--	103,089	100,091	100,091	(2,998)
Total support services	4,306,998	37,347	4,344,345	4,584,367	4,465,770	121,425
Planning, communications and development:						
Salaries	196,593	--	196,593	423,862	318,750	122,157
Employee benefits	103,002	(5,881)	97,121	242,788	172,961	75,840
Purchased services	132,207	10,623	142,830	229,330	227,298	84,468
Supplies and materials	11,456	--	11,456	24,660	24,660	13,204
Capital outlay	28,584	--	28,584	16,293	24,010	(4,574)
Total planning, communications and development	471,842	4,742	476,584	936,933	767,679	291,095
Business management:						
Salaries	1,956,203	--	1,956,203	1,963,384	1,949,384	(6,819)
Employee benefits	1,137,410	(59,820)	1,077,590	1,124,540	1,130,000	52,410
Purchased services	55,805	11,532	67,337	38,988	67,236	(101)
Supplies and materials	12,167	10,050	22,217	14,121	22,276	59
Total business management	3,161,585	(38,238)	3,123,347	3,141,033	3,168,896	45,549
Employee relations:						
Salaries	2,058,355	--	2,058,355	2,215,246	2,198,217	139,862
Employee benefits	1,190,152	(63,596)	1,126,556	1,291,837	1,291,121	164,565
Purchased services	121,285	57,618	178,903	139,850	234,926	56,023
Supplies and materials	16,605	16,328	32,933	17,820	38,709	5,776
Total employee relations	3,386,397	10,350	3,396,747	3,664,753	3,762,973	366,226
Assessment and evaluation:						
Salaries	368,404	--	368,404	516,595	410,891	42,487
Employee benefits	188,185	(30,221)	157,964	244,257	179,046	21,082
Purchased services	105,999	3,085	109,084	114,520	117,288	8,204
Supplies and materials	1,835	--	1,835	16,000	10,350	8,515
Total assessment and evaluation	664,423	(27,136)	637,287	891,372	717,575	80,288
Technology/management information systems:						
Salaries	6,705,324	--	6,705,324	6,854,404	7,060,024	354,700
Employee benefits	3,907,499	(206,390)	3,701,109	3,932,174	4,057,518	356,409
Purchased services	2,351,212	532,992	2,884,204	2,187,221	2,960,867	76,663
Supplies and materials	681,329	278,794	960,123	365,645	973,814	13,691
Capital outlay	764,235	--	764,235	721,586	787,329	23,094
Total technology/management information systems	14,409,599	605,396	15,014,995	14,061,030	15,839,552	824,557

(continued)

For the Year Ended June 30, 2018

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Other general administration						
Salaries	\$ 314,592	\$ --	\$ 314,592	\$ 263,069	\$ (6,658,310)	\$ (6,972,902)
Employee benefits	209,816	(7,839)	201,977	(6,537,699)	(10,786,885)	(10,988,862)
Purchased services	(2,649,059)	237,495	(2,411,564)	(2,331,300)	(2,223,290)	188,274
Supplies and materials	12,315	68,256	80,571	179,681	83,147	2,576
Capital outlay	--	--	--	50,000	--	--
Other	1,895,816	--	1,895,816	1,310,352	1,328,831	(566,985)
Total other general administration	(216,520)	297,912	81,392	(7,065,897)	(18,256,507)	(18,337,899)
Total general administration	28,779,186	1,049,774	29,828,960	22,794,928	13,545,316	(16,283,644)
Instruction:						
Instructional support:						
Curriculum & staff development:						
Salaries	6,638,961	--	6,638,961	7,853,045	7,525,841	886,880
Employee benefits	2,815,984	(759,279)	2,056,705	2,639,990	2,593,603	536,898
Purchased services	618,512	222,449	840,961	636,045	872,825	31,864
Supplies and materials	6,703,035	1,110,215	7,813,250	1,149,363	7,924,520	111,270
Capital outlay	34,361	36,695	71,056	25,000	72,520	1,464
Total curriculum & staff development	16,810,853	610,080	17,420,933	12,303,443	18,989,309	1,568,376
Instructional media:						
Salaries	653,573	--	653,573	670,196	670,196	16,623
Employee benefits	407,708	(19,306)	388,402	421,281	421,281	32,879
Purchased services	85,890	39,352	125,242	124,665	135,369	10,127
Supplies and materials	94,715	68,509	163,224	127,498	167,498	4,274
Total instructional media	1,241,886	88,555	1,330,441	1,343,640	1,394,344	63,903
Technology/management information systems:						
Salaries	621,960	--	621,960	592,676	596,623	(25,337)
Employee benefits	300,079	(77,888)	222,191	234,749	240,500	18,309
Purchased services	2,743,089	275,272	3,018,361	2,766,881	3,040,590	22,229
Supplies and materials	13,361	814,751	828,112	7,525	828,420	308
Total technology/management information systems	3,678,489	1,012,135	4,690,624	3,601,831	4,706,133	15,509
Total instructional support	21,731,228	1,710,770	23,441,998	17,248,914	25,089,786	1,647,788
Elementary education:						
Salaries	113,023,149	--	113,023,149	110,870,878	111,917,653	(1,105,496)
Employee benefits	57,238,488	(13,735,151)	43,503,337	46,004,295	47,126,047	3,622,710
Purchased services	445,780	2,496	448,276	631,088	433,664	(14,612)
Supplies and materials	1,781,308	43,366	1,824,674	1,861,040	1,956,762	132,088
Total elementary education	172,488,725	(13,689,289)	158,799,436	159,367,301	161,434,126	2,634,690
Charter schools:						
Salaries	13,183,163	--	13,183,163	12,989,623	13,185,083	1,920
Employee benefits	6,869,554	(1,480,293)	5,389,261	5,723,950	5,389,955	694
Purchased services	2,571,163	7,458,236	10,029,399	3,264,798	10,035,128	5,729
Supplies and materials	860,943	995,920	1,856,863	978,924	1,856,910	47
Other	3,049	--	3,049	15,000	3,049	--
Total charter schools	23,487,872	6,973,863	30,461,735	22,972,295	30,470,125	8,390
Middle school education:						
Salaries	32,043,371	--	32,043,371	32,354,924	32,717,555	674,184
Employee benefits	16,397,446	(3,874,795)	12,522,651	13,347,351	13,647,515	1,124,864
Purchased services	449,499	2,198	451,697	494,199	453,862	2,165
Supplies and materials	546,667	13,717	560,384	639,610	608,030	47,646
Total middle school education	49,436,983	(3,858,880)	45,578,103	46,836,084	47,426,962	1,848,859
High school education:						
Salaries	61,981,048	--	61,981,048	60,721,776	62,108,497	127,449
Employee benefits	30,924,829	(7,325,327)	23,599,502	24,736,614	25,511,686	1,912,184
Purchased services	2,885,117	86,625	2,971,742	3,209,171	3,062,629	90,887
Supplies and materials	1,893,530	339,232	2,232,762	1,977,368	2,360,505	127,743
Capital outlay	3,320	211,104	214,424	--	214,710	286
Other	180,315	--	180,315	182,271	182,271	1,956
Total high school education	97,868,159	(6,688,366)	91,179,793	90,827,200	93,440,298	2,260,505

(continued)

For the Year Ended June 30, 2018

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Special education services:						
Special services:						
Salaries	\$ 12,910,191	\$ --	\$ 12,910,191	\$ 15,669,071	\$ 13,021,502	\$ 111,311
Employee benefits	6,907,129	(1,405,503)	5,501,626	7,754,572	6,136,658	635,032
Purchased services	1,444,910	123,273	1,568,183	329,077	1,613,721	45,538
Supplies and materials	160,823	75,203	236,026	166,507	241,853	5,827
Capital outlay	--	8,000	8,000	--	8,000	--
Total special services	21,423,053	(1,199,027)	20,224,026	23,919,227	21,021,734	797,708
Special education:						
Salaries	51,957,368	--	51,957,368	50,622,806	53,133,325	1,175,957
Employee benefits	30,994,820	(4,855,371)	26,139,449	28,947,796	30,500,608	4,361,159
Purchased services	1,133,845	326,307	1,460,152	760,476	1,637,684	177,532
Supplies and materials	218,573	168,155	386,728	276,628	429,112	42,384
Total special education	84,304,606	(4,360,909)	79,943,697	80,607,706	85,700,729	5,757,032
Total special education services	105,727,659	(5,559,936)	100,167,723	104,526,933	106,722,463	6,554,740
English language learners:						
Salaries	7,784,340	--	7,784,340	7,776,547	7,847,648	63,308
Employee benefits	5,053,732	(680,130)	4,373,602	4,791,402	4,813,280	439,678
Purchased services	83,005	7,478	90,483	73,140	98,199	7,716
Supplies and materials	46,091	49,739	95,830	65,164	96,564	734
Total English language learners	12,967,168	(622,913)	12,344,255	12,706,253	12,855,691	511,436
Gifted program:						
Salaries	3,544,823	--	3,544,823	3,369,963	3,400,212	(144,611)
Employee benefits	1,770,301	(439,654)	1,330,647	1,421,151	1,456,427	125,780
Purchased services	31,013	3,500	34,513	27,840	35,565	1,052
Supplies and materials	33,777	24,624	58,401	57,449	59,818	1,417
Total gifted program	5,379,914	(411,530)	4,968,384	4,876,403	4,952,022	(16,362)
Native education:						
Salaries	352,637	--	352,637	374,686	374,686	22,049
Employee benefits	257,114	(11,194)	245,920	362,712	362,712	116,792
Purchased services	160,407	--	160,407	300	160,300	(107)
Total native education	770,158	(11,194)	758,964	737,698	897,698	138,734
Other instruction:						
Salaries	350,052	--	350,052	481,035	481,035	130,983
Employee benefits	961,224	(3,965)	957,259	107,745	907,745	(49,514)
Purchased services	507,670	1,210	508,880	693,000	741,893	233,013
Supplies and materials	--	25,082	25,082	--	25,082	--
Capital outlay	100,711	--	100,711	127,698	127,698	26,987
Total other instruction	1,919,657	22,327	1,941,984	1,409,478	2,283,453	341,469
Total instruction	491,777,523	(22,135,148)	469,642,375	461,508,559	485,572,624	15,930,249
Operations and maintenance of plant:						
Elementary education:						
Salaries	2,503,470	--	2,503,470	2,344,037	2,377,998	(125,472)
Employee benefits	1,945,414	(73,456)	1,871,958	1,915,766	1,970,269	98,311
Purchased services	8,295,594	6,323	8,301,917	9,074,875	9,049,391	747,474
Supplies and materials	22,146	202	22,348	25,605	26,499	4,151
Total elementary education	12,766,624	(66,931)	12,699,693	13,360,283	13,424,157	724,464
Charter schools:						
Salaries	232,508	--	232,508	202,007	232,508	--
Employee benefits	177,265	(7,186)	170,079	159,113	170,079	--
Purchased services	3,598,759	915,231	4,513,990	3,352,819	4,513,990	--
Supplies and materials	19,076	17,828	36,904	19,800	36,905	1
Total charter schools	4,027,608	925,873	4,953,481	3,733,739	4,953,482	1
Middle school education:						
Salaries	457,469	--	457,469	435,443	435,255	(22,214)
Employee benefits	320,637	(12,886)	307,751	333,111	339,853	32,102
Purchased services	3,247,628	--	3,247,628	3,491,415	3,505,480	257,852
Supplies and materials	17,530	--	17,530	25,225	22,003	4,473
Total middle school education	4,043,264	(12,886)	4,030,378	4,285,194	4,302,591	272,213

(continued)

For the Year Ended June 30, 2018

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
High school education:						
Salaries	\$ 612,488	\$ --	\$ 612,488	\$ 536,364	\$ 556,721	\$ (55,767)
Employee benefits	437,096	(18,338)	418,758	404,617	417,997	(761)
Purchased services	6,387,462	2,023	6,389,485	7,855,270	6,793,430	403,945
Supplies and materials	30,094	--	30,094	33,450	35,967	5,873
Total high school education	7,467,140	(16,315)	7,450,825	8,829,701	7,804,115	353,290
Custodial services:						
Salaries	9,940,870	--	9,940,870	10,124,454	10,290,565	349,695
Employee benefits	7,819,227	(305,476)	7,513,751	8,158,832	8,083,468	569,717
Purchased services	128,612	--	128,612	136,128	128,386	(226)
Supplies and materials	923,809	85,125	1,008,934	847,792	1,005,954	(2,980)
Capital outlay	22,823	--	22,823	24,553	24,553	1,730
Total custodial services	18,835,341	(220,351)	18,614,990	19,291,759	19,532,926	917,936
Facilities:						
Salaries	9,532,193	--	9,532,193	9,891,223	9,957,001	424,808
Employee benefits	6,134,655	(294,374)	5,840,281	6,285,841	6,328,449	488,168
Purchased services	3,392,178	1,702,886	5,095,064	2,374,707	4,866,826	(228,238)
Supplies and materials	2,906,069	206,648	3,112,717	2,568,950	2,991,875	(120,842)
Capital outlay	523,456	95,210	618,666	548,413	695,066	76,400
Other	2,335	--	2,335	--	--	(2,335)
Total facilities	22,490,886	1,710,370	24,201,256	21,669,134	24,839,217	637,961
Vehicle maintenance:						
Salaries	453,539	--	453,539	484,241	484,241	30,702
Employee benefits	270,199	(13,858)	256,341	302,115	302,115	45,774
Purchased services	48,639	--	48,639	85,749	85,813	37,174
Supplies and materials	471,111	--	471,111	488,138	496,888	25,777
Total vehicle maintenance	1,243,488	(13,858)	1,229,630	1,360,243	1,369,057	139,427
Other operations and maintenance of plant:						
Salaries	466,444	--	466,444	468,737	482,347	15,903
Employee benefits	302,517	(14,386)	288,131	295,693	301,810	13,679
Purchased services	4,727,269	10,955	4,738,224	4,610,183	4,992,613	254,389
Supplies and materials	6,781	--	6,781	14,591	7,103	322
Other	731,481	--	731,481	850,000	850,000	118,519
Total other operations and maintenance of plant	6,234,492	(3,431)	6,231,061	6,239,204	6,633,873	402,812
Total operations and maintenance of plant	77,108,843	2,302,471	79,411,314	78,769,257	82,859,418	3,448,104
Community services:						
Community services:						
Salaries	228,177	--	228,177	260,663	260,663	32,486
Employee benefits	152,200	(7,097)	145,103	158,188	158,968	13,865
Purchased services	68,249	--	68,249	63,950	69,830	1,581
Supplies and materials	13,576	32,270	45,846	15,000	45,883	37
Capital outlay	--	168,999	168,999	--	169,000	1
Total community services	462,202	194,172	656,374	497,801	704,344	47,970
Total current	\$ 598,127,754	\$ (18,588,731)	\$ 579,539,023	\$ 563,570,545	\$ 582,681,702	\$ 3,142,679

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

For the Year Ended June 30, 2018

	Personnel Services	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other	Total
Current:							
General administration:							
Anchorage School Board	\$ 277,440	\$ 89,326	\$ 384,519	\$ 1,696	\$ --	\$ --	\$ 752,981
Superintendent	616,321	280,032	599,040	14,140	--	--	1,509,533
Instruction	226,375	104,381	922	670	--	--	332,348
Support services	2,461,264	1,471,112	175,984	95,549	103,089	--	4,306,998
Planning, communications and development	196,593	103,002	132,207	11,456	28,584	--	471,842
Business management	1,956,203	1,137,410	55,805	12,167	--	--	3,161,585
Employee relations	2,058,355	1,190,152	121,285	16,605	--	--	3,386,397
Assessment and evaluation	368,404	188,185	105,999	1,835	--	--	664,423
Technology/management information systems	6,705,324	3,907,499	2,351,212	681,329	764,235	--	14,409,599
Other general administration	314,592	209,816	(2,649,059)	12,315	--	1,895,816	(216,520)
Total general administration	15,180,871	8,680,915	1,277,914	847,762	895,908	1,895,816	28,779,186
Instruction:							
Instructional support:							
Curriculum and staff development	6,638,961	2,815,984	618,512	6,703,035	34,361	--	16,810,853
Instructional media	653,573	407,708	85,890	94,715	--	--	1,241,886
Technology/management information systems	621,960	300,079	2,743,089	13,361	--	--	3,678,489
Total instructional support	7,914,494	3,523,771	3,447,491	6,811,111	34,361	--	21,731,228
Elementary education	113,023,149	57,238,488	445,780	1,781,308	--	--	172,488,725
Charter schools	13,183,163	6,869,554	2,571,163	860,943	--	3,049	23,487,872
Middle school education	32,043,371	16,397,446	449,499	546,667	--	--	49,436,983
High school education	61,981,048	30,924,829	2,885,117	1,893,530	3,320	180,315	97,868,159
Special education services:							
Special services	12,910,191	6,907,129	1,444,910	160,823	--	--	21,423,053
Special education	51,957,368	30,994,820	1,133,845	218,573	--	--	84,304,606
Total special education services	64,867,559	37,901,949	2,578,755	379,396	--	--	105,727,659
English language learners	7,784,340	5,053,732	83,005	46,091	--	--	12,967,168
Gifted education	3,544,823	1,770,301	31,013	33,777	--	--	5,379,914
Native education	352,637	257,114	160,407	--	--	--	770,158
Other instruction	350,052	961,224	507,670	--	100,711	--	1,919,657
Total instruction	305,044,636	160,898,408	13,159,900	12,352,823	138,392	183,364	491,777,523
Operation and maintenance of plant:							
Elementary schools	2,503,470	1,945,414	8,295,594	22,146	--	--	12,766,624
Charter schools	232,508	177,265	3,598,759	19,076	--	--	4,027,608
Middle schools	457,469	320,637	3,247,628	17,530	--	--	4,043,264
High schools	612,488	437,096	6,387,462	30,094	--	--	7,467,140
Custodial services	9,940,870	7,819,227	128,612	923,809	22,823	--	18,835,341
Facilities	9,532,193	6,134,655	3,392,178	2,906,069	523,456	2,335	22,490,886
Vehicle maintenance	453,539	270,199	48,639	471,111	--	--	1,243,488
Other operations and maintenance of plant:	466,444	302,517	4,727,269	6,781	--	731,481	6,234,492
Total operation and maintenance of plant	24,198,981	17,407,010	29,826,141	4,396,616	546,279	733,816	77,108,843
Community services	228,177	152,200	68,249	13,576	--	--	462,202
Total expenditures	\$ 344,652,665	\$ 187,138,533	\$ 44,332,204	\$ 17,610,777	\$ 1,580,579	\$ 2,812,996	\$ 598,127,754

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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, 2018  
With Comparative Totals for  
June 30, 2017

## BALANCE SHEET

	2018	2017
<b>Assets</b>		
Accounts receivable	\$ 22,263	\$ 8,934
Due from other governments:		
Municipality of Anchorage	155	20,398
State of Alaska	669,038	523,152
United States Government	16,848,878	17,704,435
Prepaid items	41,630	37,316
Total assets	<u>\$ 17,581,964</u>	<u>\$ 18,294,235</u>
<b>Liabilities</b>		
Accounts payable	\$ 79,679	\$ 249,767
Due to General Fund	13,201,385	15,175,343
Accrued salaries and related items:		
Wages and salaries payable	859,942	712,039
Payroll taxes, other accrued and withheld items	2,346,481	878,378
Unearned revenues	1,094,477	1,278,708
Total liabilities	<u>17,581,964</u>	<u>18,294,235</u>
<b>Fund balance</b>		
Non-spendable	41,630	37,316
Unassigned	(41,630)	(37,316)
Total fund balance	--	--
 Total liabilities and fund balance	 <u>\$ 17,581,964</u>	 <u>\$ 18,294,235</u>

For the Year Ended June 30, 2018  
With Comparative Totals  
For the Year Ended June 30, 2017

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

	2018	2017
Revenues:		
Revenues from local grants:		
Anchorage Schools Foundation	\$ 10,011	\$ --
Charter School Supplemental Grants	620	15,764
District-Wide Recycling Program	55,002	--
Donations From Local Agencies	476,985	502,738
NoVo Foundation Alaska Native Cultural Charter School	118,483	--
NoVo Foundation Social and Emotional Learning	60,774	260,060
Partners in Homeless Education	--	1
Reading is Fundamental	--	81
Total revenues from local grants	<u>721,875</u>	<u>778,644</u>
Revenues from state grants:		
Designated Legislative Grants		
Senate Bill 18	458,986	186,126
Senate Bill 119	302,273	244,892
Senate Bill 160	93,690	356,950
Total Designated Legislative Grants	<u>854,949</u>	<u>787,968</u>
Alaska Historical Commission	--	7,018
Alaska Railroad Summer Youth Program	19,735	19,987
Alaska Science and Technology Program	--	24
Alaska State School for Deaf	318,788	315,284
Alternative Schools Health and Wellness	96,801	63,779
ANSEP Grant	--	6,472
Big Brothers Big Sisters Mentoring	--	2,906
Charter School Supplemental Grants	--	36,000
Confucius Grant	9,662	8,979
Cultural Collaboration Project	16,682	19,772
Farm to School	--	1,163
Obesity Prevention Partnership	16,394	--
Office of Children's Services Transportation Program	195,888	--
Pre-School Kindergarten Program	295,281	342,812
Providence Heights	90,547	113,313
Retirement Systems Employer Relief	2,213,191	2,257,541
Safe Children's Act	1,286	63,703
Suicide Awareness	27,181	27,261
Youth Behavior Risk Survey	--	31,197
Youth in Detention	476,874	487,649
Total revenues from state grants	<u>4,633,259</u>	<u>4,592,828</u>
Revenues from federal grants:		
Access to Education for Homeless Children Program	46,999	40,406
Alaska Family Directory Website	27,567	28,336
Alaska Mental Health Trust	--	1,930
Alaska Mentorship Project	--	360,405
Alaska Sea Grant	--	4,414
Alaska State School for the Deaf	64,981	61,778
Artists in Schools	1,734	9
Big Brothers Big Sisters Mentoring	24,952	12,559
Carl Perkins Vocational Education	1,046,655	1,203,521
Centennial Challenge	21,872	24,901
CITC SEL Grant	177,494	292,906
Community Centers Learning Program	1,386,695	1,556,868
Educational Camp Program	8,369	--

(Continued)

For the Year Ended June 30, 2018  
With Comparative Totals  
For the Year Ended June 30, 2017

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

	2018	2017
ESEA Consolidated	\$ 896,723	\$ 965,089
Military Impacted Students	249,266	714,204
Northwest Eisenhower Consortium Program	1,243	--
Pre-School Handicapped Public Law 99-457	327,454	323,346
Presidential Award Program	--	129
Project Aware	471,603	408,943
Project Ki'l	680,923	473,759
Project Lead the Way	15,328	--
Project Yugtun Qanerluten	34,619	--
Refugee Support Services	--	42,999
School Health Program	--	1,478
StarTalk - Language Culture Summer Camp	97,469	97,781
Ticket to Ride Grant	--	524
Title I - No Child Left Behind Act		
Delinquent and At-Risk Youth Program	184,200	75,062
District-Wide	13,151,181	12,797,175
Homeless	993,932	--
McLaughlin Youth Center	199,723	203,432
Parent Involvement Program	140,789	122,782
Pre-School	1,493,064	--
School Improvement Program	25,860	25,103
Total Title I - No Child Left Behind Act	16,188,749	13,223,554
Title I - Migrant Education		
Book Program	47,404	25,839
Competitive	41,877	--
Data	--	5,550
District-Wide	1,729,382	1,580,257
Parent Involvement Program	1,798	--
Summer Program	244,539	216,714
Total Title I - Migrant Education	2,065,000	1,828,360
Title II A - Professional Development Program	3,783,312	3,447,427
Title III - English Language Acquisition	506,794	491,525
Title IV-A Student Support Academic	26,111	--
Title VI - Indian, Native Hawaiian, and Alaska Native Education	3,237,988	--
Title VI B - Education of All Handicapped Children Act	13,241,105	13,085,487
Title VII - Indian, Native Hawaiian, and Alaska Native Education	--	3,045,229
We Can	--	39
Total revenues from federal grants	44,631,005	41,737,906
Total revenues	49,986,139	47,109,378
Expenditures:		
Current:		
Instruction:		
Local grants	721,875	778,644
State grants	4,633,259	4,592,828
Federal grants	44,631,005	41,737,906
Total expenditures	49,986,139	47,109,378
Excess (deficiency) of revenues over (under) expenditures	--	--
Fund balance at beginning of year	--	--
Fund balance at end of year	\$ --	\$ --

For the Year Ended June 30, 2018  
With Comparative Totals  
For the Year Ended June 30, 2017

## SCHEDULE OF EXPENDITURES - GAAP BASIS

	2018	2017
Current:		
Instruction:		
Local grants:		
Anchorage Schools Foundation	\$ 10,011	\$ --
Charter School Supplemental Grants	620	15,764
District-Wide Recycling Program	55,002	--
Donations From Local Agencies	476,985	502,738
NoVo Foundation Alaska Native Cultural Charter School	118,483	--
NoVo Foundation Social and Emotional Learning	60,774	260,060
Partners in Homeless Education	--	1
Reading is Fundamental	--	81
Total local grants	<u>721,875</u>	<u>778,644</u>
State grants:		
Designated Legislative Grants		
Senate Bill 18	458,986	186,126
Senate Bill 119	302,273	244,892
Senate Bill 160	93,690	356,950
Total Designated Legislative Grants	<u>854,949</u>	<u>787,968</u>
Alaska Historical Commission	--	7,018
Alaska Railroad Summer Youth Program	19,735	19,987
Alaska Science and Technology Program	--	24
Alaska State School for Deaf	318,788	315,284
Alternative Schools Health and Wellness	96,801	63,779
ANSEP Grant	--	6,472
Big Brothers Big Sisters Mentoring	--	2,906
Charter School Supplemental Grants	--	36,000
Confucius Grant	9,662	8,979
Cultural Collaboration Project	16,682	19,772
Farm to School	--	1,163
Obesity Prevention Partnership	16,394	--
Office of Children's Services Transportation Program	195,888	--
Pre-School Kindergarten Program	295,281	342,812
Providence Heights	90,547	113,313
Retirement Systems Employer Relief	2,213,191	2,257,541
Safe Children's Act	1,286	63,703
Suicide Awareness	27,181	27,261
Youth Behavior Risk Survey	--	31,197
Youth in Detention	476,874	487,649
Total state grants	<u>4,633,259</u>	<u>4,592,828</u>
Federal grants:		
Access to Education for Homeless Children Program	46,999	40,406
Alaska Family Directory Website	27,567	28,336
Alaska Mental Health Trust	--	1,930
Alaska Mentorship Project	--	360,405
Alaska Sea Grant	--	4,414
Alaska State School for the Deaf	64,981	61,778
Artists in Schools	1,734	9

(Continued)

For the Year Ended June 30, 2018  
With Comparative Totals  
For the Year Ended June 30, 2017

## SCHEDULE OF EXPENDITURES - GAAP BASIS (Continued)

	2018	2017
Big Brothers Big Sisters Mentoring	\$ 24,952	\$ 12,559
Carl Perkins Vocational Education	1,046,655	1,203,521
Centennial Challenge	21,872	24,901
CITC SEL Grant	177,494	292,906
Community Centers Learning Program	1,386,695	1,556,868
Educational Camp Program	8,369	--
ESEA Consolidated	896,723	965,089
Military Impacted Students	249,266	714,204
Northwest Eisenhower Consortium Program	1,243	--
Pre-School Handicapped Public Law 99-457	327,454	323,346
Presidential Award Program	--	129
Project Aware	471,603	408,943
Project Ki'l	680,923	473,759
Project Lead the Way	15,328	--
Project Yugtun Qanerluten	34,619	--
Refugee Support Services	--	42,999
School Health Program	--	1,478
StarTalk - Language Culture Summer Camp	97,469	97,781
Ticket to Ride Grant	--	524
Title I - No Child Left Behind Act		
Delinquent and At-Risk Youth Program	184,200	75,062
District-Wide	13,151,181	12,797,175
Homeless	993,932	--
McLaughlin Youth Center	199,723	203,432
Parent Involvement Program	140,789	122,782
Pre-School	1,493,064	--
School Improvement Program	25,860	25,103
Total Title I - No Child Left Behind Act	<u>16,188,749</u>	<u>13,223,554</u>
Title I - Migrant Education		
Book Program	47,404	25,839
Competitive	41,877	--
Data	--	5,550
District-Wide	1,729,382	1,580,257
Parent Involvement Program	1,798	--
Summer Program	244,539	216,714
Total Title I - Migrant Education	<u>2,065,000</u>	<u>1,828,360</u>
Title II A - Professional Development Program	3,783,312	3,447,427
Title III - English Language Acquisition	506,794	491,525
Title IV-A Student Support Academic	26,111	--
Title VI - Indian, Native Hawaiian, and Alaska Native Education	3,237,988	--
Title VI B - Education of All Handicapped Children Act	13,241,105	13,085,487
Title VII - Indian, Native Hawaiian, and Alaska Native Education	--	3,045,229
We Can	--	39
Total federal grants	<u>44,631,005</u>	<u>41,737,906</u>
Total expenditures	<u>\$ 49,986,139</u>	<u>\$ 47,109,378</u>

For the Year Ended June 30, 2018

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Final Budget	Variance - Positive (Negative)
Current:					
Instruction:					
Local grants:					
Anchorage Schools Foundation					
Purchased services	\$ 755	\$ --	\$ 755	\$ 2,500	\$ 1,745
Supplies and materials	9,256	--	9,256	15,250	5,994
Total Anchorage Schools Foundation	10,011	--	10,011	17,750	7,739
Charter School Supplemental Grants					
Supplies and materials	620	--	620	--	(620)
Total Charter School Supplemental Grants	620	--	620	--	(620)
District-Wide Recycling Program					
Salaries	32,858	--	32,858	--	(32,858)
Employee benefits	22,144	--	22,144	--	(22,144)
Total Districtwide Recycling Program	55,002	--	55,002	--	(55,002)
Donations from Local Agencies					
Salaries	124,495	--	124,495	292,354	167,859
Employee benefits	32,196	--	32,196	59,082	26,886
Purchased services	209,179	(9,839)	199,340	(152,852)	(352,192)
Supplies and materials	106,115	2,588	108,703	185,247	76,544
Capital outlay	5,000	--	5,000	5,000	--
Total Donations from Local Agencies	476,985	(7,251)	469,734	388,831	(80,903)
NoVo Foundation Alaska Native Cultural Charter School					
Salaries	86,589	--	86,589	97,337	10,748
Employee benefits	25,918	--	25,918	43,037	17,119
Purchased services	--	--	--	400,000	400,000
Supplies and materials	5,976	--	5,976	59,626	53,650
Total NoVo Foundation Alaska Native Cultural Charter School	118,483	--	118,483	600,000	481,517
NoVo Foundation Social and Emotional Learning					
Salaries	2,875	--	2,875	7,284	4,409
Employee benefits	301	--	301	(963)	(1,264)
Purchased services	38,362	(3,893)	34,469	(14,595)	(49,064)
Supplies and materials	19,236	--	19,236	8,274	(10,962)
Total NoVo Foundation Social and Emotional Learning	60,774	(3,893)	56,881	--	(56,881)
Contingency	--	--	--	(317,972)	(317,972)
Total Local Grants	721,875	(11,144)	710,731	688,609	(22,122)
State Grants:					
Designated Legislative Grants:					
Senate Bill 18					
Salaries	23,577	--	23,577	(57,510)	(81,087)
Employee benefits	3,474	--	3,474	(8,850)	(12,324)
Purchased services	123,530	(109,283)	14,247	(196,933)	(211,180)
Supplies and materials	302,498	(9,135)	293,363	(90,662)	(384,025)
Capital outlay	5,907	--	5,907	5,907	--
Total Senate Bill 18	458,986	(118,418)	340,568	(348,048)	(688,616)
Senate Bill 119					
Salaries	5,341	--	5,341	(3,477)	(8,818)
Employee benefits	812	--	812	(523)	(1,335)
Purchased services	14,974	1	14,975	3,499	(11,476)
Supplies and materials	274,851	(6,125)	268,726	501	(268,225)
Capital outlay	6,295	--	6,295	--	(6,295)
Total Senate Bill 119	302,273	(6,124)	296,149	--	(296,149)
Senate Bill 160					
Purchased services	93,690	(93,996)	(306)	--	306
Total Senate Bill 160	93,690	(93,996)	(306)	--	306
Total Designated Legislative Grants	854,949	(218,538)	636,411	(348,048)	(984,459)
Alaska Railroad Summer Youth Program					
Salaries	15,607	--	15,607	15,607	--
Employee benefits	2,374	--	2,374	2,617	243
Supplies and materials	1,754	--	1,754	1,776	22
Total Alaska Railroad Summer Youth Program	19,735	--	19,735	20,000	265

(Continued)

For the Year Ended June 30, 2018

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Final Budget	Variance - Positive (Negative)
Alaska State School for the Deaf					
Salaries	\$ 202,747	\$ --	\$ 202,747	\$ 202,944	\$ 197
Employee benefits	77,948	--	77,948	77,951	3
Purchased services	33,628	--	33,628	33,639	11
Supplies and materials	4,465	--	4,465	4,466	1
Total Alaska State School for the Deaf	318,788	--	318,788	319,000	212
Alternative Schools Health and Wellness					
Salaries	38,144	--	38,144	36,498	(1,646)
Employee benefits	4,516	--	4,516	4,266	(250)
Purchased services	33,764	--	33,764	33,765	1
Supplies and materials	20,377	--	20,377	22,271	1,894
Total Alternative Schools Health and Wellness	96,801	--	96,801	96,800	(1)
Confucius Grant					
Supplies and materials	9,662	--	9,662	71	(9,591)
Total Confucius Grant	9,662	--	9,662	71	(9,591)
Cultural Collaboration Project					
Salaries	2,558	--	2,558	2,558	--
Employee benefits	388	--	388	389	1
Purchased services	12,535	--	12,535	11,023	(1,512)
Supplies and materials	1,201	--	1,201	1,200	(1)
Total Cultural Collaboration Project	16,682	--	16,682	15,170	(1,512)
Obesity Prevention Partnership					
Salaries	7,000	--	7,000	7,000	--
Employee benefits	1,065	--	1,065	1,067	2
Purchased services	2,243	--	2,243	12,679	10,436
Supplies and materials	6,086	--	6,086	15,254	9,168
Total Obesity Prevention Partnership	16,394	--	16,394	36,000	19,606
Office of Children's Services Transportation Program					
Salaries	25,113	--	25,113	25,722	609
Employee benefits	17,580	--	17,580	17,724	144
Purchased services	153,195	--	153,195	106,554	(46,641)
Total Office of Children's Services Transportation Program	195,888	--	195,888	150,000	(45,888)
Pre-School Kindergarten					
Salaries	177,791	--	177,791	181,246	3,455
Employee benefits	82,638	--	82,638	83,264	626
Purchased services	13,390	--	13,390	15,161	1,771
Supplies and materials	21,462	--	21,462	21,592	130
Total Pre-School Kindergarten	295,281	--	295,281	301,263	5,982
Providence Heights					
Salaries	71,792	--	71,792	85,714	13,922
Employee benefits	10,899	--	10,899	48,922	38,023
Purchased services	4,106	--	4,106	6,575	2,469
Supplies and materials	3,750	--	3,750	3,789	39
Total Providence Heights	90,547	--	90,547	145,000	54,453
Retirement Systems Employer					
Employee benefits	2,213,191	(2,213,191)	--	--	--
Total Retirement Systems Employer	2,213,191	(2,213,191)	--	--	--
Safe Children's Act					
Salaries	--	--	--	6,950	6,950
Employee benefits	--	--	--	935	935
Purchased services	--	4,130	4,130	7,000	2,870
Supplies and materials	1,286	12,153	13,439	15,115	1,676
Total Safe Children's Act	1,286	16,283	17,569	30,000	12,431
Suicide Awareness					
Salaries	21,504	--	21,504	20,477	(1,027)
Employee benefits	2,712	--	2,712	3,173	461
Purchased services	2,567	--	2,567	2,566	(1)
Supplies and materials	398	--	398	964	566
Total Suicide Awareness	27,181	--	27,181	27,180	(1)
Youth in Detention					
Salaries	290,163	--	290,163	297,127	6,964
Employee benefits	101,850	--	101,850	106,332	4,482
Purchased services	49,934	(18,090)	31,844	86,206	54,362
Supplies and materials	34,927	--	34,927	51,913	16,986
Total Youth in Detention	476,874	(18,090)	458,784	541,578	82,794
Total State Grants	4,633,259	(2,433,536)	2,199,723	1,334,014	(865,709)

(Continued)

For the Year Ended June 30, 2018

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Final Budget	Variance - Positive (Negative)
Federal Grants:					
Access to Education for Homeless Children					
Salaries	\$ 12,270	\$ --	\$ 12,270	\$ 15,435	\$ 3,165
Employee benefits	1,529	--	1,529	2,350	821
Purchased services	26,131	--	26,131	30,246	4,115
Supplies and materials	7,069	--	7,069	11,969	4,900
Total Access to Education for Homeless Children	46,999	--	46,999	60,000	13,001
Alaska Family Directory Website					
Salaries	13,815	--	13,815	14,392	577
Employee benefits	10,187	--	10,187	10,305	118
Purchased services	2,667	--	2,667	3,233	566
Supplies and materials	898	--	898	1,070	172
Total Alaska Family Directory Website	27,567	--	27,567	29,000	1,433
Alaska State School for the Deaf					
Salaries	19,429	--	19,429	19,424	(5)
Employee benefits	9,713	--	9,713	9,733	20
Purchased services	35,313	--	35,313	35,316	3
Supplies and materials	526	--	526	527	1
Total Alaska State School for the Deaf	64,981	--	64,981	65,000	19
Artists in Schools					
Purchased services	1,734	--	1,734	--	(1,734)
Total Artist in Schools	1,734	--	1,734	--	(1,734)
Big Brothers Big Sisters Mentoring					
Salaries	17,768	--	17,768	37,828	20,060
Employee benefits	5,575	--	5,575	21,433	15,858
Purchased services	1,246	--	1,246	3,357	2,111
Supplies and materials	363	--	363	382	19
Total Big Brothers Big Sisters Mentoring	24,952	--	24,952	63,000	38,048
Bike Sharing Education Program					
Purchased services	--	--	--	2,199	2,199
Supplies and materials	--	--	--	46,288	46,288
Capital outlay	--	--	--	76,709	76,709
Total Bike Sharing Education Program	--	--	--	125,196	125,196
Carl Perkins Vocational Education					
Salaries	301,269	--	301,269	310,467	9,198
Employee benefits	100,923	--	100,923	117,127	16,204
Purchased services	197,984	--	197,984	206,738	8,754
Supplies and materials	411,342	(24,500)	386,842	420,620	33,778
Capital outlay	35,137	--	35,137	33,475	(1,662)
Total Carl Perkins Vocational Education	1,046,655	(24,500)	1,022,155	1,088,427	66,272
Centennial Challenge					
Purchased services	16,781	--	16,781	17,031	250
Supplies and materials	5,091	--	5,091	5,696	605
Total Centennial Challenge	21,872	--	21,872	22,727	855
CITC SEL Grant					
Salaries	20,660	--	20,660	(10,091)	(30,751)
Employee benefits	3,070	--	3,070	(2,955)	(6,025)
Purchased services	153,147	13,120	166,267	231,141	64,874
Supplies and materials	617	--	617	8,727	8,110
Total CITC SEL Grant	177,494	13,120	190,614	226,822	36,208
Community Centers Learning Program					
Salaries	849,476	--	849,476	877,197	27,721
Employee benefits	316,719	--	316,719	346,991	30,272
Purchased services	192,682	--	192,682	355,342	162,660
Supplies and materials	27,818	--	27,818	28,600	782
Total Community Centers Learning Program	1,386,695	--	1,386,695	1,608,130	221,435
Educational Camp Program					
Purchased services	8,369	--	8,369	10,062	1,693
Total Educational Camp Program	8,369	--	8,369	10,062	1,693

(Continued)

For the Year Ended June 30, 2018

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Final Budget	Variance - Positive (Negative)
ESEA Consolidated					
Salaries	\$ 547,320	\$ --	\$ 547,320	\$ 553,171	\$ 5,851
Employee benefits	294,522	--	294,522	296,910	2,388
Purchased services	54,507	790	55,297	55,726	429
Supplies and materials	374	--	374	374	--
Total ESEA Consolidated	896,723	790	897,513	906,181	8,668
Military Impacted Students					
Salaries	65,344	--	65,344	(11,710)	(77,054)
Employee benefits	18,719	--	18,719	(9,600)	(28,319)
Purchased services	69,664	46,780	116,444	47,593	(68,851)
Supplies and materials	117,529	--	117,529	(4,293)	(121,822)
Capital outlay	(21,990)	--	(21,990)	(21,990)	--
Total Military Impacted Students	249,266	46,780	296,046	--	(296,046)
Northwest Eisenhower Consortium Program					
Supplies and materials	1,243	--	1,243	--	(1,243)
Total Northwest Eisenhower Consortium Program	1,243	--	1,243	--	(1,243)
Pre-School Handicapped Public Law 99-457					
Salaries	205,217	--	205,217	210,073	4,856
Employee benefits	104,796	--	104,796	104,800	4
Purchased services	15,462	--	15,462	15,693	231
Supplies and materials	1,979	--	1,979	1,980	1
Total Pre-School Handicapped Public Law 99-457	327,454	--	327,454	332,546	5,092
Project Aware					
Salaries	238,725	--	238,725	270,026	31,301
Employee benefits	103,751	--	103,751	123,988	20,237
Purchased services	120,682	--	120,682	133,696	13,014
Supplies and materials	8,445	--	8,445	38,958	30,513
Total Project Aware	471,603	--	471,603	566,668	95,065
Project Ki'l					
Salaries	364,965	--	364,965	46,176	(318,789)
Employee benefits	134,050	--	134,050	(20,443)	(154,493)
Purchased services	163,667	(18,238)	145,429	(36,253)	(181,682)
Supplies and materials	18,241	--	18,241	10,520	(7,721)
Total Project Ki'l	680,923	(18,238)	662,685	--	(662,685)
Project Lead the Way					
Salaries	--	--	--	624	624
Employee benefits	--	--	--	95	95
Purchased services	15,328	--	15,328	24,281	8,953
Total Project Lead the Way	15,328	--	15,328	25,000	9,672
Project Yugtun Qanerluten					
Salaries	7,598	--	7,598	117,383	109,785
Employee benefits	1,155	--	1,155	42,014	40,859
Purchased services	15,909	133,993	149,902	198,916	49,014
Supplies and materials	9,957	6,396	16,353	42,539	26,186
Total Project Yugtun Qanerluten	34,619	140,389	175,008	400,852	225,844
StarTalk - Language Culture Summer Camp					
Salaries	54,623	--	54,623	42,081	(12,542)
Employee benefits	7,713	--	7,713	9,172	1,459
Purchased services	18,374	605	18,979	22,621	3,642
Supplies and materials	16,759	(915)	15,844	16,093	249
Total StarTalk - Language Culture Summer Camp	97,469	(310)	97,159	89,967	(7,192)

(Continued)

For the Year Ended June 30, 2018

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Final Budget	Variance - Positive (Negative)
Title I - No Child Left Behind Act					
Delinquent and At-Risk Youth Program					
Salaries	\$ 110,518	\$ --	\$ 110,518	\$ 110,615	\$ 97
Employee benefits	29,874	--	29,874	29,730	(144)
Purchased services	11,153	214	11,367	12,618	1,251
Supplies and materials	32,655	--	32,655	34,178	1,523
Total Delinquent and At-Risk Youth Program	184,200	214	184,414	187,141	2,727
District-Wide					
Salaries	7,437,040	--	7,437,040	9,990,558	2,553,518
Employee benefits	2,655,421	--	2,655,421	3,514,234	858,813
Purchased services	1,266,700	200	1,266,900	2,070,969	804,069
Supplies and materials	1,792,020	63,591	1,855,611	1,961,703	106,092
Total District-wide	13,151,181	63,791	13,214,972	17,537,464	4,322,492
Homeless					
Salaries	485,797	--	485,797	500,855	15,058
Employee benefits	299,240	--	299,240	302,562	3,322
Purchased services	205,145	259	205,404	211,140	5,736
Supplies and materials	3,750	--	3,750	6,756	3,006
Total Homeless	993,932	259	994,191	1,021,313	27,122
McLaughlin Youth Center					
Salaries	151,191	--	151,191	163,376	12,185
Employee benefits	31,424	--	31,424	50,385	18,961
Purchased services	9,057	--	9,057	11,036	1,979
Supplies and materials	8,051	--	8,051	18,566	10,515
Total McLaughlin Youth Center	199,723	--	199,723	243,363	43,640
Parent Involvement Program					
Salaries	59,387	--	59,387	107,853	48,466
Employee benefits	9,960	--	9,960	21,449	11,489
Purchased services	2,961	--	2,961	6,454	3,493
Supplies and materials	68,481	--	68,481	125,016	56,535
Total Parent Involvement Program	140,789	--	140,789	260,772	119,983
Pre-School					
Salaries	907,902	--	907,902	1,007,686	99,784
Employee benefits	435,368	--	435,368	463,599	28,231
Purchased services	136,536	--	136,536	163,714	27,178
Supplies and materials	13,258	--	13,258	42,414	29,156
Total Preschool	1,493,064	--	1,493,064	1,677,413	184,349
School Improvement Program					
Salaries	21,678	--	21,678	29,768	8,090
Employee benefits	2,559	--	2,559	4,216	1,657
Purchased services	1,623	--	1,623	32,483	30,860
Supplies and materials	--	--	--	2,953	2,953
Total School Improvement Program	25,860	--	25,860	69,420	43,560
Total Title I - No Child Left Behind Act	16,188,749	64,264	16,253,013	20,996,886	4,743,873
Title I - Migrant Education					
Book Program					
Salaries	5,530	--	5,530	5,600	70
Employee benefits	364	--	364	852	488
Supplies and materials	41,510	--	41,510	41,548	38
Total Book Program	47,404	--	47,404	48,000	596
Competitive					
Salaries	14,208	--	14,208	32,241	18,033
Employee benefits	8,904	--	8,904	23,586	14,682
Purchased services	9,426	--	9,426	14,181	4,755
Supplies and materials	9,339	--	9,339	9,992	653
Total Competitive	41,877	--	41,877	80,000	38,123
District-Wide					
Salaries	928,636	--	928,636	940,281	11,645
Employee benefits	564,969	--	564,969	578,334	13,365
Purchased services	168,870	1,573	170,443	181,609	11,166
Supplies and materials	66,907	--	66,907	91,531	24,624
Total District-wide	1,729,382	1,573	1,730,955	1,791,755	60,800

(Continued)

For the Year Ended June 30, 2018

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Final Budget	Variance - Positive (Negative)
Parent Involvement Program					
Purchased services	\$ 1,798	\$ --	\$ 1,798	\$ 5,500	\$ 3,702
Total Parent Involvement Program	1,798	--	1,798	5,500	3,702
Summer Program					
Salaries	138,448	--	138,448	610,312	471,864
Employee benefits	24,201	--	24,201	279,003	254,802
Purchased services	72,010	4,555	76,565	552,299	475,734
Supplies and materials	9,880	--	9,880	150,836	140,956
Total Summer Program	244,539	4,555	249,094	1,592,450	1,343,356
Total Title I - Migrant Education	2,065,000	6,128	2,071,128	3,517,705	1,446,577
Title II A - Professional Development Program					
Salaries	2,238,311	--	2,238,311	2,549,205	310,894
Employee benefits	835,079	--	835,079	900,604	65,525
Purchased services	690,940	30,783	721,723	991,248	269,525
Supplies and materials	18,982	--	18,982	500,016	481,034
Total Title II A - Professional Development Program	3,783,312	30,783	3,814,095	4,941,073	1,126,978
Title III - English Language Acquisition					
Salaries	318,508	--	318,508	340,166	21,658
Employee benefits	77,239	--	77,239	79,309	2,070
Purchased services	110,448	(13,713)	96,735	141,901	45,166
Supplies and materials	599	--	599	943	344
Total Title III - English Language Acquisition	506,794	(13,713)	493,081	562,319	69,238
Title IV-A Student Support Academic					
Salaries	11,935	--	11,935	192,424	180,489
Employee benefits	1,761	--	1,761	27,198	25,437
Purchased services	10,897	--	10,897	398,243	387,346
Supplies and materials	1,518	--	1,518	41,447	39,929
Total Title IV-A Student Support Academic	26,111	--	26,111	659,312	633,201
Title VI - Indian, Native Hawaiian, Alaska Native Education					
Salaries	1,801,784	--	1,801,784	1,803,181	1,397
Employee benefits	1,065,886	--	1,065,886	1,145,931	80,045
Purchased services	251,605	33,865	285,470	256,351	(29,119)
Supplies and materials	118,713	--	118,713	49,536	(69,177)
Total Title VI - Indian, Native Hawaiian, Alaska Native Education	3,237,988	33,865	3,271,853	3,254,999	(16,854)
Title VI B - Education of All Handicapped Children Act					
Salaries	7,446,288	--	7,446,288	8,520,542	1,074,254
Employee benefits	4,282,568	--	4,282,568	5,244,375	961,807
Purchased services	1,240,828	73,602	1,314,430	1,441,891	127,461
Supplies and materials	264,964	447	265,411	528,105	262,694
Capital outlay	6,457	--	6,457	6,457	--
Total Title VI B - Education of All Handicapped Children	13,241,105	74,049	13,315,154	15,741,370	2,426,216
Total Federal Grants	44,631,005	353,407	44,984,412	55,293,242	10,308,830
Total Expenditures	\$ 49,986,139	\$ (2,091,273)	\$ 47,894,866	\$ 57,315,865	\$ 9,420,999

For the Year Ended June 30, 2018

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

	Personnel Services	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Total
Current:						
Instruction:						
Local grants:						
Anchorage Schools Foundation	\$ --	\$ --	\$ 755	\$ 9,256	\$ --	\$ 10,011
Charter School Supplemental Grants	--	--	--	620	--	620
District-Wide Recycling Program	32,858	22,144	--	--	--	55,002
Donations from Local Agencies	124,495	32,196	209,179	106,115	5,000	476,985
NoVo Foundation Alaska Native Cultural Charter School	86,589	25,918	--	5,976	--	118,483
NoVo Foundation Social and Emotional Learning	2,875	301	38,362	19,236	--	60,774
Total local grants	246,817	80,559	248,296	141,203	5,000	721,875
State grants:						
Designated Legislative Grants						
Senate Bill 18	23,577	3,474	123,530	302,498	5,907	458,986
Senate Bill 119	5,341	812	14,974	274,851	6,295	302,273
Senate Bill 160	--	--	93,690	--	--	93,690
Total Designated Legislative Grants	28,918	4,286	232,194	577,349	12,202	854,949
Alaska Railroad Summer Youth Program	15,607	2,374	--	1,754	--	19,735
Alaska State School for the Deaf	202,747	77,948	33,628	4,465	--	318,788
Alternative Schools Health and Wellness	38,144	4,516	33,764	20,377	--	96,801
Confucius Grant	--	--	--	9,662	--	9,662
Cultural Collaboration Project	2,558	388	12,535	1,201	--	16,682
Obesity Prevention Partnership	7,000	1,065	2,243	6,086	--	16,394
Office of Children's Services Transportation Program	25,113	17,580	153,195	--	--	195,888
Pre-School Kindergarten Program	177,791	82,638	13,390	21,462	--	295,281
Providence Heights	71,792	10,899	4,106	3,750	--	90,547
Retirement Systems Employer Relief	--	2,213,191	--	--	--	2,213,191
Safe Children's Act	--	--	--	1,286	--	1,286
Suicide Awareness	21,504	2,712	2,567	398	--	27,181
Youth in Detention	290,163	101,850	49,934	34,927	--	476,874
Total state grants	881,337	2,519,447	537,556	682,717	12,202	4,633,259
Federal grants:						
Access to Education for Homeless Children	12,270	1,529	26,131	7,069	--	46,999
Alaska Family Directory Website	13,815	10,187	2,667	898	--	27,567
Alaska State School for the Deaf	19,429	9,713	35,313	526	--	64,981
Artists in Schools	--	--	1,734	--	--	1,734
Big Brothers Big Sisters Mentoring	17,768	5,575	1,246	363	--	24,952
Carl Perkins Vocational Education	301,269	100,923	197,984	411,342	35,137	1,046,655
Centennial Challenge	--	--	16,781	5,091	--	21,872
CITC SEL Grant	20,660	3,070	153,147	617	--	177,494
Community Centers Learning Program	849,476	316,719	192,682	27,818	--	1,386,695
Educational Camp Program	--	--	8,369	--	--	8,369
ESEA Consolidated	547,320	294,522	54,507	374	--	896,723
Military Impacted Students	65,344	18,719	69,664	117,529	(21,990)	249,266
Northwest Eisenhower Consortium Program	--	--	--	1,243	--	1,243
Pre-School Handicapped Public Law 99-457	205,217	104,796	15,462	1,979	--	327,454
Project Aware	238,725	103,751	120,682	8,445	--	471,603
Project Ki'l	364,965	134,050	163,667	18,241	--	680,923
Project Lead the Way	--	--	15,328	--	--	15,328
Project Yugtun Qanerluten	7,598	1,155	15,909	9,957	--	34,619
StarTalk - Language Culture Summer Camp	54,623	7,713	18,374	16,759	--	97,469
Title I - No Child Left Behind Act						
Delinquent and At-Risk Youth Program	110,518	29,874	11,153	32,655	--	184,200
District-Wide	7,437,040	2,655,421	1,266,700	1,792,020	--	13,151,181
Homeless	485,797	299,240	205,145	3,750	--	993,932
McLaughlin Youth Center	151,191	31,424	9,057	8,051	--	199,723
Parent Involvement Program	59,387	9,960	2,961	68,481	--	140,789
Pre-School	907,902	435,368	136,536	13,258	--	1,493,064
School Improvement Program	21,678	2,559	1,623	--	--	25,860
Total Title I - No Child Left Behind Act	9,173,513	3,463,846	1,633,175	1,918,215	--	16,188,749
Title I - Migrant Education						
Book Program	5,530	364	--	41,510	--	47,404
Competitive	14,208	8,904	9,426	9,339	--	41,877
District-Wide	928,636	564,969	168,870	66,907	--	1,729,382
Parent Involvement Program	--	--	1,798	--	--	1,798
Summer Program	138,448	24,201	72,010	9,880	--	244,539
Total Title I - Migrant Education	1,086,822	598,438	252,104	127,636	--	2,065,000

(Continued)

For the Year Ended June 30, 2018

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

	Personnel Services	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Total
Title II-A - Professional Development Program	2,238,311	835,079	690,940	18,982	--	3,783,312
Title III - English Language Acquisition	318,508	77,239	110,448	599	--	506,794
Title IV-A - Student Support Academic	11,935	1,761	10,897	1,518	--	26,111
Title VI - Indian, Native Hawaiian, and Alaska Native Education	1,801,784	1,065,886	251,605	118,713	--	3,237,988
Title VI B - Education of All Handicapped Children Act	7,446,288	4,282,568	1,240,828	264,964	6,457	13,241,105
Total federal grants	24,730,296	11,418,520	5,229,980	2,961,349	41,594	44,631,005
Total expenditures	\$ 25,858,450	\$ 14,018,526	\$ 6,015,832	\$ 3,785,269	\$ 58,796	\$ 49,986,139

## COMBINING BALANCE SHEET

	Food Service	Student Activities	Pupil Transportation	Totals	
				2018	2017
<b>Assets</b>					
Cash and investments	\$ --	\$ 3,040,622	\$ --	\$ 3,040,622	\$ 2,816,946
Cash and investments with paying agent	--	--	--	--	10,122
Accounts receivable	415	29,984	248	30,647	162,961
Interest receivable	--	--	--	--	--
Due from General Fund	794,077	2,539,090	690,145	4,023,312	2,743,439
Due from State of Alaska	121,329	--	--	121,329	2,139,208
Prepaid items	--	--	240	240	13,661
U.S.D.A. food commodities, at U.S.D.A. allocated value	260,325	--	--	260,325	233,656
Inventory, at FIFO	1,598,069	--	--	1,598,069	1,661,181
Total assets	<u>\$ 2,774,215</u>	<u>\$ 5,609,696</u>	<u>\$ 690,633</u>	<u>\$ 9,074,544</u>	<u>\$ 9,781,174</u>
<b>Liabilities</b>					
Accounts payable	\$ 18,840	\$ 8,340	\$ 14,888	\$ 42,068	\$ 120,150
Due to General Fund	--	63,737	--	63,737	1,669,341
Accrued salaries and related items:					
Wages and salaries payable	13,246	5,585	29,216	48,047	65,882
Payroll taxes, other accrued and withheld items	10,905	1,780	24,064	36,749	52,001
Unearned revenue	1,486,262	--	--	1,486,262	1,466,754
Total liabilities	1,529,253	79,442	68,168	1,676,863	3,374,128
<b>Fund balances</b>					
Reserved:					
Non-spendable	1,598,069	--	240	1,598,309	1,674,842
Assigned	--	5,530,254	622,225	6,152,479	5,525,727
Unassigned	(353,107)	--	--	(353,107)	(793,523)
Total fund balances	1,244,962	5,530,254	622,465	7,397,681	6,407,046
Total liabilities and fund balance	<u>\$ 2,774,215</u>	<u>\$ 5,609,696</u>	<u>\$ 690,633</u>	<u>\$ 9,074,544</u>	<u>\$ 9,781,174</u>

For the Year Ended June 30, 2018  
With Comparative Totals  
For the Year Ended June 30, 2017

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

	Food Service	Student Activities	Pupil Transportation	Totals	
				2018	2017
Revenues:					
Revenues from local sources	\$ 2,058,505	\$ 7,245,291	\$ 510,667	\$ 9,814,463	\$ 10,176,176
Revenues from state sources	342,517	11,231	22,364,385	22,718,133	21,471,818
Revenues from federal sources	21,408,286	--	--	21,408,286	21,324,920
Total revenues	<u>23,809,308</u>	<u>7,256,522</u>	<u>22,875,052</u>	<u>53,940,882</u>	<u>52,972,914</u>
Expenditures:					
Current:					
Instruction	--	7,265,544	--	7,265,544	7,765,387
Food services	23,515,710	--	--	23,515,710	23,679,018
Pupil Transportation	--	--	23,831,655	23,831,655	23,704,287
Total expenditures	<u>23,515,710</u>	<u>7,265,544</u>	<u>23,831,655</u>	<u>54,612,909</u>	<u>55,148,692</u>
Excess (deficiency) of revenues over (under) expenditures	293,598	(9,022)	(956,603)	(672,027)	(2,175,778)
Other financing sources (uses):					
Proceeds from sale of property and equipment	--	--	--	--	--
Transfers in from General Fund	83,706	--	1,578,956	1,662,662	1,688,889
Total other financing sources (uses)	<u>83,706</u>	<u>--</u>	<u>1,578,956</u>	<u>1,662,662</u>	<u>1,688,889</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	377,304	(9,022)	622,353	990,635	(486,889)
Fund balances at beginning of year	<u>867,658</u>	<u>5,539,276</u>	<u>112</u>	<u>6,407,046</u>	<u>6,893,935</u>
Fund balances at end of year	<u>\$ 1,244,962</u>	<u>\$ 5,530,254</u>	<u>\$ 622,465</u>	<u>\$ 7,397,681</u>	<u>\$ 6,407,046</u>

June 30, 2018  
With Comparative Totals for  
June 30, 2017

**BALANCE SHEET**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Accounts receivable	\$ 415	\$ 15,608
Due from State of Alaska	121,329	2,139,208
Due from General Fund	794,077	--
U.S.D.A. food commodities, at U.S.D.A. allocated value	260,325	233,656
Inventory, at FIFO	<u>1,598,069</u>	<u>1,661,181</u>
Total assets	<u><u>\$ 2,774,215</u></u>	<u><u>\$ 4,049,653</u></u>
<b>Liabilities</b>		
Accounts payable	\$ 18,840	\$ 56,750
Due to General Fund	--	1,598,896
Accrued salaries and related items:		
Wages and salaries payable	13,246	32,513
Payroll taxes, other accrued and withheld items	10,905	27,082
Unearned revenue	<u>1,486,262</u>	<u>1,466,754</u>
Total liabilities	<u>1,529,253</u>	<u>3,181,995</u>
<b>Fund balance</b>		
Non-spendable	1,598,069	1,661,181
Unassigned	<u>(353,107)</u>	<u>(793,523)</u>
Total fund balance	<u>1,244,962</u>	<u>867,658</u>
Total liabilities and fund balance	<u><u>\$ 2,774,215</u></u>	<u><u>\$ 4,049,653</u></u>

For the Year Ended June 30, 2018  
 With Comparative Totals  
 For the Year Ended June 30, 2017

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

	<u>2018</u>	<u>2017</u>
Revenues:		
Revenues from local sources:		
Lunch sales - student	\$ 1,802,168	\$ 1,717,221
Lunch sales - adult	27,799	29,616
Breakfast - student	120,028	127,663
Breakfast - adult	2,773	4,785
Milk program	44,972	53,591
A la carte program	44,757	226,625
Other revenues	16,008	69,991
Total revenues from local sources	<u>2,058,505</u>	<u>2,229,492</u>
Revenues from state sources:		
Grants	138,762	127,962
Retirement system employer relief	203,755	301,763
Total revenues from state sources	<u>342,517</u>	<u>429,725</u>
Revenues from federal sources:		
Type A lunch program - reimbursement	13,708,275	13,498,786
Breakfast program - reimbursement	5,149,136	5,157,775
After school dinner program - reimbursement	711,480	800,569
Fresh fruit and vegetable program - reimbursement	727,560	680,905
Lunch summer program - reimbursement	158,347	114,745
Breakfast summer program - reimbursement	22,997	10,314
Snack summer program - reimbursement	4,258	1,990
United States Department of Agriculture commodities	926,233	1,059,836
Total revenues from federal sources	<u>21,408,286</u>	<u>21,324,920</u>
Total revenues	<u>23,809,308</u>	<u>23,984,137</u>
Expenditures:		
Current:		
Food services:		
General administration	2,388,424	2,129,827
Kitchens and food center	19,562,395	19,529,834
Delivery	1,564,891	2,019,357
Total expenditures	<u>23,515,710</u>	<u>23,679,018</u>
Excess (deficiency) of revenues over (under) expenditures	293,598	305,119
Other financing sources (uses):		
Transfers in from General Fund	83,706	--
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	377,304	305,119
Fund balance at beginning of year	<u>867,658</u>	<u>562,539</u>
Fund balance at end of year	<u>\$ 1,244,962</u>	<u>\$ 867,658</u>

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

For the Year Ended June 30, 2018

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
Revenues from local sources:						
Lunch sales - student	\$ 1,802,168	\$ --	\$ 1,802,168	\$ 1,492,358	\$ 1,492,358	\$ 309,810
Lunch sales - adult	27,799	--	27,799	33,522	33,522	(5,723)
Breakfast - student	120,028	--	120,028	111,714	111,714	8,314
Breakfast - adult	2,773	--	2,773	7,869	7,869	(5,096)
Milk program	44,972	--	44,972	--	--	44,972
A la carte program	44,757	--	44,757	348,859	348,859	(304,102)
Other revenues	16,008	18,241	34,249	50,000	68,241	(33,992)
Total revenue from local sources	2,058,505	18,241	2,076,746	2,044,322	2,062,563	14,183
Revenues from state sources:						
Grants	138,762	--	138,762	250,000	250,000	(111,238)
Retirement system employer relief	203,755	(203,755)	--	--	--	--
Total revenue from state sources	342,517	(203,755)	138,762	250,000	250,000	(111,238)
Revenues from federal sources:						
Type A lunch program - reimbursement	13,708,275	--	13,708,275	14,029,631	14,159,341	(451,066)
Breakfast program - reimbursement	5,149,136	--	5,149,136	5,676,754	5,735,632	(586,496)
After school snack program - reimbursement	--	--	--	769,196	769,196	(769,196)
After school dinner program - reimbursement	711,480	--	711,480	--	--	711,480
Fresh fruit and vegetable program - reimb.	727,560	--	727,560	549,977	549,977	177,583
Lunch summer program - reimbursement	158,347	--	158,347	--	--	158,347
Breakfast summer program - reimbursement	22,997	--	22,997	--	--	22,997
Snack summer program - reimbursement	4,258	--	4,258	--	--	4,258
United States Department of Agriculture commodities	926,233	--	926,233	900,000	900,000	26,233
Total revenue from federal sources	21,408,286	--	21,408,286	21,925,558	22,114,146	(705,860)
Total revenues	23,809,308	(185,514)	23,623,794	24,219,880	24,426,709	(802,915)
Expenditures:						
Current:						
Food services						
General administration						
Personnel services	1,018,377	--	1,018,377	1,040,881	1,022,479	4,102
Employee benefits	550,766	(27,950)	522,816	572,205	572,205	49,389
Purchased services	702,518	2,480	704,998	698,825	744,795	39,797
Supplies and materials	72,385	--	72,385	20,000	29,499	(42,886)
Capital outlay	44,378	--	44,378	--	--	(44,378)
Total general administration	2,388,424	(25,470)	2,362,954	2,331,911	2,368,978	6,024
Kitchens and food center						
Personnel services	5,125,753	--	5,125,753	5,203,707	5,254,424	128,671
Employee benefits	3,707,438	(151,618)	3,555,820	4,088,831	4,133,647	577,827
Purchased services	342,561	440	343,001	400,739	400,739	57,738
Supplies and materials	10,302,898	350,338	10,653,236	10,401,557	10,476,551	(176,685)
Capital outlay	--	--	--	--	--	--
Other	83,745	--	83,745	1,500	1,500	(82,245)
Total kitchens and food center	19,562,395	199,160	19,761,555	20,096,334	20,266,861	505,306

(Continued)

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

For the Year Ended June 30, 2018

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Delivery:						
Personnel services	\$ 810,032	\$ --	\$ 810,032	\$ 772,848	\$ 772,848	\$ (37,184)
Employee benefits	548,001	(24,187)	523,814	546,201	541,879	18,065
Purchased services	10,855	--	10,855	295,144	295,144	284,289
Supplies and materials	196,003	13,271	209,274	177,442	180,999	(28,275)
Total delivery	1,564,891	(10,916)	1,553,975	1,791,635	1,790,870	236,895
Total expenditures	23,515,710	162,774	23,678,484	24,219,880	24,426,709	748,225
Excess (deficiency) of revenues over (under) expenditures	293,598	(348,288)	(54,690)	--	--	(54,690)
Other financing sources (uses):						
Transfer in from General Fund	83,706	--	83,706	--	--	(83,706)
Total other financing sources (uses)	83,706	--	83,706	--	--	(83,706)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	377,304	\$ (348,288)	\$ 29,016	\$ --	\$ --	\$ 29,016
Fund balance at beginning of year	867,658					
Fund balance at end of year	\$ 1,244,962					

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		\$ 23,809,308
Add: budgeted fund balance	\$ --	
Add: fund balance from prior year encumbrances	18,241	
Deduct: retirement system on-behalf payments	(203,755)	
		(185,514)
Revenues reported on the basis of budgeting		23,623,794
Expenditures reported on the basis of GAAP		23,515,710
Add: current year encumbrances	\$ 366,529	
Deduct: retirement system incremental increase (PERS)	(203,755)	
Expenditures and encumbrances reported on the basis of budgeting		162,774
		23,678,484
Excess (deficiency) of revenues over (under) expenditures on the basis of budgeting		\$ (54,690)

For the Year Ended June 30, 2018

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

	<u>Personnel Services</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>	<u>Capital Outlay</u>	<u>Other</u>	<u>Total</u>
Current:							
Food services:							
General administration	\$ 1,018,377	\$ 550,766	\$ 702,518	\$ 72,385	\$ 44,378	\$ --	\$ 2,388,424
Kitchens and food center	5,125,753	3,707,438	342,561	10,302,898	--	83,745	19,562,395
Delivery	810,032	548,001	10,855	196,003	--	--	1,564,891
	<u>\$ 6,954,162</u>	<u>\$ 4,806,205</u>	<u>\$ 1,055,934</u>	<u>\$ 10,571,286</u>	<u>\$ 44,378</u>	<u>\$ 83,745</u>	<u>\$ 23,515,710</u>

June 30, 2018  
With Comparative Totals for  
June 30, 2017

**BALANCE SHEET - BY ACCOUNT**

	Decentralized Student Activities	Centralized Student Activities	Totals	
			2018	2017
<b>Assets</b>				
Cash and investments	\$ 3,030,385	\$ 10,237	\$ 3,040,622	\$ 2,816,946
Cash and investments with paying agent	--	--	--	10,122
Accounts receivable	--	29,984	29,984	14,621
Due from General Fund	117,936	2,421,154	2,539,090	2,743,439
Prepaid items	--	--	--	13,661
Total assets	<u>\$ 3,148,321</u>	<u>\$ 2,461,375</u>	<u>\$ 5,609,696</u>	<u>\$ 5,598,789</u>
<b>Liabilities</b>				
Accounts payable	\$ --	\$ 8,340	\$ 8,340	\$ 45,849
Accrued salaries and related items:				
Wages and salaries payable	--	5,585	5,585	6,508
Payroll taxes, other accrued and withheld items	--	1,780	1,780	2,541
Due to General Fund	<u>63,737</u>	<u>--</u>	<u>63,737</u>	<u>4,615</u>
Total liabilities	<u>63,737</u>	<u>15,705</u>	<u>79,442</u>	<u>59,513</u>
<b>Fund balances</b>				
Non-spendable	--	--	--	13,661
Assigned	<u>3,084,584</u>	<u>2,445,670</u>	<u>5,530,254</u>	<u>5,525,615</u>
Total fund balances	<u>3,084,584</u>	<u>2,445,670</u>	<u>5,530,254</u>	<u>5,539,276</u>
Total liabilities and fund balances	<u>\$ 3,148,321</u>	<u>\$ 2,461,375</u>	<u>\$ 5,609,696</u>	<u>\$ 5,598,789</u>

For the Year Ended June 30, 2018  
With Comparative Totals  
For the Year Ended June 30, 2017

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

	Decentralized Student Activities	Centralized Student Activities	Totals	
			2018	2017
Revenues:				
Revenues from local sources:				
Other revenues	\$ 4,996,038	\$ 2,249,253	\$ 7,245,291	\$ 7,946,684
Revenues from state sources:				
Retirement systems employer relief	1,015	10,216	11,231	17,463
Total revenues	4,997,053	2,259,469	7,256,522	7,964,147
Expenditures:				
Current:				
Instruction:				
Student activities	5,006,578	2,258,966	7,265,544	7,765,387
Excess (deficiency) of revenues over (under) expenditures	(9,525)	503	(9,022)	198,760
Fund balances at beginning of year	3,094,109	2,445,167	5,539,276	5,340,516
Fund balances at end of year	\$ 3,084,584	\$ 2,445,670	\$ 5,530,254	\$ 5,539,276

June 30, 2018  
With Comparative Totals for  
June 30, 2017

DECENTRALIZED STUDENT ACTIVITIES  
BALANCE SHEET - BY DEPARTMENT

	High Schools	Middle Schools	Alternative Schools and Others	Totals	
				2018	2017
<b>Assets</b>					
Cash and investments	\$ 2,107,306	\$ 597,313	\$ 325,766	\$ 3,030,385	\$ 2,816,946
Due from General Fund	107,000	10,936	--	117,936	269,436
Prepaid Supplies/Equipment/ Travel	--	--	--	--	13,252
Total assets	<u>\$ 2,214,306</u>	<u>\$ 608,249</u>	<u>\$ 325,766</u>	<u>\$ 3,148,321</u>	<u>\$ 3,099,634</u>
<b>Liabilities</b>					
Accounts Payable	\$ --	\$ --	\$ --	\$ --	\$ 910
Due to General Fund	--	--	63,737	63,737	4,615
Total liabilities	--	--	63,737	63,737	5,525
<b>Fund balances</b>					
Non-spendable		--	--	--	13,252
Assigned	2,214,306	608,249	262,029	3,084,584	3,080,857
Total fund balances	<u>2,214,306</u>	<u>608,249</u>	<u>262,029</u>	<u>3,084,584</u>	<u>3,094,109</u>
Total liabilities and fund balances	<u>\$ 2,214,306</u>	<u>\$ 608,249</u>	<u>\$ 325,766</u>	<u>\$ 3,148,321</u>	<u>\$ 3,099,634</u>

For the Year Ended June 30, 2018  
With Comparative Totals  
For the Year Ended June 30, 2017

## DECENTRALIZED STUDENT ACTIVITIES

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

	High Schools	Middle Schools	Alternative Schools and Others	Totals	
				2018	2017
Revenues:					
Revenues from local sources:					
Other revenues	\$ 3,558,153	\$ 977,801	\$ 460,084	\$ 4,996,038	\$ 5,953,385
Revenues from state sources:					
Retirement systems employer relief	1,015	--	--	1,015	2,688
Total revenues	3,559,168	977,801	460,084	4,997,053	5,956,073
Expenditures:					
Current:					
Instruction:					
Student Activity	3,481,363	1,013,966	511,249	5,006,578	5,918,467
Excess (deficiency) of revenues over (under) expenditures	77,805	(36,165)	(51,165)	(9,525)	37,606
Fund balances at beginning of year	2,136,501	644,414	313,194	3,094,109	3,056,503
Fund balances at end of year	\$ 2,214,306	\$ 608,249	\$ 262,029	\$ 3,084,584	\$ 3,094,109

June 30, 2018  
With Comparative Totals for  
June 30, 2017

**CENTRALIZED STUDENT ACTIVITIES**  
**BALANCE SHEET - BY DEPARTMENT**

	PTA Support	Student Activities	Instructional Replacement Fees	Supplemental Sources	Totals	
					2018	2017
<b>Assets</b>						
Cash and investments	\$ --	\$ --	\$ --	\$ 10,237	\$ 10,237	\$ --
Cash and investments with paying agent	--	--	--	--	--	10,122
Accounts receivable	--	3,140	--	26,844	29,984	14,621
Due from General Fund	243,300	584,110	854,203	739,541	2,421,154	2,474,003
Prepaid items	--	--	--	--	--	409
Total assets	<u>\$ 243,300</u>	<u>\$ 587,250</u>	<u>\$ 854,203</u>	<u>\$ 776,622</u>	<u>\$ 2,461,375</u>	<u>\$ 2,499,155</u>
<b>Liabilities</b>						
Accounts payable	\$ --	\$ 8,340	\$ --	\$ --	\$ 8,340	\$ 44,939
Accrued salaries and related items:						
Wages and salaries payable	1,943	--	--	3,642	5,585	6,508
Payroll taxes, other accrued and withheld items	619	--	--	1,161	1,780	2,541
Total liabilities	2,562	8,340	--	4,803	15,705	53,988
<b>Fund balances</b>						
Non-spendable	--	--	--	--	--	409
Assigned	240,738	578,910	854,203	771,819	2,445,670	2,444,758
Total fund balances	<u>240,738</u>	<u>578,910</u>	<u>854,203</u>	<u>771,819</u>	<u>2,445,670</u>	<u>2,445,167</u>
Total liabilities and fund balances	<u>\$ 243,300</u>	<u>\$ 587,250</u>	<u>\$ 854,203</u>	<u>\$ 776,622</u>	<u>\$ 2,461,375</u>	<u>\$ 2,499,155</u>

For the Year Ended June 30, 2018  
With Comparative Totals  
For the Year Ended June 30, 2017

## CENTRALIZED STUDENT ACTIVITIES

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

	PTA Support	Student Activities	Instructional Replacement Fees	Supplemental Sources	Totals	
					2018	2017
Revenues:						
Revenues from local sources:						
Other revenues	\$ 329,883	\$ 937,392	\$ 535,480	\$ 446,498	\$ 2,249,253	\$ 1,993,299
Revenues from state sources:						
Retirement systems employer relief	--	--	--	10,216	10,216	14,775
Total revenues	<u>329,883</u>	<u>937,392</u>	<u>535,480</u>	<u>456,714</u>	<u>2,259,469</u>	<u>2,008,074</u>
Expenditures:						
Current:						
Instruction:						
Student activities	<u>266,042</u>	<u>1,018,895</u>	<u>490,778</u>	<u>483,251</u>	<u>2,258,966</u>	<u>1,846,920</u>
Excess (deficiency) of revenues over (under) expenditures	63,841	(81,503)	44,702	(26,537)	503	161,154
Fund balances at beginning of year	<u>176,897</u>	<u>660,413</u>	<u>809,501</u>	<u>798,356</u>	<u>2,445,167</u>	<u>2,284,013</u>
Fund balances at end of year	<u>\$ 240,738</u>	<u>\$ 578,910</u>	<u>\$ 854,203</u>	<u>\$ 771,819</u>	<u>\$ 2,445,670</u>	<u>\$ 2,445,167</u>

June 30, 2018  
With Comparative Totals for  
June 30, 2017

**BALANCE SHEET**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Accounts Receivable	\$ 248	\$ 132,732
Due from General Fund	690,145	--
Prepaid items	<u>240</u>	<u>--</u>
Total assets	<u>\$ 690,633</u>	<u>\$ 132,732</u>
<b>Liabilities</b>		
Accounts payable	\$ 14,888	\$ 17,551
Due to General Fund	--	65,830
Accrued salaries and related items:		
Wages and salaries payable	29,216	26,861
Payroll taxes, other accrued and withheld items	<u>24,064</u>	<u>22,378</u>
Total liabilities	<u>68,168</u>	<u>132,620</u>
<b>Fund balance</b>		
Non-spendable	240	--
Assigned	<u>622,225</u>	<u>112</u>
Total fund balance	<u>622,465</u>	<u>112</u>
Total liabilities and fund balance	<u>\$ 690,633</u>	<u>\$ 132,732</u>

For the Year Ended June 30, 2018  
 With Comparative Totals  
 For the Year Ended June 30, 2017

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

	<u>2018</u>	<u>2017</u>
Revenues:		
Revenues from local sources:		
Local tax appropriation	\$ 510,667	\$ --
Total revenues from local sources	<u>510,667</u>	<u>--</u>
Revenues from state sources:		
Pupil transportation program	22,053,860	20,664,488
Transportation routes grant	180,000	180,000
Retirement system employer relief	130,525	180,142
Total revenues from state sources	<u>22,364,385</u>	<u>21,024,630</u>
Total revenues	<u>22,875,052</u>	<u>21,024,630</u>
Expenditures:		
Current:		
Pupil transportation:		
General administration	1,151,749	1,099,418
Bus operations	21,177,496	21,065,052
Operations and maintenance of plant	1,502,410	1,539,817
Total expenditures	<u>23,831,655</u>	<u>23,704,287</u>
Excess (deficiency) of revenues over (under) expenditures	(956,603)	(2,679,657)
Other financing sources (uses):		
Transfers in from General Fund	1,578,956	1,688,889
Total other financing sources (uses)	<u>1,578,956</u>	<u>1,688,889</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	622,353	(990,768)
Fund balance at beginning of year	<u>112</u>	<u>990,880</u>
Fund balance at end of year	<u>\$ 622,465</u>	<u>\$ 112</u>

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

For the Year Ended June 30, 2018

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
<b>Revenues:</b>						
Revenues from local sources:						
Local tax appropriation	\$ 510,667	\$ --	\$ 510,667	\$ --	\$ --	\$ 510,667
Total revenues from local sources	510,667	--	510,667	--	--	510,667
Revenues from state sources:						
Pupil transportation program	22,053,860	--	22,053,860	22,441,055	22,441,055	(387,195)
Transportation routes grant	180,000	--	180,000	180,000	180,000	--
Retirement system employer relief	130,525	(130,525)	--	--	--	--
Total revenue from state sources	22,364,385	(130,525)	22,233,860	22,621,055	22,621,055	(387,195)
Total revenues	22,875,052	(130,525)	22,744,527	22,621,055	22,621,055	123,472
<b>Expenditures:</b>						
Pupil transportation:						
General administration						
Personnel services	691,893	--	691,893	677,551	677,551	(14,342)
Employee benefits	457,594	(20,756)	436,838	444,968	444,968	8,130
Supplies and materials	2,262	--	2,262	2,916	2,916	654
Total general administration	1,151,749	(20,756)	1,130,993	1,125,435	1,125,435	(5,558)
Bus operations						
Personnel services	3,470,806	--	3,470,806	3,682,516	3,682,516	211,710
Employee benefits	3,245,200	(92,007)	3,153,193	3,438,179	3,438,179	284,986
Purchased services	13,748,890	1,360	13,750,250	14,310,290	14,210,146	459,896
Supplies and materials	413,968	--	413,968	542,192	554,076	140,108
Capital outlay	243,657	--	243,657	223,696	223,696	(19,961)
Other	54,975	--	54,975	48,000	48,000	(6,975)
Total bus operations	21,177,496	(90,647)	21,086,849	22,244,873	22,156,613	1,069,764
Operations and maintenance of plant						
Personnel services	571,985	--	571,985	582,269	582,269	10,284
Employee benefits	373,487	(17,762)	355,725	383,413	383,413	27,688
Purchased services	219,663	8,299	227,962	232,625	232,625	4,663
Supplies and materials	337,275	88,140	425,415	342,394	430,654	5,239
Total operation and maintenance of plant	1,502,410	78,677	1,581,087	1,540,701	1,628,961	47,874
Total expenditures	23,831,655	(32,726)	23,798,929	24,911,009	24,911,009	1,112,080
Excess (deficiency) of revenues over (under) expenditures	(956,603)	(97,799)	(1,054,402)	(2,289,954)	(2,289,954)	1,235,552
<b>Other financing sources (uses):</b>						
Transfers in from General Fund	1,578,956	--	1,578,956	2,289,954	2,289,954	(710,998)
Total other financing sources (uses)	1,578,956	--	1,578,956	2,289,954	2,289,954	(710,998)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	622,353	\$ (97,799)	\$ 524,554	\$ --	\$ --	\$ 524,554
Fund balance at beginning of year	112					
Fund balance at end of year	\$ 622,465					

(Continued)

For the Year Ended June 30, 2018

**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		\$ 22,875,052
Add: budgeted fund balance	\$ --	
Deduct: retirement system on-behalf payments	<u>(130,525)</u>	
		<u>(130,525)</u>
Revenues reported on the basis of budgeting		<u>22,744,527</u>
Expenditures reported on the basis of GAAP		23,831,655
Add: current year encumbrances	\$ 97,799	
Deduct: retirement system incremental increase (PERS)	<u>(130,525)</u>	
Expenditures and encumbrances reported on the basis of budgeting		<u>(32,726)</u>
		<u>23,798,929</u>
Excess (deficiency) of revenues over (under) expenditures on the basis of budgeting		<u>\$ (1,054,402)</u>

For the Year Ended June 30, 2018

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

	<u>Personnel Services</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>	<u>Capital Outlay</u>	<u>Other</u>	<u>Total</u>
Current:							
Pupil transportation:							
General administration	\$ 691,893	\$ 457,594	\$ --	\$ 2,262	\$ --	\$ --	\$ 1,151,749
Bus operations	3,470,806	3,245,200	13,748,890	413,968	243,657	54,975	21,177,496
Operation and maintenance of plant	<u>571,985</u>	<u>373,487</u>	<u>219,663</u>	<u>337,275</u>	<u>--</u>	<u>--</u>	<u>1,502,410</u>
	<u>\$ 4,734,684</u>	<u>\$ 4,076,281</u>	<u>\$ 13,968,553</u>	<u>\$ 753,505</u>	<u>\$ 243,657</u>	<u>\$ 54,975</u>	<u>\$ 23,831,655</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, 2018  
With Comparative Totals for  
June 30, 2017

**BALANCE SHEET**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Cash and investments with paying agent	\$ 7,855	\$ 20
Due from other governments:		
Municipality of Anchorage	18,614,084	19,566,481
State of Alaska	432,634	2,255,947
Due From General Fund	961,485	--
Total assets	<u>\$ 20,016,058</u>	<u>\$ 21,822,448</u>
<b>Liabilities</b>		
Due to General Fund	\$ --	\$ 335,108
<b>Deferred inflows of resources</b>		
Debt service tax appropriation	18,614,084	19,566,481
<b>Fund balance</b>		
Restricted	1,401,974	--
Committed	--	1,920,859
Total fund balance	<u>1,401,974</u>	<u>1,920,859</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 20,016,058</u>	<u>\$ 21,822,448</u>

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

For the Year Ended June 30, 2018

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
<b>Revenues:</b>						
Revenues from local sources:						
Appropriation from Municipality of Anchorage	\$ 39,132,966	\$ --	\$ 39,132,966	\$ 39,132,962	\$ 39,132,962	\$ 4
Investment income	810	--	810	--	--	810
Total revenues from local sources	39,133,776	--	39,133,776	39,132,962	39,132,962	814
Revenues from state sources:						
Aid for school construction	43,263,394	--	43,263,394	43,399,761	43,399,761	(136,367)
Revenues from federal sources:						
BABS subsidy	258,687	--	258,687	247,032	247,032	11,655
Total revenues	82,655,857	--	82,655,857	82,779,755	82,779,755	(123,898)
<b>Expenditures:</b>						
Debt service:						
Refunding bond issuance cost	141,879	--	141,879	--	--	(141,879)
Principal	56,500,000	--	56,500,000	56,500,000	56,500,000	--
Interest	24,758,330	--	24,758,330	26,264,755	26,264,755	1,506,425
Fiscal agent fees	2,900	--	2,900	15,000	15,000	12,100
Total expenditures	81,403,109	--	81,403,109	82,779,755	82,779,755	1,376,646
Excess (deficiency) of revenues over (under) expenditures	1,252,748	--	1,252,748	--	--	1,252,748
Other financing sources (uses):						
Issuance of refunding bonds	57,020,000	--	57,020,000	--	--	57,020,000
Premium on issuance of refunding bonds	4,815,851	--	4,815,851	--	--	4,815,851
Payment to refunding escrow	(61,686,625)	--	(61,686,625)	--	--	(61,686,625)
Transfers out - General Fund	(1,920,859)	--	(1,920,859)	--	--	(1,920,859)
Total other financing sources (uses)	(1,771,633)	--	(1,771,633)	--	--	(1,771,633)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(518,885)	\$ --	\$ (518,885)	\$ --	\$ --	\$ (518,885)
Fund balance at beginning of year	1,920,859					
Fund balance at end of year	\$ 1,401,974					



## 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, 2018  
With Comparative Totals for  
June 30, 2017

**BALANCE SHEET**

	2018	2017
<b>Assets</b>		
Cash and investments	\$ 422,855	\$ 304,658
Cash and investments with paying agent	24,864,560	11,558,156
Interest receivable	11,063	7,027
Due from General Fund	3,519,218	14,631,472
Due from other governments:		
Municipality of Anchorage	40,376	37,314
State of Alaska	443,296	1,421,006
Prepaid items	700	300
Total assets	<u>\$ 29,302,068</u>	<u>\$ 27,959,933</u>
<b>Liabilities</b>		
Accounts payable	\$ 767,084	\$ 833,636
Contracts payable	4,915,606	2,900,448
Accrued salaries and related items:		
Wages and salaries payable	49,908	29,747
Payroll taxes, other accrued and withheld items	41,107	24,782
Unearned revenue	97,190	201,642
Total liabilities	<u>5,870,895</u>	<u>3,990,255</u>
<b>Fund balance</b>		
Non-spendable	700	300
Committed	23,430,473	23,969,378
Total fund balance	<u>23,431,173</u>	<u>23,969,678</u>
Total liabilities and fund balance	<u>\$ 29,302,068</u>	<u>\$ 27,959,933</u>

For the Year Ended June 30, 2018  
 With Comparative Totals  
 For the Year Ended June 30, 2017

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

	2018	2017
Revenues:		
Revenues from local sources:		
Investment income	\$ 109,646	\$ 146,490
Other revenues	350	1,020
Total revenues from local sources	<u>109,996</u>	<u>147,510</u>
Revenues from state sources:		
State/Municipal grants	772,709	2,459,117
Retirement systems employer relief	70,317	103,717
Total revenues from state sources	<u>843,026</u>	<u>2,562,834</u>
Revenues from federal sources:		
Federal Impact Aid	53,314	429,624
Total revenues	<u>1,006,336</u>	<u>3,139,968</u>
Expenditures:		
Bond issuance cost	89,460	63,281
Capital outlays:		
Secondary schools	22,442,211	8,716,985
Elementary schools	16,611,554	47,629,308
Other capital outlays	2,795,859	2,528,243
Total capital outlays	<u>41,849,624</u>	<u>58,874,536</u>
Total expenditures	<u>41,939,084</u>	<u>58,937,817</u>
Excess (deficiency) of revenues over (under) expenditures	(40,932,748)	(55,797,849)
Other financing sources (uses):		
Issuance of general obligation bonds	35,660,000	20,270,000
Premium on issuance of general obligation bonds	4,434,243	1,999,723
Sales of property	--	170,100
Transfers in - General Fund	300,000	1,700,000
Transfers out - Debt Service Fund	--	(6,392)
Total other financing sources (uses)	<u>40,394,243</u>	<u>24,133,431</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(538,505)	(31,664,418)
Fund balance at beginning of year	23,969,678	55,634,096
Fund balance at end of year	<u>\$ 23,431,173</u>	<u>\$ 23,969,678</u>

For the Period Ended June 30, 2018

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

	Prior Years	Total Current Expenditures	Total Expenditures	GFA Additions	Ending Balance	Project Authorization	Variance favorable (unfavorable)
Capital outlays:							
Secondary schools:							
Bartlett Senior High	\$ (604)	\$ 4,425,756	\$ 4,425,152	\$ 4,425,152	\$ --	\$ 5,476,968	\$ 1,051,816
Begich Middle School	1	3,710	3,711	3,710	1	69,594	65,883
Benny Benson Secondary	--	--	--	--	--	34,057	34,057
Central Middle School	2,355	356,289	358,644	358,644	--	2,495,491	2,136,847
Chugiak Senior High	2,253	544,638	546,891	544,638	2,253	1,489,028	942,137
Clark Middle School	--	--	--	--	--	13,401	13,401
Dimond Senior High	2,101	40,445	42,546	41,523	1,023	403,225	360,679
Eagle River Senior High	24,094	--	24,094	8,604	15,490	49,313	25,219
East Senior High	6,990	689,654	696,644	688,472	8,172	8,755,182	8,058,538
Goldenview Middle School	3,120	869,837	872,957	872,517	440	1,195,526	322,569
Ernest Gruening Middle School	1	263,434	263,435	263,434	1	2,820,700	2,557,265
U. S. Hanshew Middle School	3,000	172,575	175,575	172,575	3,000	185,873	10,298
Martin Luther King, Jr. Career Center	1,461	2,260,845	2,262,306	2,260,994	1,312	6,663,400	4,401,094
Jane Mears Middle School	76	374,539	374,615	374,687	(73)	10,390,789	10,016,174
Romig Middle School	1,051	--	1,051	198	853	72,030	70,979
Save Alternative	1,498	9,377	10,875	10,875	--	99,249	88,374
Service Senior High	31,555	19,670	51,225	19,670	31,555	6,469,194	6,417,969
South Anchorage Senior High	--	7,235	7,235	7,235	--	300,101	292,866
Steller Alternative	4,885	12,150	17,035	13,041	3,994	59,782	42,747
Wendler Middle School	7,555	37,723	45,278	43,003	2,275	364,623	319,345
West Senior High	14,708	12,297,429	12,312,137	12,316,369	(4,232)	28,876,199	16,564,062
Whaley Center	947	19,197	20,144	19,197	947	869,844	849,700
Retirement system employer relief	--	37,708	37,708	--	--	--	(37,708)
Total secondary schools	107,047	22,442,211	22,549,258	22,444,538	67,011	77,153,569	54,604,311
Elementary schools:							
Abbott Loop	217	10,945	11,162	11,162	--	3,987,879	3,976,717
Airport Heights	1,963	481,265	483,228	481,265	1,963	1,394,425	911,197
Alpenglow	18,690	122,659	141,349	122,659	18,690	278,891	137,542
Aquarian Charter	7,666	--	7,666	--	7,666	24,485	16,819
Aurora	--	170,455	170,455	171,944	(1,489)	704,525	534,070
Baxter	2,990	--	2,990	--	2,990	99,478	96,488
Bayshore	37	130,445	130,482	130,445	37	213,084	82,602
Bear Valley	--	17,843	17,843	17,843	--	121,928	104,085
Birchwood	500	41,676	42,176	42,816	(640)	4,505,663	4,463,487
Willard Bowman	(64)	566	502	566	(64)	684,067	683,565
Campbell	--	30,293	30,293	30,293	--	192,406	162,113
Chester Valley	--	--	--	--	--	4,091	4,091
Chinook	1,440	1,118	2,558	3,126	(568)	55,956	53,398
Chugach	--	7,235	7,235	7,235	--	97,515	90,280
Chugiak	1	--	1	--	1	5,268	5,267
College Gate	--	--	--	--	--	140	140
Creekside Park	669	20,835	21,504	21,007	496	176,495	154,991
Denali Replacement	(120)	7,235	7,115	7,115	--	17,273	10,158
Eagle River	1	--	1	--	1	10,524	10,523
Fairview	--	5,207	5,207	7,576	(2,369)	39,407	34,200
Fire Lake	1	5,117	5,118	5,119	(1)	17,088	11,970
Girdwood	320	194,003	194,323	194,003	320	856,694	662,371
Gladys Wood	1,700	4,368,179	4,369,879	4,368,179	1,700	5,019,990	650,111
Government Hill	--	7,235	7,235	7,235	--	169,144	161,909
Homestead	--	4,835	4,835	4,835	--	5,827,341	5,822,506
Huffman	1,927	1,398,829	1,400,756	1,398,829	1,927	3,226,728	1,825,972
Inlet View	--	274,011	274,011	274,010	--	760,983	486,972
Kasuun	121	9,768	9,889	9,889	--	566,582	556,693

(Continued)

For the Period Ended June 30, 2018

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

	Prior Years	Total Current Expenditures	Total Expenditures	GFA Additions	Ending Balance	Project Authorization	Variance favorable (unfavorable)
Kincaid	\$ --	\$ 1,497	\$ 1,497	\$ 1,497	\$ --	\$ 513,469	\$ 511,972
Klatt	1,200	27,127	28,327	27,127	1,200	278,585	250,258
Lake Hood	--	87,701	87,701	87,701	--	596,730	509,029
Lake Otis	2,267	--	2,267	217	2,050	9,502	7,235
Mt. Illiamna	56,024	--	56,024	--	56,024	56,946	922
Mt. Spurr	(22)	--	(22)	--	(22)	150,383	150,405
Mountain View	456	339,736	340,192	339,736	456	461,179	120,987
Muldoon	--	382,007	382,007	382,007	--	876,884	494,877
North Star	19	4,475	4,494	4,475	19	5,764,135	5,759,641
Northern Lights	--	799	799	799	--	525,424	524,625
Northwood	--	931,669	931,669	932,019	(350)	2,516,227	1,584,558
Nunaka Valley	1,785	719,603	721,388	719,603	1,785	2,845,311	2,123,923
Ocean View	411	2,054	2,465	2,054	411	95,632	93,167
O'Malley	336	40,659	40,995	40,659	336	1,118,028	1,077,033
Orion	--	64,396	64,396	65,010	(614)	83,888	19,492
Polaris K-12	936	--	936	--	936	445,422	444,486
Ptarmigan	2,000	3,128	5,128	3,128	2,000	4,007,045	4,001,917
Rabbit Creek	--	111,539	111,539	111,539	--	190,548	79,009
Ravenwood	--	6,380	6,380	6,380	--	19,804	13,424
Rogers Park	--	1,102,064	1,102,064	1,102,064	--	10,196,071	9,094,007
Russian Jack	501	11,852	12,353	12,154	200	601,095	588,742
Sand Lake	--	(749)	(749)	--	(749)	16,092	16,841
Scenic Park	(2,695)	23,036	20,341	20,341	--	112,479	92,138
Spring Hill	--	51,155	51,155	51,155	--	225,038	173,883
Susitna	--	95,748	95,748	95,748	--	397,763	302,015
Taku	100	--	100	--	100	4,406	4,306
Trailside	1,923	29	1,952	566	1,386	635,446	633,494
Tudor	779	25,541	26,320	25,356	964	574,279	547,959
Turnagain	--	2,606,241	2,606,241	2,606,240	1	3,589,510	983,269
Ursa Major	--	83,664	83,664	83,664	--	278,568	194,904
Ursa Minor	--	191,779	191,779	191,779	--	173,726	(18,053)
William Tyson	--	--	--	--	--	148,414	148,414
Williwaw	3,541	--	3,541	--	3,541	3,210	(331)
Willow Crest	(1,016)	2,165,039	2,164,023	2,164,023	--	10,989,660	8,825,637
Wonder Park	--	195,720	195,720	195,720	--	855,718	659,998
Retirement system employer relief	--	27,911	27,911	--	--	--	(27,911)
Total elementary schools	106,604	16,611,554	16,718,158	16,589,912	100,334	78,414,667	61,696,509
Other capital outlays:							
Administration	108,006	--	108,006	--	108,006	827,191	719,185
District-wide Asbestos/ Life Safety	168,051	--	168,051	--	168,051	179,801	11,750
District-wide Building Life Extension	276,792	1,148,648	1,425,440	1,150,527	274,913	2,656,030	1,230,590
District-wide Emergency Preparation	--	--	--	--	--	289,166	289,166
District-wide Security Systems	871	249,552	250,423	249,552	871	384,706	134,283
District-wide Federal Impact Aid	--	--	--	--	--	660,316	660,316
District-wide Underground Storage Tank Removal	--	1,147	1,147	1,147	--	4,802	3,655

(Continued)

## SCHEDULE OF EXPENDITURES - PROJECT

For the Period Ended June 30, 2018

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

	Prior Years	Total Current Expenditures	Total Expenditures	GFA Additions	Ending Balance	Project Authorization	Variance favorable (unfavorable)
District-wide							
Electric/Switch Upgrades	\$ 9,848	\$ 208,874	\$ 218,722	\$ 214,576	\$ 4,146	\$ 5,643,816	\$ 5,425,094
District-wide Maintenance							
Equipment	--	--	--	--	--	11,851	11,851
Data Center	(2,772)	28,622	25,850	28,622	(2,772)	35,018	9,168
District-wide Mechanical Upgrades	47,801	61,580	109,381	61,580	47,801	393,511	284,130
District-wide Roof Replacement	--	--	--	--	--	21,935	21,935
Facilities/Maintenance	--	--	--	--	--	71	71
Pupil Transportation	--	--	--	--	--	300,152	300,152
Southwest Area Site							
Acquisition	--	--	--	--	--	22,482	22,482
Student Nutrition	595	1,092,738	1,093,333	1,092,739	594	4,371,465	3,278,132
Warehouse	--	--	--	--	--	14,913	14,913
Retirement system employer relief	--	4,698	4,698	--	--	--	(4,698)
Total other capital outlays	609,192	2,795,859	3,405,051	2,798,743	601,610	15,817,226	12,412,175
Total capital outlays	\$ 822,843	\$ 41,849,624	\$ 42,672,467	\$ 41,833,193	\$ 768,955	\$ 171,385,462	\$ 128,712,995

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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, 2018  
With Comparative Totals for  
June 30, 2017

## INTERNAL SERVICE FUNDS

## COMBINING STATEMENT OF NET POSITION

	Equipment Replacement	Health Insurance	Compensated Absences	Total Internal Service Funds	
				2018	2017
<b>Assets</b>					
Current Assets:					
Investments	\$ 9,273,009	\$ 6,383,310	\$ 12,102,831	\$ 27,759,150	\$ 27,658,732
Accounts receivable	--	389,982	--	389,982	703,656
Total current assets	9,273,009	6,773,292	12,102,831	28,149,132	28,362,388
Non-current assets:					
Machinery and equipment	34,463,759	--	--	34,463,759	33,035,581
Accumulated depreciation	(26,298,661)	--	--	(26,298,661)	(25,221,551)
Total capital assets (net of accumulated depreciation)	8,165,098	--	--	8,165,098	7,814,030
Total assets	17,438,107	6,773,292	12,102,831	36,314,230	36,176,418
<b>Liabilities</b>					
Current liabilities:					
Medical claims and other payables	--	5,511,859	--	5,511,859	5,542,617
Accrued compensated absences	--	--	6,666,468	6,666,468	6,192,130
Total current liabilities	--	5,511,859	6,666,468	12,178,327	11,734,747
Non-current liabilities:					
Accrued compensated absences	--	--	5,401,350	5,401,350	4,939,407
Total non-current liabilities	--	--	5,401,350	5,401,350	4,939,407
Total liabilities	--	5,511,859	12,067,818	17,579,677	16,674,154
<b>Net Position</b>					
Investment in capital assets	8,165,098	--	--	8,165,098	7,814,030
Unrestricted	9,273,009	1,261,433	35,013	10,569,455	11,688,234
Total net position	\$ 17,438,107	\$ 1,261,433	\$ 35,013	\$ 18,734,553	\$ 19,502,264

For the Year Ended June 30, 2018  
With Comparative Totals  
For the Year Ended June 30, 2017

## INTERNAL SERVICE FUNDS

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION

	Equipment Replacement	Health Insurance	Compensated Absences	Total Internal Service Funds	
				2018	2017
Operating revenues:					
Charges for services	\$ 1,714,571	\$ --	\$ --	\$ 1,714,571	\$ 1,597,161
Charges for health insurance services	--	36,962,401	--	36,962,401	36,992,486
Charges for accrued compensated absences	--	--	15,997,907	15,997,907	13,532,598
Total operating revenues	<u>1,714,571</u>	<u>36,962,401</u>	<u>15,997,907</u>	<u>54,674,879</u>	<u>52,122,245</u>
Operating expenses:					
Depreciation	1,714,571	--	--	1,714,571	1,597,161
Costs of services	--	2,493,235	--	2,493,235	124,026
Medical plan administration	--	2,427,168	--	2,427,168	4,813,819
Medical claims	--	32,954,158	--	32,954,158	34,677,774
Compensated absences expense	--	--	15,923,048	15,923,048	13,682,544
Total operating expenses	<u>1,714,571</u>	<u>37,874,561</u>	<u>15,923,048</u>	<u>55,512,180</u>	<u>54,895,324</u>
Operating gain (loss)	<u>--</u>	<u>(912,160)</u>	<u>74,859</u>	<u>(837,301)</u>	<u>(2,773,079)</u>
Non-operating revenues:					
Gain (loss) on sale of capital assets	(29,496)	--	--	(29,496)	(1,542)
Investment income	<u>(18,521)</u>	<u>3,409</u>	<u>(39,846)</u>	<u>(54,958)</u>	<u>295,513</u>
Total non-operating revenues	<u>(48,017)</u>	<u>3,409</u>	<u>(39,846)</u>	<u>(84,454)</u>	<u>293,971</u>
Total income (loss) before capital contributions and transfers	<u>(48,017)</u>	<u>(908,751)</u>	<u>35,013</u>	<u>(921,755)</u>	<u>(2,479,108)</u>
Capital contributions and transfers	154,044	--	--	154,044	330,423
Transfers in - General Fund	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>502,198</u>
Total capital contributions and transfers	<u>154,044</u>	<u>--</u>	<u>--</u>	<u>154,044</u>	<u>832,621</u>
Changes in net position	106,027	(908,751)	35,013	(767,711)	(1,646,487)
Net position at beginning of year	<u>17,332,080</u>	<u>2,170,184</u>	<u>--</u>	<u>19,502,264</u>	<u>21,148,751</u>
Net position at end of year	<u>\$ 17,438,107</u>	<u>\$ 1,261,433</u>	<u>\$ 35,013</u>	<u>\$ 18,734,553</u>	<u>\$ 19,502,264</u>

For the Year Ended June 30, 2018  
With Comparative Totals  
For the Year Ended June 30, 2017

## INTERNAL SERVICE FUNDS

## STATEMENT OF CASH FLOWS

	Equipment Replacement	Health Insurance	Compensated Absences	Total Internal Service Funds	
				2018	2017
Cash flows from operating activities:					
Receipts from interfund activities	\$ 1,714,571	\$ 36,962,401	\$ 15,997,907	\$ 54,674,879	\$ 52,122,245
Payments for interfund services used	--	--	(14,986,767)	(14,986,767)	(13,737,281)
Payments for medical claims and other health insurance activity	--	(37,961,569)	--	(37,961,569)	(40,172,392)
Net cash flows provided by operating activities	<u>1,714,571</u>	<u>(999,168)</u>	<u>1,011,140</u>	<u>1,726,543</u>	<u>(1,787,428)</u>
Cash flows from non-capital financing activities:					
Transfer from other funds	--	--	--	--	500,000
Net cash provided by financing activities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>500,000</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(1,580,737)	--	--	(1,580,737)	(2,232,140)
Sale of capital assets	9,570	--	--	9,570	11,364
Net cash used in capital and financing activities	<u>(1,571,167)</u>	<u>--</u>	<u>--</u>	<u>(1,571,167)</u>	<u>(2,220,776)</u>
Cash flows from investing activities:					
Sales (Purchases) of investments	(124,883)	995,759	(971,294)	(100,418)	3,212,691
Interest earnings received	(18,521)	3,409	(39,846)	(54,958)	295,513
Net cash used in investing activities	<u>(143,404)</u>	<u>999,168</u>	<u>(1,011,140)</u>	<u>(155,376)</u>	<u>3,508,204</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	\$ --	\$ (912,160)	\$ 74,859	\$ (837,301)	\$ (2,773,078)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	1,714,571	--	--	1,714,571	1,597,161
Change in assets and liabilities					
Receivables, net	--	(56,250)	--	(56,250)	(318,750)
Accounts and other payables	--	(30,758)	936,281	905,523	(292,761)
Net cash provided by operating activities	<u>\$ 1,714,571</u>	<u>\$ (999,168)</u>	<u>\$ 1,011,140</u>	<u>\$ 1,726,543</u>	<u>\$ (1,787,428)</u>
Non-cash investing, capital and financing activities:					
Contributed capital and equipment	<u>\$ 154,044</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 154,044</u>	<u>\$ 330,423</u>

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# Statistical Section

**FINANCIAL TRENDS**

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

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For the Last Ten Years

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

<b>Net Position</b>								
<u>Fiscal Year</u>	<u>Restricted for</u>							<u>Total Net Position</u>
	<u>Net Investment in Capital Assets</u>	<u>Debt Service</u>	<u>Authorized Construction Net of Authorized Unissued Bonds</u>	<u>Bond Rating</u>	<u>Federal Impact Aid 8003(d)</u>	<u>Unrestricted</u>		
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	
2015-2016	697,497,685	4,020,159	--	24,600,326	188,857	(236,765,876)	489,541,151	
2016-2017	717,402,083	--	--	24,861,158	814,852	(361,859,661)	381,218,432	
2017-2018	727,508,283	1,401,974	--	24,575,544	831,805	(400,529,509)	353,788,097	

## 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

	2009	2010	2011	As Restated 2012	2013
<b>Program Expenses</b>					
District-wide activities:					
General administration	\$ 27,132,910	\$ 31,243,745	\$ 24,167,797	\$ 29,412,334	\$ 31,000,400
Instruction	538,451,870	576,872,255	619,040,263	619,727,202	644,094,670
Pupil transportation	19,580,050	20,055,743	20,304,159	21,785,259	22,386,537
Operation and maintenance of plant	72,870,520	72,929,245	77,188,087	77,789,469	77,234,635
Community services	481,852	460,142	521,657	3,556,333	3,508,691
Food services	16,855,858	17,085,879	19,026,380	19,207,955	19,977,813
Interest expense	36,393,199	35,284,867	33,201,590	29,829,001	23,475,990
Total district-wide expenses	<u>711,766,259</u>	<u>753,931,876</u>	<u>793,449,933</u>	<u>801,307,553</u>	<u>821,678,736</u>
<b>Program Revenues</b>					
District-wide activities:					
Charges for services					
General administration	19,604	19,139	4,531	6,008	194,817
Instruction	1,606,288	1,612,977	4,004,871	1,984,242	2,632,871
Operation and maintenance of plant	(2,553)	(3,404)	--	--	--
Community services	580,448	658,036	770,435	734,693	830,974
Food services	4,911,270	4,469,455	3,902,383	3,354,879	2,744,845
Operating grants and contributions					
General administration	925,219	464,438	134,560	227,555	529,468
Instruction	126,529,115	132,107,431	161,861,300	165,895,621	171,614,178
Pupil transportation	18,645,611	19,740,997	19,796,188	21,169,073	21,722,271
Operation and maintenance of plant	3,186,546	2,363,241	1,948,927	2,304,852	2,473,163
Community services	77,725	37,494	9,496	14,961	1,875
Food services	11,627,527	12,790,612	13,795,005	14,751,122	16,987,806
Construction and facility acquisition	297,924	--	--	--	--
Capital grants and contributions					
Instruction	--	--	46,117,714	45,937,003	52,622,060
Construction and facility acquisition	46,810,987	47,466,227	--	--	--
Total district-wide revenues	<u>215,215,711</u>	<u>221,726,643</u>	<u>252,345,410</u>	<u>256,380,009</u>	<u>272,354,328</u>
<b>Net expense</b>					
District-wide activities	<u>(496,550,548)</u>	<u>(532,205,233)</u>	<u>(541,104,523)</u>	<u>(544,927,544)</u>	<u>(549,324,408)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Unrestricted:					
Appropriation from					
Municipality of Anchorage	217,971,708	232,947,582	234,759,972	237,587,445	232,606,002
Investment income	3,148,355	5,552,323	2,376,959	1,446,162	1,107,327
Public School Funding Program	281,733,376	295,483,681	310,300,774	311,645,866	325,447,016
School improvement grant	--	--	--	--	--
Energy relief	--	--	--	--	--
Federal Impact Aid	15,333,815	17,952,860	23,992,347	20,166,071	20,449,408
Proceeds from sale of assets	12,982	--	--	--	--
Other	1,817,444	1,119,024	1,188,572	8,009,165	7,626,118
Special and extraordinary items	17,582,137	--	--	--	--
Total general revenues, special and extraordinary items	<u>537,599,817</u>	<u>553,055,470</u>	<u>572,618,624</u>	<u>578,854,709</u>	<u>587,235,871</u>
Change in net position	41,049,269	20,850,237	31,514,101	33,927,165	37,911,463
Net position at beginning of year	552,276,931	593,326,200	614,176,437	642,118,388	676,045,553
Net position at end of the year	<u>\$ 593,326,200</u>	<u>\$ 614,176,437</u>	<u>\$ 645,690,538</u>	<u>\$ 676,045,553</u>	<u>\$ 713,957,016</u>

For the Last Ten Years

## STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION

	As Restated 2014	2015	2016	2017	As Restated 2018
<b>Program Expenses</b>					
District-wide activities:					
General administration	\$ 27,427,601	\$ 29,622,367	\$ 37,543,112	\$ 33,833,671	\$ 26,270,521
Instruction	647,413,175	722,027,966	685,215,939	707,221,741	578,830,520
Pupil transportation	22,871,359	22,286,749	24,381,461	25,948,005	23,514,207
Operation and maintenance of plant	74,581,580	76,267,079	85,314,793	87,007,105	71,737,781
Community services	3,619,453	483,365	617,598	626,343	408,963
Food services	21,551,586	23,430,716	25,655,586	26,614,714	22,332,988
Interest expense	25,679,718	24,877,042	24,037,648	23,204,597	20,309,819
Total district-wide expenses	<u>823,144,472</u>	<u>898,995,284</u>	<u>882,766,137</u>	<u>904,456,176</u>	<u>743,404,799</u>
<b>Program Revenues</b>					
District-wide activities:					
Charges for services					
General administration	833,089	1,242	3,691	988	242
Instruction	1,635,123	1,884,066	3,457,729	4,566,505	4,777,768
Operation and maintenance of plant	--	--	--	--	--
Community services	--	676,985	714,073	753,599	646,485
Food services	2,425,156	2,246,794	2,111,325	2,159,525	2,042,496
Operating grants and contributions					
General administration	1,810,346	5,133,520	1,438,059	606,472	818,348
Instruction	170,720,668	239,705,331	120,725,921	106,571,644	94,580,682
Pupil transportation	22,477,906	22,621,368	23,110,415	20,994,722	22,443,644
Operation and maintenance of plant	5,373,291	3,737,885	3,571,590	2,087,922	5,286,020
Community services	33,865	19,199	22,849	9,071	11,395
Food services	16,645,062	20,178,890	19,782,765	21,704,539	21,874,531
Construction and facility acquisition	--	--	--	--	--
Capital grants and contributions					
Instruction	56,815,015	72,187,560	57,757,752	36,798,741	44,295,140
Construction and facility acquisition	--	--	--	--	--
Total district-wide revenues	<u>278,769,521</u>	<u>368,392,840</u>	<u>232,696,169</u>	<u>196,253,728</u>	<u>196,776,751</u>
<b>Net expenses</b>					
District-wide activities	<u>(544,374,951)</u>	<u>(530,602,444)</u>	<u>(650,069,968)</u>	<u>(708,202,448)</u>	<u>(546,628,048)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Unrestricted:					
Appropriation from					
Municipality of Anchorage	233,284,280	239,576,423	239,410,965	246,003,265	248,611,584
Investment income	1,059,852	1,147,782	1,602,140	1,976,485	2,592,213
Public School Funding Program	318,661,242	327,797,266	329,831,634	330,187,510	326,734,512
School improvement grant	--	--	--	--	--
Energy relief	--	--	--	--	--
Federal Impact Aid	18,251,918	22,116,652	20,337,273	19,780,064	18,406,484
Proceeds from sale of assets	--	--	--	--	22,755
Other	10,084,602	13,587,963	3,061,278	1,932,405	(961,613)
Special and extraordinary items	--	--	--	--	--
Total general revenues, special and extraordinary items	<u>581,341,894</u>	<u>604,226,086</u>	<u>594,243,290</u>	<u>599,879,729</u>	<u>595,405,935</u>
Change in net position	36,966,943	73,623,642	(55,826,678)	(108,322,719)	48,777,887
Net position at beginning of year	434,777,244	471,744,187	545,367,829	489,541,151	305,010,210
Net position at end of the year	<u>\$ 471,744,187</u>	<u>\$ 545,367,829</u>	<u>\$ 489,541,151</u>	<u>\$ 381,218,432</u>	<u>\$ 353,788,097</u>

For the Last Ten Years

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

	2009	2010	2011	2012	As Restated 2013
General Fund					
Fund balances:					
Non-spendable	\$ 12,522,607	\$ 11,741,766	\$ 10,812,950	\$ 12,758,325	\$ 11,376,474
Restricted	18,967,267	19,833,195	19,902,748	24,327,135	24,163,161
Committed	8,380,055	8,878,554	13,879,315	11,888,710	1,451,148
Assigned	55,861,747	60,600,998	60,074,795	57,171,842	61,448,020
Unassigned	23,509,451	25,928,239	24,798,698	23,677,394	22,779,338
Total General Fund	<u>\$ 119,241,127</u>	<u>\$ 126,982,752</u>	<u>\$ 129,468,506</u>	<u>\$ 129,823,406</u>	<u>\$ 121,218,141</u>
All Other Governmental Funds					
Fund balances:					
Non-spendable	\$ 933,685	\$ 780,478	\$ 763,583	\$ 1,118,708	\$ 1,485,278
Restricted	2,046,009	6,938,506	13,685,643	1,709,552	2,179,593
Committed	56,964,756	23,062,817	10,919,017	14,556,862	11,932,590
Assigned	4,741,443	6,269,224	6,967,027	5,706,555	4,993,340
Unassigned	(54,155)	(20,500)	(13,463)	(48,001)	(9,559)
Total all other government funds	<u>\$ 64,631,738</u>	<u>\$ 37,030,525</u>	<u>\$ 32,321,807</u>	<u>\$ 23,043,676</u>	<u>\$ 20,581,242</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

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

	2014	2015	2016	2017	2018
General Fund					
Fund balances:					
Non-spendable	\$ 5,499,745	\$ 3,382,756	\$ 3,667,859	\$ 2,392,260	\$ 3,473,702
Restricted	24,499,395	24,299,392	24,789,183	25,676,010	25,407,349
Committed	5,276,897	10,046,919	12,519,248	3,843,138	517,116
Assigned	48,598,520	73,157,731	58,828,775	53,013,097	56,282,602
Unassigned	38,752,839	30,517,600	29,490,600	31,450,228	31,051,802
Total General Fund	<u>\$ 122,627,396</u>	<u>\$ 141,404,398</u>	<u>\$ 129,295,665</u>	<u>\$ 116,374,733</u>	<u>\$ 116,732,571</u>
All Other Governmental Funds					
Fund balances:					
Non-spendable	\$ 1,271,700	\$ 983,304	\$ 1,236,827	\$ 1,712,458	\$ 1,640,639
Restricted	2,733,186	3,019,088	4,020,159	--	1,401,974
Committed	25,467,438	39,895,743	55,633,395	25,890,237	23,430,473
Assigned	5,033,401	5,564,316	6,331,234	5,525,727	6,152,479
Unassigned	(1,689,985)	(17,852)	(673,425)	(830,839)	(394,737)
Total all other government funds	<u>\$ 32,815,740</u>	<u>\$ 49,444,599</u>	<u>\$ 66,548,190</u>	<u>\$ 32,297,583</u>	<u>\$ 32,230,828</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)**

	2009	2010	2011	2012	2013
<b>Revenues:</b>					
Local sources	\$ 240,046,875	\$ 256,186,939	\$ 253,899,166	\$ 256,897,674	\$ 247,981,607
State sources	428,811,942	428,035,882	452,943,504	483,049,363	532,696,627
Federal sources	66,255,684	90,054,656	115,379,897	94,387,908	77,455,493
Total revenues	<u>735,114,501</u>	<u>774,277,477</u>	<u>822,222,567</u>	<u>834,334,945</u>	<u>858,133,727</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General administration	22,987,553	22,181,161	23,180,257	28,638,280	30,119,251
Instruction	509,914,670	543,875,057	579,025,698	587,388,122	606,408,747
Pupil transportation	19,234,255	20,137,537	20,239,375	22,277,229	22,809,852
Operation and maintenance of plant	72,019,066	72,256,844	76,933,872	77,442,084	76,873,647
Community services	443,763	445,989	508,686	3,440,259	3,507,066
Food services	16,594,195	16,694,742	18,017,232	18,615,420	19,502,420
<b>Debt service:</b>					
Refunding bond issuance cost	--	--	--	--	69,405
Principal	46,630,000	49,520,000	52,475,000	54,875,000	55,425,000
Interest	37,270,931	36,372,658	35,001,212	31,722,282	29,504,017
Fiscal agent fees	10,648	11,208	9,708	9,403	9,330
Bond issuance cost	219,481	134,674	174,096	16,213	32,522
Capital outlays	<u>61,518,088</u>	<u>52,681,236</u>	<u>23,711,546</u>	<u>16,345,054</u>	<u>30,083,083</u>
Total expenditures	<u>786,842,650</u>	<u>814,311,106</u>	<u>829,276,682</u>	<u>840,769,346</u>	<u>874,344,340</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(51,728,149)</u>	<u>(40,033,629)</u>	<u>(7,054,115)</u>	<u>(6,434,401)</u>	<u>(16,210,613)</u>
<b>Other financing sources (uses):</b>					
Proceeds from sale of property and equipment	11,127	634	10,360	--	4,892
Issuance of general obligation bonds	29,840,000	20,025,000	4,940,000	--	14,425,000
Premium on issuance of general obligation bonds	395,335	136,396	97,062	--	1,115,112
Issuance of refunding bonds	--	--	28,310,000	--	24,080,000
Premium on issuance of refunding bonds	--	--	2,305,196	--	1,139,945
Payment to refunded bond escrow agent	--	--	(30,455,857)	--	(25,150,540)
Transfers in	342,889	13,734	9,031,500	6,095	7,613
Transfers out	<u>(4,514,963)</u>	<u>(1,723)</u>	<u>(9,407,110)</u>	<u>(2,494,925)</u>	<u>(7,613)</u>
Total other financing sources (uses)	<u>26,074,388</u>	<u>20,174,041</u>	<u>4,831,151</u>	<u>(2,488,830)</u>	<u>15,614,409</u>
Net change in fund balances	<u>\$ (25,653,761)</u>	<u>\$ (19,859,588)</u>	<u>\$ (2,222,964)</u>	<u>\$ (8,923,231)</u>	<u>\$ (596,204)</u>
<b>Debt service as a percentage of noncapital expenditures</b>					
	11.6%	11.3%	10.9%	10.5%	10.1%

**Notes:**

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

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

For the Last Ten Years

	2014	2015	2016	2017	2018
<b>Revenues:</b>					
Local sources	\$ 250,705,339	\$ 255,957,061	\$ 257,354,099	\$ 262,307,289	\$ 265,707,049
State sources	532,700,403	1,161,304,333	463,331,161	434,632,230	434,558,070
Federal sources	76,231,876	84,173,052	79,122,705	85,202,564	85,838,180
<b>Total revenues</b>	<b>859,637,618</b>	<b>1,501,434,446</b>	<b>799,807,965</b>	<b>782,142,083</b>	<b>786,103,299</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General administration	26,964,679	35,074,968	29,325,141	27,101,599	36,044,730
Instruction	606,791,232	1,196,021,148	550,759,560	557,021,305	541,763,662
Pupil transportation	22,931,732	24,310,030	31,716,984	23,704,287	23,831,655
Operation and maintenance of plant	74,658,873	85,422,847	73,450,427	77,544,041	77,108,843
Community services	3,628,420	576,814	487,637	481,496	462,202
Food services	21,297,939	25,694,692	22,109,248	23,679,018	23,515,710
<b>Debt service:</b>					
Refunding bond issuance cost	--	80,973	149,156	131,362	141,879
Principal	57,340,000	59,290,000	58,940,000	56,445,000	56,500,000
Interest	27,354,466	27,385,338	25,649,885	26,374,289	24,758,330
Fiscal agent fees	8,950	6,547	4,425	3,050	2,900
Bond issuance cost	180,923	126,566	127,181	63,281	89,460
Capital outlays	48,043,764	81,556,784	78,840,171	58,874,536	41,849,624
<b>Total expenditures</b>	<b>889,200,978</b>	<b>1,535,546,707</b>	<b>871,559,815</b>	<b>851,423,264</b>	<b>826,068,995</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(29,563,360)</b>	<b>(34,112,261)</b>	<b>(71,751,850)</b>	<b>(69,281,181)</b>	<b>(39,965,696)</b>
<b>Other financing sources (uses):</b>					
Proceeds from sale of property and equipment	16,561	28,563	30,822	201,680	13,310
Issuance of general obligation bonds	39,345,000	59,075,000	69,038,445	20,270,000	35,660,000
Premium on issuance of general obligation bonds	3,845,552	11,056,199	10,523,110	1,999,723	4,434,243
Issuance of refunding bonds	--	37,150,000	81,040,000	41,960,000	57,020,000
Premium on issuance of refunding bonds	--	5,966,834	13,189,654	4,497,070	4,815,851
Payment to refunded bond escrow agent	--	(43,030,625)	(94,075,323)	(46,316,633)	(61,686,625)
Transfers in	2,392,810	2,289,924	13,136,125	9,043,823	3,883,521
Transfers out	(2,392,810)	(3,017,773)	(16,136,125)	(9,546,021)	(3,883,521)
<b>Total other financing sources (uses)</b>	<b>43,207,113</b>	<b>69,518,122</b>	<b>76,746,708</b>	<b>22,109,642</b>	<b>40,256,779</b>
<b>Net change in fund balances</b>	<b>\$ 13,643,753</b>	<b>\$ 35,405,861</b>	<b>\$ 4,994,858</b>	<b>\$ (47,171,539)</b>	<b>\$ 291,083</b>
<b>Debt service as a percentage of non-capital expenditures</b>	<b>10.1%</b>	<b>6.0%</b>	<b>10.7%</b>	<b>10.5%</b>	<b>10.4%</b>

## 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
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
2015-2016	37,543,112	685,215,939	24,381,461	85,314,793	617,598	25,655,586	24,037,648	882,766,137
2016-2017	33,833,671	707,221,741	25,948,005	87,007,105	626,343	26,614,714	23,204,597	904,456,176
2017-2018	26,270,521	578,830,520	23,514,207	71,737,781	408,963	22,332,988	20,309,819	743,404,799

## 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
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
2015-2016	--	288,320	--	--	--	1,283	--	289,603
2016-2017	--	2,582,393	--	--	--	--	--	2,582,393
2017-2018	--	11,661,650	--	--	--	--	--	11,661,650

Last Ten Years

**GOVERNMENT-WIDE  
REVENUES BY TYPE**

Program Revenues						
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total		
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		
2015-2016	6,286,818	168,651,599	57,757,752	232,696,169		
2016-2017	7,480,617	151,974,370	36,798,741	196,253,728		
2017-2018	7,466,991	145,014,620	44,295,140	196,776,751		

General Revenues						
Fiscal Year	Appropriation from Municipality of Anchorage	Investment Income	Public School Funding Program	Federal Impact Aid	Other	Total
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
2015-2016	239,410,965	1,602,140	329,831,634	20,337,273	3,061,278	594,243,290
2016-2017	246,003,265	1,976,485	330,187,510	19,780,064	1,932,405	599,879,729
2017-2018	248,611,584	2,592,213	326,734,512	18,406,484	(938,858)	595,405,935

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)
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
2015-2016	29,325,141	550,759,560	31,716,984	73,450,427	487,637	22,109,248	84,743,466	792,592,463
2016-2017	27,101,599	557,021,305	23,704,287	77,544,041	481,496	23,679,018	82,953,701	792,485,447
2017-2018	36,044,730	541,763,662	23,831,655	77,108,843	462,202	23,515,710	81,403,109	784,129,911

## 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)

<u>Fiscal Year</u>	<u>Local Sources</u>	<u>State Sources</u>	<u>Federal Sources</u>	<u>Total (2)</u>
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
2015-2016	257,164,849	452,093,994	79,077,289	788,336,132
2016-2017	262,159,779	432,069,396	84,772,940	779,002,115
2017-2018	265,597,053	433,715,044	85,784,866	785,096,963

## 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 Year	Real			Personal Property	Total Taxable Assessed Value	Areawide Tax Rate (mils)
	Residential Property	Commercial Property	Total Real			
2008	\$ 19,467,058,556	\$ 8,706,338,583	\$ 28,173,397,139	\$ 2,407,424,007	\$ 30,580,821,146	6.80
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	3,218,472,804	33,672,370,182	6.71
2015	21,626,494,295	10,109,822,456	31,736,316,751	3,302,128,224	35,038,444,975	6.70
2016	22,391,683,088	10,429,674,591	32,821,357,679	3,134,642,589	35,956,000,268	6.88
2017	22,364,925,134	10,515,742,451	32,880,667,585	2,951,726,961	35,832,294,546	7.32

## 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)									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Area Wide:										
Municipality of Anchorage	0.37	0.49	0.45	0.09	(0.29)	(0.43)	(0.35)	(0.14)	0.15	0.40
Anchorage School District	6.94	7.18	7.44	7.52	7.57	7.35	7.06	6.84	6.73	6.92
Property Tax Credit	(0.51)	(0.57)	--	--	--	--	--	--	--	--
Total Areawide	6.80	7.10	7.89	7.61	7.28	6.92	6.71	6.70	6.88	7.32
Former City Service Area	--	--	--	--	--	--	--	--	--	--
Chugiak Service Area	0.99	0.97	0.96	0.97	1.00	1.00	0.95	1.00	1.00	1.00
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	3.03	3.83	3.87	3.68	4.14	4.29	3.97	4.08	4.7	5
Anchorage Fire Service Area	1.77	1.75	1.83	2.09	2.13	2.21	2.44	2.22	2.21	2.38
Roads & Drainage Service Area	2.60	2.77	2.13	2.46	2.78	2.60	2.36	2.31	2.43	2.22
Limited Road Service Areas	1.30	1.32	1.33	1.33	1.31	1.29	1.29	1.30	1.3	1.27
Anchorage Police Service Area	2.56	2.61	2.67	2.70	2.76	3.23	2.95	2.93	2.85	3.21
Parks & Recreation Service Area	0.65	0.70	0.66	0.62	0.62	0.60	0.59	0.54	0.55	0.53
Chugiak/Eagle River Recreational Facilities Service Area	1.08	1.05	0.09	0.90	1.00	0.95	0.97	1.03	0.98	1.01

## 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	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
G.C.I. Communications Corp.	\$ 221,446,032	1	0.62 %	\$ 129,315,068	4	0.42 %
Calais Company, Inc.	196,061,800	2	0.55	139,585,485	2	0.46
ACS of Anchorage, Inc.	169,625,827	3	0.47	260,924,339	1	0.85
Galen Hospital Alaska, Inc.	145,819,468	4	0.41	123,585,487	5	0.40
Fred Meyer Stores Inc.	142,690,027	5	0.40	132,937,279	3	0.43
WEC 2000A-Alaska L.L.C.	136,275,228	6	0.38	100,637,469	8	0.33
Enstar Natural Gas Company	119,985,049	7	0.33	92,469,804	10	0.30
Hickel Investment Company	109,275,954	8	0.30	98,010,070	9	0.32
North Anchorage Real Estate	98,355,000	9	0.27			
Anchorage Fueling & Service Co.	78,042,001	10	0.22	115,263,550	6	0.38
B.P. Exploration (Alaska) Inc.				111,930,658	7	0.37
	<u>\$ 1,417,576,386</u>		3.95 %	<u>\$ 1,304,659,209</u>		4.26 %

## 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
2008	\$ 386,615,505	\$ 378,829,566	97.99 %	\$ 7,785,226	\$ 386,614,792	100.00 %	\$ 713	0.00 %
2009	438,158,786	430,346,262	98.22	7,812,293	438,158,555	100.00	231	0.00
2010	463,732,284	454,799,895	98.07	8,928,118	463,728,013	100.00	4,271	0.00
2011	475,771,921	470,361,847	98.86	5,308,477	475,670,324	99.98	101,597	0.02
2012	477,009,470	477,142,831	100.03	(307,824)	476,835,007	99.96	174,463	0.04
2013	480,422,072	480,393,854	99.99	(173,133)	480,220,721	99.96	201,351	0.04
2014	503,962,630	500,381,108	99.29	3,413,665	503,794,773	99.97	167,857	0.03
2015	506,632,643	503,919,262	99.46	2,401,323	506,320,585	99.94	312,058	0.06
2016	527,288,610	526,731,338	99.89	(2,242,985)	524,488,353	99.47	2,800,257	0.53
2017	551,213,820	554,594,217	100.61	(11,462,560)	543,131,657	98.53	8,082,163	1.47

## 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 (in thousands)
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	298,576	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	17,814,485
2014-2015	300,549	47,562	33,304,523,825	601,395,085	3,019,088	598,375,997	16,872,821
2015-2016	298,908	47,756	35,038,444,975	625,012,141	4,020,159	620,991,982	18,180,182
2016-2017	299,037	47,680	35,956,000,268	588,339,416	1,920,859	586,418,557	17,810,046
2017-2018	297,483	46,949	35,832,394,546	568,859,141	1,401,974	567,457,167	17,890,330

Fiscal Year	Ratio of Total Gross Bonded 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
2008-2009	5.5 %	2.6 %	\$ 2,768	\$ 2,761	\$ 16,314
2009-2010	5.5	2.4	2,610	2,603	15,416
2010-2011	4.9	2.3	2,435	2,428	14,575
2011-2012	4.4	2.1	2,208	2,202	13,472
2012-2013	3.8	1.9	2,036	2,028	12,488
2013-2014	3.3	1.8	1,964	1,955	12,326
2014-2015	3.6	1.8	2,001	1,991	12,581
2015-2016	3.4	1.8	2,091	2,078	13,003
2016-2017	3.3	1.6	1,967	1,961	12,299
2017-2018	3.2	1.6	1,912	1,908	12,087

## 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 2008-2009 through 2012-2013

June 30, 2018

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

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable To</u>	<u>Amount Applicable To</u>
Overlapping Municipality of Anchorage	\$ 642,865,367	100 %	\$ 642,865,367
Direct: Anchorage School District	568,859,141	100	<u>568,859,141</u>
			<u><u>\$ 1,211,724,508</u></u>

## Notes:

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

(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

Fiscal Year	Principal	Interest	Fees	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service to General Expenditures (Percent)
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
2015-2016	58,940,000	25,649,885	4,425	84,594,310	792,592,463	10.7
2016-2017	56,445,000	26,374,289	3,050	82,822,339	792,485,447	10.5
2017-2018	56,500,000	24,758,330	2,900	81,261,230	784,129,911	10.4

## Notes:

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

For the Last Ten Years

**DEMOGRAPHIC STATISTICS**

<u>Fiscal Year (1)</u>	<u>Population (2)</u>	<u>Per Capita Personal Income (1)</u>	<u>Total Personal Income (1) (in thousands)</u>	<u>Average Daily Membership Grades K-12 and Special Education (3)</u>	<u>Unemployment Rate (4)</u>
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	54,196	16,196,041	48,493	6
2013	301,134	59,158	17,814,485	47,770	5
2014	300,549	56,140	16,872,821	47,562	5
2015	298,908	60,822	18,180,182	47,756	5
2016	299,037	59,558	17,810,046	47,680	5
2017	297,483	60,139	17,890,330	46,949	6

## 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**MUNICIPALITY OF ANCHORAGE**  
**PRINCIPAL EMPLOYMENT BY INDUSTRY (1)(2)**

<b>Industry</b>	<b>2017</b>		<b>2008</b>	
	<b>Average Annual Employment</b>	<b>Percentage of Total Employment</b>	<b>Average Annual Employment</b>	<b>Percentage of Total Employment</b>
Mining and Logging	2,700	1.8 %	2,900	1.9 %
Construction	7,200	4.7	9,200	6.1
Manufacturing	2,000	1.3	2,000	1.3
Wholesale Trade	4,700	3.1	4,900	3.2
Retail Trade	17,500	11.5	17,300	11.4
Trans/Warehouse/Utilities	11,200	7.4	11,500	7.6
Information	3,800	2.5	4,400	2.9
Financial Activities	7,400	4.9	9,000	5.9
Professional And Business Services	18,200	12.0	18,500	12.2
Educational and Health Services	26,400	17.4	20,200	13.3
Leisure and Hospitality	17,200	11.3	15,800	10.4
Other Services	5,700	3.8	5,700	3.8
Federal Government	8,500	5.6	9,400	6.2
State Government (less State Education)	7,500	4.9	7,900	5.2
State Education	2,400	1.6	2,300	1.5
Local Government (less Local Education )	2,900	1.9	3,300	2.2
Local Education	6,600	4.3	7,500	4.9
	<u>151,900</u>	100.0 %	<u>151,800</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 Year</u>	<u>Total General Expenditures (1)</u>	<u>General Expenditures Percentage Increase (decrease) Over Prior Year</u>	<u>Average Daily Membership Grades K-12 and Special Education (2)</u>	<u>General Expenditures Per Student Capita</u>	<u>General Expenditures per Student Capita Percentage Increase (decrease) Over Prior Year</u>
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
2015-2016	792,592,463	(45.48)	47,756	16,597	(45.71)
2016-2017	792,485,447	(0.01)	47,680	16,621	0.15
2017-2018	784,129,911	(1.05)	46,949	16,702	0.49

## 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**

Fiscal Year	Average Daily Membership Grades K-12 and Special Education (1)	Average Daily Membership Percentage Increase (Decrease) Over Prior Year	Assessed Valuation (2)	Assessed Valuation Percentage Increase Over Prior Year	Assessed Valuation Support Per Student
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
2015-2016	47,756	0.41	35,038,444,975	5.21	733,697
2016-2017	47,680	(0.16)	35,956,000,268	2.62	754,111
2017-2018	46,949	(1.53)	35,832,394,546	(0.34)	763,220

## 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				
	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Administration	190	202	197	186	180
Principals	151	151	149	149	149
Teachers	3,315	3,353	3,386	3,318	3,342
Technical	197	205	209	231	230
Clerical and teacher aides	1,089	1,118	1,136	1,135	1,111
Maintenance/warehouse	187	187	188	184	181
Custodial	361	371	370	370	368
Drivers/attendants	112	111	111	112	111
Noon attendants	74	75	75	76	73
Food service	<u>207</u>	<u>208</u>	<u>211</u>	<u>214</u>	<u>208</u>
Total authorized positions	<u><u>5,883</u></u>	<u><u>5,981</u></u>	<u><u>6,032</u></u>	<u><u>5,975</u></u>	<u><u>5,953</u></u>
Employee Category	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Administration	171	169	171	176	179
Principals	152	149	149	148	142
Teachers	3,302	3,273	3,309	3,263	3,165
Technical	221	209	211	208	196
Clerical and teacher aides	1,019	1,003	997	1,009	993
Maintenance/warehouse	174	164	160	158	161
Custodial	331	331	332	333	334
Drivers/attendants	112	110	122	103	109
Noon attendants	73	74	73	73	76
Food service	<u>215</u>	<u>220</u>	<u>220</u>	<u>231</u>	<u>223</u>
Total authorized positions	<u><u>5,770</u></u>	<u><u>5,702</u></u>	<u><u>5,744</u></u>	<u><u>5,702</u></u>	<u><u>5,578</u></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.

**TEACHER EDUCATION AND SALARY  
INFORMATION (1)  
AND AVERAGE DAILY MEMBERSHIP**

Current Year &amp; Last 10 years

<u>Education</u>	<u>Number of Teachers (2)</u>	<u>Low Salary</u>	<u>High Salary (3)</u>
Bachelor's Degree	315	\$ 48,886	\$ 62,165
Bachelor's Degree plus 18 semester credits	282	51,321	67,255
Bachelor's Degree plus 36 semester credits	346	53,756	72,345
Master's Equivalency with 54 semester credits	143	62,830	77,436
Master's Equivalency with 72 semester credits	97	65,264	81,198
Master's Equivalency with 90 semester credits	319	70,354	85,960
Master's Degree	366	54,346	74,266
Master's Degree with 54 semester credits	296	56,782	79,356
Master's Degree with 72 semester credits	279	59,215	84,447
Master's Degree with 90 semester credits	893	61,650	89,208
Doctorate Degree with 90 semester credits	31	64,751	90,982

## Notes:

- (1) Information furnished through Anchorage School District internal report.
- (2) Number of teachers (by FTE) as of May 2018. Does not include all authorized positions.
- (3) Salary amounts include salary schedule plus 6% additional for Related Services staff.

**AVERAGE DAILY MEMBERSHIP**

<u>Fiscal Year</u>	<u>Average Daily Membership Grades K-6 (4)</u>	<u>Percentage Increase (Decrease) Over Prior Year Grades K-6</u>	<u>Average Daily Membership Grades 7-12</u>	<u>Percentage Increase (Decrease) Over Prior Year Grades 7-12</u>
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)
2015-2016	26,555	0.95	21,201	(0.25)
2016-2017	26,546	(0.03)	21,134	(0.03)
2017-2018	26,143	(0.02)	20,806	(0.02)

## Notes:

- (4) Average daily membership includes half-day kindergarten program reported at one-half time.
- (5) Information furnished by state approved Foundation Report for fiscal year 2017-2018.

For the Last Ten Years

**PUPIL TO CLASSROOM TEACHER RATIO (1)**

<u>Grade Level</u>	<u>Fiscal Year</u>				
	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>
Kindergarten	20.5 to 1	20.5 to 1	20.5 to 1	20.5 to 1	20.5 to 1
1	21 to 1	21 to 1	21 to 1	21 to 1	21 to 1
2	24 to 1	24 to 1	24 to 1	24.25 to 1	24.75 to 1
3	24 to 1	24 to 1	24 to 1	24.25 to 1	24.75 to 1
4	27 to 1	27 to 1	27 to 1	27.25 to 1	26.25 to 1
5	27 to 1	27 to 1	27 to 1	27.25 to 1	26.25 to 1
6	27 to 1	27 to 1	27 to 1	27.25 to 1	26.25 to 1
7	25.54 to 1	25.54 to 1	25.54 to 1	26.25 to 1	27.25 to 1
8	25.54 to 1	25.54 to 1	25.54 to 1	26.25 to 1	27.25 to 1
9	27.08 to 1	27.08 to 1	27.08 to 1	27.91 to 1	29.41 to 1
10	27.08 to 1	27.08 to 1	27.08 to 1	27.91 to 1	29.41 to 1
11	27.08 to 1	27.08 to 1	27.08 to 1	27.91 to 1	29.41 to 1
12	27.08 to 1	27.08 to 1	27.08 to 1	27.91 to 1	29.41 to 1

<u>Grade Level</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
Kindergarten	20 to 1	20 to 1	20 to 1	21 to 1	20 to 1
1	21 to 1	21 to 1	21 to 1	22 to 1	22 to 1
2	24 to 1	24 to 1	24 to 1	25 to 1	24 to 1
3	24 to 1	24 to 1	24 to 1	25 to 1	25 to 1
4	26 to 1				
5	26 to 1				
6	26 to 1	26 to 1	26 to 1	26 to 1	27 to 1
7	27.25 to 1	27.25 to 1	27.25 to 1	28.25 to 1	27 to 1
8	27.25 to 1	27.25 to 1	27.25 to 1	28.25 to 1	27 to 1
9	29.41 to 1	29.41 to 1	29.41 to 1	30.5 to 1	29 to 1
10	29.41 to 1	29.41 to 1	29.41 to 1	30.5 to 1	29 to 1
11	29.41 to 1	29.41 to 1	29.41 to 1	30.5 to 1	29 to 1
12	29.41 to 1	29.41 to 1	29.41 to 1	30.5 to 1	29 to 1

Notes:

(1) 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>	
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
2015-2016	3,340,607	1,435	26,568	26,555	3,778,328	1,142	23,267	21,201	2,999
2016-2017	3,372,794	1,407	25,770	26,546	3,827,958	1,103	22,252	21,134	3,104
2017-20108	3,372,794	1,600	27,179	26,143	3,827,958	1,174	22,588	20,806	3,004

**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>
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
2015-2016	8	10	60	7	2	1	9
2016-2017	8	10	60	7	2	1	10
2017-2018	8	10	60	7	1	1	10

Notes:

(1) Information furnished from Anchorage School District's 6-year Capital Improvement Plan 2017-2023.

## 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	Other Revenues	Total
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
2015-2016	1,578,682	28,689	129,383	61,072	287,786	--	78,369	2,163,981
2016-2017	1,717,221	29,616	132,448	53,591	226,625	--	69,991	2,229,492
2017-2018	1,802,168	27,799	122,801	44,972	44,757	--	16,008	2,058,505

## 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 Year	Paid	Free	Reduced Price	Adult
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
2015-2016	719,268	2,233,285	128,071	15,099
2016-2017	703,033	2,403,192	125,304	14,548
2017-2018	741,055	2,398,104	105,853	14,752

## Pupil transportation statistics (1):

Fiscal Year	Number of Routes			
	Regular to and from schools		Special Education to and from school	
	District	Contracted	District	Contracted
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
2015-2016	49	91	29	70
2016-2017	49	89	26	66
2017-2018	47	87	28	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
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
2015-2016	55,420,017	33,223,942 (5)	5,477,156	1,634,707	49,276,112 (2)	145,031,934
2016-2017	55,379,736	34,412,803 (5)	5,640,182	1,529,563	47,164,710 (2)	144,126,994
2017-2018	58,121,078 (6)	34,371,290 (5)	5,334,758	1,640,176	40,311,523 (2)	139,778,825
Compound Annual Growth Rate	4.2%	3.5%	5.2%	5.5%	-8.1%	-1.2%

## 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.
- (5) Includes Health Savings Account (HSA) employer contributions.
- (6) Includes health contribution paid to eligible employees and one-time funding to health plan per negotiated union contract.

For the Last Ten Years

## CHARTER SCHOOL FUND BALANCE

Fiscal Year	Alaska Native Cultural Charter School	Aquarian Charter School	Eagle Academy Charter School	Family Partnership Charter School	Frontier Charter School
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
2015-2016	1,074,362	1,028,503	976,282	1,301,984	842,012
2016-2017	1,269,833	1,313,058	1,073,027	1,913,521	833,252
2017-2018	1,365,952	1,446,493	1,438,361	2,430,829	781,082

Fiscal Year	Highland Tech Charter School	PAIDEIA Cooperative Charter School	Rilke Schule Charter School	STrEaM Academy	Winterberry Charter School
2008-2009	\$ 112,539	\$ --	\$ 29,388	\$ --	\$ 18,770
2009-2010	167,071	--	54,612	--	15,980
2010-2011	168,290	--	4,965	--	11,911
2011-2012	166,763	--	46,831	--	7,577
2012-2013	24,568	--	582	--	47,023
2013-2014	49,482	--	31,481	--	49,123
2014-2015	378,080	--	393,522	--	516,885
2015-2016	209,067	110,831	669,760	--	818,753
2016-2017	251,670	162,759	692,987	53,976	1,085,093
2017-2018	149,322	102,730	934,876	102,991	628,578

Fiscal Year	Grand Total
2008-2009	\$ 2,086,271
2009-2010	1,872,937
2010-2011	1,649,565
2011-2012	1,866,558
2012-2013	1,715,845
2013-2014	1,804,181
2014-2015	5,694,848
2015-2016	7,031,554
2016-2017	8,649,176
2017-2018	9,381,214

June 30, 2018

## SCHEDULE OF INSURANCE IN FORCE

Carrier/Coverage	Policy Number	Limits	Expiration Date
Allied World GL/Auto/Educational Liability	5110004002	\$1,000,000 Each Occurrence \$3,000,000 Aggregate, except auto Self Insured Retention claim - \$1,500,000	6/30/2019
Allied World 2nd Excess Liability	5111004902	\$9,000,000 Occurrence \$9,000,000 Aggregate	6/30/2019
Gemini Insurance Co. 3rd Excess Liability	CEX0960269501	\$5,000,000 Occurrence \$5,000,000 Aggregate	6/30/2019
Navigator's Specialty Ins. Co. 4th Excess Liability	SF18EXC7472681C	\$25,000,000 Occurrence \$25,000,000 Aggregate	6/30/2019
State National Ins. Company Excess Workers Compensation & Employers Liability	NDE092775718	Statutory Limits Part I \$1,000,000 Part II Self Insured Retention - \$1,000,000 \$50,000,000 Cap	6/30/2019
Chubb Insurance Travel Accident Insurance Teachers, Board Members	ADD N04966144	\$500,000 Class I & II Principal Sum \$5,000,000 Aggregate, per Accurance	6/30/2019
ACE/Myers-Stevens Toohey Student Accident Athlete Catastrophic Insurance	SDAN04205121	\$1,000,000 Each Occurrence \$25,000 Deductible	6/30/2019
Hiscox Ins. Co. Crime Insurance	UC21272021118	\$1,000,000 Bond Limit \$25,000 Deductible	6/30/2019
ACE American Ins. Co. Foreign Liability	PHFD38442855006	\$1,000,000 per Occurance \$2,000,000 Aggregate Limit	6/30/2019
Lloyds of London/Beazley Illinois Insurance Co. Cyber Liability Insurance	W15E52180501	\$1,000,000	6/30/2019
Hartford Accident & Indemnity Treasurer Bond/Elisa Snelling	AK5100507	\$50,000	4/15/2019
Nautilus Insurance CO. Storage Tank Liability	CST2001999-19	\$1,000,000 Each Incident \$1,000,000 Aggregate	3/23/2019
FM Global Insurance Company Property Insurance excluding Quake	1040597	\$1,000,000,000 Limit	6/30/2019
Travelers Property & Casualty	QT6603H548555TIL18	\$500,000	6/30/2019
AIG Liability / Drone	UM06284511801	\$1,000,000	5/18/2019

