



Anchorage School District Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2019

A Component Unit of the Municipality of Anchorage
Anchorage, AK

Comprehensive Annual
Financial Report

ANCHORAGE SCHOOL DISTRICT

for the Fiscal Year Ended
June 30, 2019

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 Equity/Compliance 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, 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, 7/2019

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Introductory Section



Anchorage School District

Education Center

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

December 3, 2019

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, 2019, 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, 2019. 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.

Educating All Students for Success in Life

Anchorage School Board Starr Marssett, President

Alisha Hilde, Vice President
Margo Bellamy, Clerk

Elisa Vakalis, Treasurer
Dave Donley

vij
Andy Holleman
Deena Mitchell

Superintendent Dr. Deena Bishop

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 295,365 (2018) – a decrease of 0.7 percent from the prior year. The district primarily serves 46,229 students from pre-kindergarten through the 12th 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.

LOCAL ECONOMY

Sustained low oil prices, which began to fall in the middle of 2014 and have not fully recovered, has put a continual strain on State finances and employment – while unemployment in the U.S. has fallen to 3.8 percent (August 2019), down from 9.6 percent a decade ago, Alaska has experienced a much more modest drop from 6.9 percent to 5.3 percent over the same time period.

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 \$59,430 compared to \$58,710 for Alaska and \$51,960 for the U.S. (May 2018). The average unemployment rate in Anchorage has declined from 7.4 percent in fiscal year 2009-2010 to 4.7 percent (August 2019).

In fiscal year 2018-2019 the Municipal Assembly authorized the collection of a 7.15 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 3.34 percent from 2018 to 2019.

LONG-TERM FINANCIAL PLANNING

The district saw no increase to the Base Student Allocation of \$5,930 for fiscal year 2019-2020, staying the same as the previous three years. The State did provide some additional funds to school districts in the form of a one-time payout of \$30 million to be distributed on the basis of Adjusted Average Daily Membership to all districts. Anchorage is anticipating approximately \$8.4 million of the distribution and an increase to the maximum allowable local tax contribution of another \$2 million. These funds, however, may be in jeopardy as a dispute between the legislature, who appropriated the one-time payout last year, and the Governor, who contends that the legislature cannot forward fund education, plays out in court.

Due to the uncertainty of State funding and declining enrollment, the district is projecting a budget shortfall of between \$25 million and \$30 million in fiscal year 2020-2021. For fiscal years 2021-2022 and 2022-2023, 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 \$50 million and result in the elimination of up to 500 positions in order to 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 528 students (1.15 percent) from the prior fiscal year to 45,389 for fiscal year 2019-2020. The projection for fiscal year 2020-2021 anticipates a decrease in enrollment to 45,172 before rebounding to 45,785 in fiscal year 2021-2022.

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. Roof replacements in progress at West High, King Tech, Birchwood and Ptarmigan Elementary Schools. Roof Replacements and HVAC Upgrades near completion at Roger Park and Willow Crest Elementary Schools. IP cameras and access control upgrades at Chugiak High School. 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.

The November 30, 2018 earthquake repairs are in process. Currently closed, due to extensive damage, Gruening Middle School and Eagle River Elementary School are in design. Construction underway at Bartlett High School. Additional earthquake recovery projects in planning or incorporated in other projects.

Currently, the district is working on design and construction for roof replacements at 4 elementary schools and 1 middle school, 2 elementary boiler systems, 2 high school health and safety upgrades, and a water line at an elementary school. The district identifies capital needs in part by using a Facility Condition Index (FCI), which is a comparison of the relative condition of a facility to others. The FCI is a ratio of the five-year costs to correct capital needs divided by the replacement cost of the facility.

RELEVANT FINANCIAL POLICIES

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

MAJOR CORE 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 being piloted in three middle schools and two elementary schools in 2019-2020 and will be implemented districtwide in 2020-2021.

The district is reviewing the K-8 math curriculum in fiscal year 2019-2020 and is anticipating making a recommendation for changes in March of 2020.

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

- For fiscal year 2019-2020, ASD has increased 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 11th and 12th grade who are ready to take college level courses.
- 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 11th and 12th 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 2018-2019 and 2019-2020 the following programs and professional learning are being implemented to support this important work:

- 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*.
- Several high schools are piloting Cyber Centers which will increase the number of students taking original credit online courses. This will free up student schedules to take additional classes of interest.

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, 2018.

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, 2018.

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

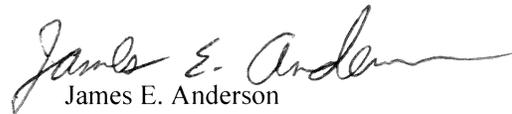
The preparation of this report could not be accomplished without the efficient and dedicated services of the entire finance and budget staff, independent auditors and other administrative staff. We would like to express our appreciation to all staff members who assisted and contributed to its preparation.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



Alisha Hilde
Vice President



Margo Bellamy
Clerk



Elisa Vakalis
Treasurer



Deena Mitchell



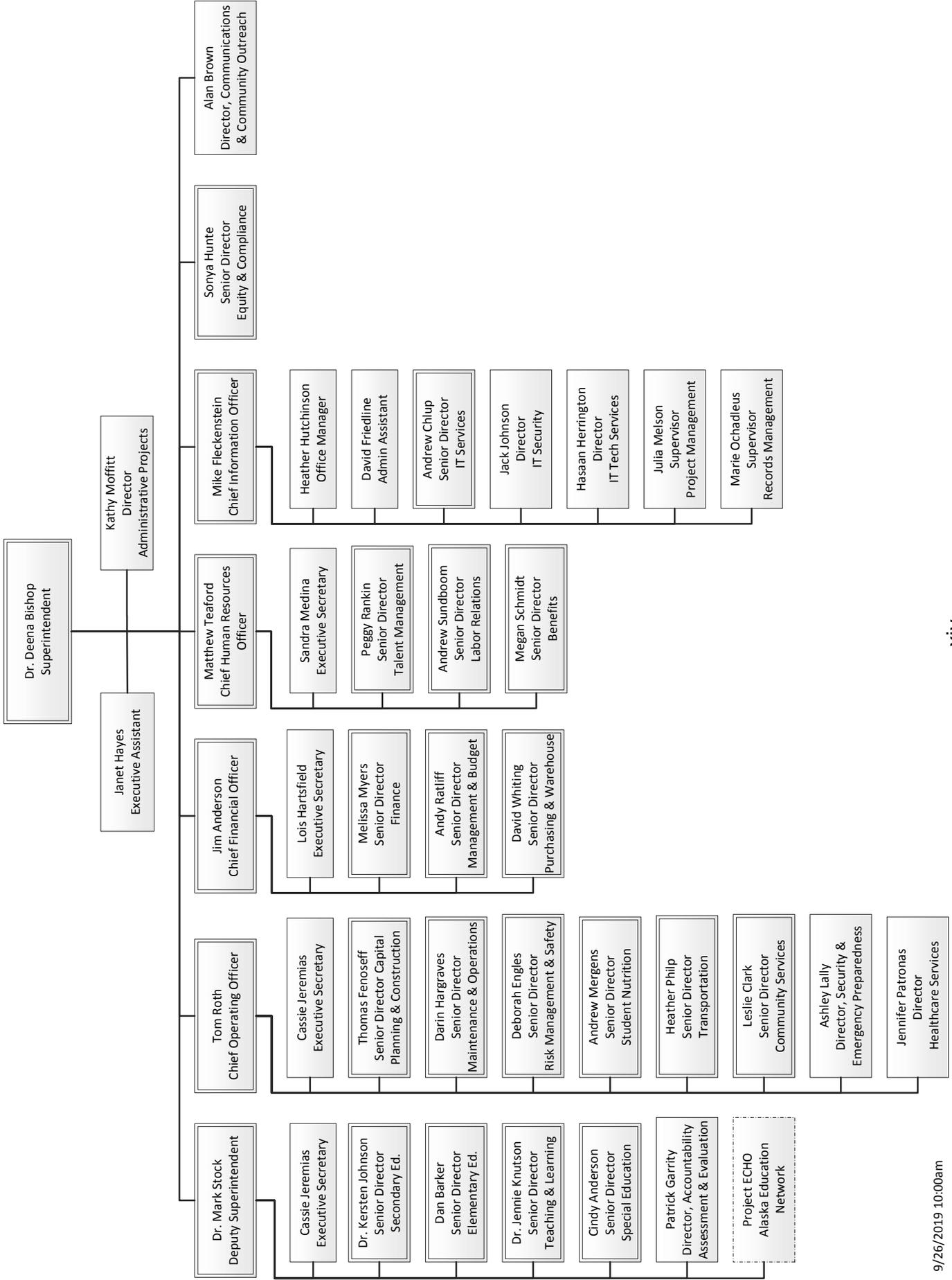
Dave Donley



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 Executive Session conference room 150. 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 YouTube and are also available on-demand online after the meetings are over.

2019-2020
Office of the Superintendent





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
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Presented to

**Anchorage School District
Alaska**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

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, 2018.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohleber'.

Tom Wohleber, CSRM
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operating Officer



Financial Section



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Anchorage School District (the District), a component unit of the Municipality of Anchorage, Alaska, as of and for the year ended June 30, 2019, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior-Year Comparative Information

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2018, 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, 75 through 78 and 79 through 99, 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 3, 2019 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 3, 2019

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, 2019. 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 vii-xii 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 net position of the district for fiscal year 2018-2019 was \$405,231,896 million, consisting of \$746.1 million in net investment in capital assets, \$29.1 million in restricted net position, and a negative \$370 million in unrestricted net position. The negative \$370 million in unrestricted net position is primarily a result of recognizing the district's \$521 million share of the unfunded pension and OPEB liability in the State's retirement systems.

The district had an overall change in net position of the governmental activities with an increase of \$51.4 million, reflected in Exhibit I and II. The increase in net position is attributable to the \$43.5 million decrease to deferred inflows; an increase in net investment in capital assets of \$18.6 million; and, a decrease in liabilities of \$14.1 million; offset by the \$12.4 million decrease in capital assets, net of accumulated depreciation; the increase of deferred outflows by \$31.2 million;

Revenues and Expenses

Total government-wide program and general revenues decreased by \$12.3 million, due to a \$24.8 million decrease from operating grants and contributions, a \$12.2 million increase in general revenues, \$0.8 million increase in charges for service and a decrease of \$0.5 million in capital grants revenue.

The increase in general revenues of \$12.2 million was primarily driven by an increase of \$1.1 million in investment income, an increase in Impact Aid by \$3.0 million and an increase of \$11.6 million in other revenue. This was partially offset by a decrease in the Public School Funding Program of \$0.5 million and a decrease in the appropriation from the Municipality of Anchorage by \$3.0 million.

Total government-wide expenses decreased from the previous fiscal year, changing from \$743.4 million to \$728.5 million, or 2.0 percent. Expenses were decreased in instruction and interest expense, offset by slight increases in pupil transportation, operation and maintenance of plant, community services, and food service, for a total year over year decrease in government-wide expenditures of \$14.9 million.

Fund Balance

At the close of the fiscal year, the district's governmental funds reported a combined ending fund balance of \$127.8 million, which included:

- \$6.2 million in inventory and prepaid items (non-spendable).
- \$29.1 million in restricted funds associated with the bond rating and Federal Impact Aid Section 8003(d).
- \$74.8 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.

- \$17.7 million of unassigned funds that are available for spending at the district’s discretion which represents 3 percent of the total annual general fund expenditures.
- The district is maintaining a level of unreserved fund balance in the general fund of 8.79 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).

The overall decrease in the combined governmental fund balance of \$21.2 million was largely due to the absence of bond issuance in FY19 reflected in other financing sources, and the increased expenditures in both instruction and operations and maintenance due to the impact of the 2018 earthquake.

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 75-102 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 103-150 of this report. Detailed information on the district's Internal Service Funds can also be found on pages 151-154.

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 \$405,231,896 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	
	2018-2019	2017-2018
ASSETS		
Current and other assets	\$ 309,581,537	\$ 334,626,110
Capital assets	1,266,173,573	1,278,530,438
Total assets	<u>1,575,755,110</u>	<u>1,613,156,548</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	50,020,575	43,876,068
OPEB related	38,189,441	12,023,141
Deferred charges on refundings	6,914,176	7,985,930
Total deferred outflows of resources	<u>95,124,192</u>	<u>63,885,139</u>
LIABILITIES		
Bonds payable, net of premium/discount	509,168,495	568,859,141
Net pension liability	443,616,315	425,770,222
Net OPEB liability	77,400,950	47,895,390
Other liabilities	67,397,716	69,160,834
Total liabilities	<u>1,097,583,476</u>	<u>1,111,685,587</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	11,957,792	56,058,638
OPEB related	31,672,478	32,721,642
Tax appropriations	124,433,660	122,787,723
Total deferred inflows of resources	<u>168,063,930</u>	<u>211,568,003</u>
NET POSITION		
Invested in capital assets	746,131,494	727,508,283
Restricted	29,131,991	26,809,323
Unrestricted	(370,031,589)	(400,529,509)
Total net position	<u>\$ 405,231,896</u>	<u>\$ 353,788,097</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 \$746,131,494. 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 \$370,031,589 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 increase associated with the pension liability is \$17.8 million, up to \$443.6 million – the net of \$50.0 million in deferred outflows, \$12.0 million in deferred inflows, and the \$443.6 million net pension liability.

Table 2 highlights the district's revenues and expenses for the fiscal year 2018-2019. 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 decrease of \$24.5 million in program revenues is mainly attributable to operating grants and contributions and capital grants and contributions, offset by increases in charges for services. The net increase in general revenues is mainly attributable to the increase in investment income, Federal Impact Aid, and other revenues, offset by decreases in the appropriation from the Municipality of Anchorage and Public School Funding Program.

Government-wide expenses were \$728,457,116, a 2 percent decrease from the prior year. Decreases were made in instruction and interest expense.

Table 2 – Program Revenues and Expenses

	Governmental Activities	
	2018-2019	2017-2018
Revenues:		
Program revenues:		
Charges for services and sales	\$ 8,270,858	\$ 7,466,991
Operating grants and contributions	120,212,104	145,014,620
Capital grants and contributions	43,831,109	44,295,140
General revenues:		
Appropriation from		
Municipality of Anchorage	245,575,446	248,611,584
Investment income	3,677,500	2,592,213
Public school funding program	326,288,682	326,734,512
Federal impact aid	21,354,961	18,406,484
Other	10,690,255	(938,858)
Total revenues	<u>\$ 779,900,915</u>	<u>\$ 792,182,686</u>
Program expenses:		
General administration	\$ 29,310,609	\$ 26,270,521
Instruction	550,766,606	578,830,520
Pupil transportation	23,967,107	23,514,207
Operation and maintenance of plant	82,658,674	71,737,781
Community services	420,976	408,963
Food services	22,372,152	22,332,988
Interest expense	18,960,992	20,309,819
Total expenses	<u>728,457,116</u>	<u>743,404,799</u>
Increase (decrease) in net position	51,443,799	48,777,887
Net position beginning of year, as restated	<u>353,788,097</u>	<u>305,010,210</u>
Net positions ending	<u>\$ 405,231,896</u>	<u>\$ 353,788,097</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 2018-2019	Program Revenues 2018-2019	Net Cost of Services 2018-2019
General administration	\$ 29,310,609	\$ 379,627	\$ 28,930,982
Instruction	550,766,606	125,016,263	425,750,343
Pupil transportation	23,967,107	21,846,125	2,120,982
Operation and maintenance of plant	82,658,674	1,529,583	81,129,091
Community service	420,976	734,338	(313,362)
Food service	22,372,152	22,808,135	(435,983)
Interest expense	18,960,992	--	18,960,992
Total expenses	\$ 728,457,116	\$ 172,314,071	\$ 556,143,045

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 decreased by \$21,163,421 for the year ended June 30, 2019. This is attributable to the decrease in the fund balance within 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 \$23,894,352 while total fund balance was \$121,208,336. Total fund balance increased by \$4,475,765 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 \$91,360,491 or 15 percent of expenditures. In addition, the level of unrestricted fund balance to expenditures as calculated on a state basis was 8.79 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 96.42 percent of budgeted revenues while actual expenditures on the budgetary basis were 96.50 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 \$19,984,756 million attrition offset included in General Administration.

The General Fund expenditure budget for the year ended June 30, 2019 was \$612,368,795, an increase of \$29,687,093 from the prior year budget of \$582,681,702.

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 \$52,453,403, an increase of five percent from the prior year amount of \$49,986,139.

Debt Service Fund

The Debt Service Fund has a total fund balance of \$3,958,143, all of which is restricted for payment of debt service. The district projected higher than actual principal and interest payments, due to not issuing a bond or refunding during the fiscal year. The net result was an overall positive budget variance of \$2,556,169.

Capital Projects Fund

The Capital Projects Fund closed the fiscal year with \$33,278,822 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, 2019 of \$(6,167,688) from \$23,431,173.

Capital Assets and Debt Administration

Capital assets – the district’s investment in capital assets for its governmental activities as of June 30, 2019 amounts to \$1,266,173,573 (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 2.5 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:

- Eagle River Elementary School Renovation
- East High School Renovation
- Government Hill Elementary School Renovation
- Homestead Elementary School Construction
- Mears Middle School Renovation
- North Star Elementary School Renovation
- O’Malley Elementary School Constuction
- Orion Elementary School Renovation
- Service High School Renocation
- West High/Romig Middle Schools Renovation

The following table shows ending balances of capital assets (net of accumulated depreciation) invested in various categories. The district recognized a total decrease of \$12,356,866 in capital assets net of accumulated depreciation in part due to new construction projects.

Table 4 – Capital Assets as of June 30, 2019 (Net of Depreciation)

	Governmental Activities	
	2018-2019	2017-2018
Land	\$ 42,357,063	\$ 42,357,063
Land improvements	20,832,802	22,583,728
Buildings, equipment and vehicles	1,202,309,957	1,212,820,690
Construction in progress	673,751	768,957
Totals	<u>\$ 1,266,173,573</u>	<u>\$ 1,278,530,438</u>

Long-term debt – The District entered into a capital lease in the fiscal year for the acquisition of 16 school buses for \$2,076,448. Over the fiscal year, the district paid \$85,977 in principal, leaving \$1,990,471 outstanding. As of June 30, 2019 the district had outstanding general obligation bonds totaling \$461,920,000. Over the fiscal year, the district paid \$55,080,000 in principal. The entire amount of \$463,910,471 comprises debt backed by the full faith and credit of the municipality. 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, 2019

	Governmental Activities		
	2018-2019	2017-2018	Maturity
Capital lease	\$ 1,990,471	\$ --	2029
General obligation bonds	461,920,000	517,000,000	2039
Total Debt	<u>\$ 463,910,471</u>	<u>\$ 517,000,000</u>	

As of June 30, 2019, the district’s available authorized but unissued general obligation school bonds amounted to \$154,371,500.

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, 2018.

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 19, 2019, the Anchorage Assembly approved ordinance AO 2019-28 which provided local funding of \$248,867,319 and an upper limit spending authority of \$885,858,600.

Although steep funding cuts were proposed in the Governor's budget, including reductions to Foundation Formula allocations, one-time distributions authorized by the legislature in the previous session, pre-school grants, and bond debt reimbursement, only a partial reduction of bond debt reimbursement made it through the legislature. A summary of legislation effecting future revenues and/or expenditures are, as follows:

- House Bill 2001 – reduced bond debt reimbursement by 50 percent, or about \$20.5 million for Anchorage School District. Ultimately these cuts do not reduce expenditures, only shifts the financial responsibility from the State to the taxpayers of the Anchorage Municipality.
- House Bill 287 (2018) – 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 \$8.4 million in State funding, plus an additional \$2 million in local contributions, consistent with the maximum local contribution limit. This funding is presently at risk as there is currently a legal dispute over the validity of the legislature's authority to forward fund education as was done in this bill.

A major driving force of the district's financial outlook is student Average Daily Membership (ADM). The district initially anticipated an overall decrease in ADM of 1.26 percent in fiscal year 2019-2020. 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 ADM at the end of October was 45,389 students, which was 527 fewer students than in fiscal year 2018-2019, about 53 students above what was projected. This preliminary enrollment data is above projected enrollment by less than 0.01 percent, however, students with Intensive Needs have increased 8.2 percent. Combined enrollment increases represent an increase in State Public School Foundation Formula and local municipal tax funding of roughly \$6.45 million.

The State of Alaska is primarily dependent on oil taxes and royalties to pay for state government, including education. As the price of oil remains depressed, the state is expected to contend with multibillion dollar budget deficits and will be tasked with the difficult decision of prioritizing programs and projects with limited revenue. 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 liability claims and insurance costs continue to outpace inflation by a wide margin, primarily driven by a diminished available market share and capacity for casualty coverage for school districts, across the country, due in large part to sexual abuse, misconduct and traumatic brain injury exposures. There has been a significant increase in all layers of excess coverage premiums (approximately 40%).

Group medical coverage continues to be a primary driver of increasing costs for the District, accounting for over 17 percent of General Fund expenditures. The District is working to flatten the trend of 8 to 10 percent annual increases in medical costs a number of ways including the employer sponsored health clinic (Vera), increasing employee contributions and decreasing benefits. Contribution rates for most settled contracts that extend through FY 2019-2020 have no increases past FY 2017-2018 with the exception of the most recent agreement with the Anchorage Education Association providing for an increase of \$50 per month for FY 2019-2020, or 3 percent.

The overall cost of utilities is again projected to increase at a rate above inflation, most notably heating and water/sewer. The district's 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 2019-2020.

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.¹ 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 2019-2020 is 4.44 percent.

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.

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

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, 2019
With Comparative Totals for
June 30, 2018

STATEMENT OF NET POSITION

	Governmental Activities	
	2019	2018
Assets		
Current assets:		
Cash and investments	\$ 154,369,733	\$ 156,125,396
Cash and investments with paying agent	3,195,064	24,872,415
Accounts receivable, net of allowances	3,406,371	2,568,632
Interest receivable	--	11,063
Due from other governments	142,301,767	141,343,429
Prepaid items	3,618,126	6,673,668
Inventory	2,690,476	3,031,507
Total current assets	<u>309,581,537</u>	<u>334,626,110</u>
Non-current assets:		
Capital assets:		
Non-depreciable:		
Land	42,357,063	42,357,063
Construction in progress	673,751	768,957
Depreciable:		
Land improvements	71,903,119	71,895,948
Buildings and equipment	1,870,948,529	1,847,939,195
Pupil transportation equipment	20,996,374	20,137,362
Accumulated depreciation	(740,705,263)	(704,568,087)
Capital assets, net of accumulated depreciation	<u>1,266,173,573</u>	<u>1,278,530,438</u>
Total assets	<u>1,575,755,110</u>	<u>1,613,156,548</u>
Deferred outflows of resources		
Pension related	50,020,575	43,876,068
OPEB related	38,189,441	12,023,141
Deferred charges on refunding loss	6,914,176	7,985,930
Total deferred outflows of resources	<u>95,124,192</u>	<u>63,885,139</u>
Liabilities		
Current liabilities:		
Accounts payable	3,083,413	3,110,626
Contracts payable	6,508,585	4,915,606
Medical claims payable, including IBNR	4,717,348	6,047,842
Interest payable	7,393,184	6,992,867
Accrued salaries and related items:		
Wages and salaries payable	2,731,046	2,975,430
Payroll taxes, other accrued and withheld items	12,195,000	16,169,044
Accrued compensated absences	6,756,771	6,666,468
Workers' compensation payable	6,719,618	5,837,080
Lease payable	176,989	--
Bonds payable	54,640,000	55,080,000
Unearned revenue	1,809,162	2,688,659
Total current liabilities	<u>106,731,116</u>	<u>110,483,622</u>
Non-current liabilities:		
Accrued compensated absences	4,780,283	5,401,350
Workers' compensation payable	8,712,835	8,355,862
Lease payable	1,813,482	--
Bonds payable, net	454,528,495	513,779,141
Net pension liability	443,616,315	425,770,222
Net OPEB liability	77,400,950	47,895,390
Total non-current liabilities	<u>990,852,360</u>	<u>1,001,201,965</u>
Total liabilities	<u>1,097,583,476</u>	<u>1,111,685,587</u>
Deferred inflows of resources		
Pension related	11,957,792	56,058,638
OPEB related	31,672,478	32,721,642
General property tax receipts	106,145,892	104,173,639
Debt service tax receipts	18,287,768	18,614,084
Total deferred inflows of resources	<u>168,063,930</u>	<u>211,568,003</u>
Net Position		
Net investment in capital assets	746,131,494	727,508,283
Restricted for:		
Bond rating	24,886,732	24,575,544
Debt service	3,958,143	1,401,974
Federal Impact Aid 8003(d)	287,116	831,805
Unrestricted	(370,031,589)	(400,529,509)
Total net position	<u>\$ 405,231,896</u>	<u>\$ 353,788,097</u>

See accompanying notes to basic financial statements

For the Year Ended June 30, 2019

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
Functions/Programs					
District-wide activities					
General administration	\$ (29,310,609)	\$ 5,227	\$ 374,400	\$ --	\$ (28,930,982)
Instruction	(550,766,606)	5,364,455	75,820,699	43,831,109	(425,750,343)
Pupil transportation	(23,967,107)	--	21,846,125	--	(2,120,982)
Operation and maintenance of plant	(82,658,674)	--	1,529,583	--	(81,129,091)
Community services	(420,976)	728,250	6,088	--	313,362
Food services	(22,372,152)	2,172,926	20,635,209	--	435,983
Interest expense	(18,960,992)	--	--	--	(18,960,992)
Total district-wide activities	<u>\$ (728,457,116)</u>	<u>\$ 8,270,858</u>	<u>\$ 120,212,104</u>	<u>\$ 43,831,109</u>	<u>\$ (556,143,045)</u>
General revenues:					
Unrestricted:					
Appropriation from Municipality of Anchorage					\$ 245,575,446
Investment income					3,677,500
Public School Funding Program					326,288,682
Federal Impact Aid					21,354,961
Other					10,625,202
Proceeds from sale of property & equipment					<u>65,053</u>
Total general revenues					<u>607,586,844</u>
Change in net position					51,443,799
Net position at beginning of year					<u>353,788,097</u>
Net position at end of the year					<u>\$ 405,231,896</u>

See accompanying notes to basic financial statements

June 30, 2019
With Comparative Totals for
June 30, 2018

BALANCE SHEET - GOVERNMENTAL FUNDS

	General	Grants Special Revenue	Debt Service	Capital Projects	Non-Major Governmental	Totals	
						2019	2018
Assets							
Cash and investments	\$ 123,956,914	\$ --	\$ --	\$ 325,871	\$ 10,426	\$ 124,293,211	\$ 128,366,246
Cash and investments with paying agent	--	--	267	3,194,797	--	3,195,064	24,872,415
Accounts receivable (net of any allowances for uncollectibles)	2,949,519	46,944	--	--	20,026	3,016,489	2,178,650
Interest receivable	--	--	--	--	--	--	11,063
Due from other funds	15,088,708	--	3,749,539	--	8,405,596	27,243,843	21,769,137
Due from other governments	104,520,957	17,392,958	18,496,105	127,708	1,764,039	142,301,767	141,343,429
Prepaid items	3,484,620	30,799	--	--	102,707	3,618,126	2,343,160
Inventory	1,189,377	--	--	--	1,501,099	2,690,476	3,031,507
Total assets	<u>\$ 251,190,095</u>	<u>\$ 17,470,701</u>	<u>\$ 22,245,911</u>	<u>\$ 3,648,376</u>	<u>\$ 11,803,893</u>	<u>\$ 306,358,976</u>	<u>\$ 323,915,607</u>
Liabilities							
Accounts payable	\$ 2,650,162	\$ 247,496	\$ --	\$ 86,407	\$ 99,348	\$ 3,083,413	\$ 3,110,626
Contracts payable	--	--	--	6,508,585	--	6,508,585	4,915,606
Medical claims and other contracts payable	554,289	--	--	--	--	554,289	535,983
Due to other funds	12,155,135	12,012,194	--	3,076,514	--	27,243,843	21,769,137
Accrued salaries and related items	10,090,486	4,659,858	--	53,331	122,371	14,926,046	19,144,474
Unearned revenue	10,730	551,153	--	91,227	1,156,052	1,809,162	2,688,659
Total liabilities	<u>25,460,802</u>	<u>17,470,701</u>	<u>--</u>	<u>9,816,064</u>	<u>1,377,771</u>	<u>54,125,338</u>	<u>52,164,485</u>
Deferred inflows of resources							
General property tax appropriation	104,520,957	--	--	--	1,624,935	106,145,892	104,173,639
Debt service tax appropriation	--	--	18,287,768	--	--	18,287,768	18,614,084
Total deferred inflows of resources	<u>104,520,957</u>	<u>--</u>	<u>18,287,768</u>	<u>--</u>	<u>1,624,935</u>	<u>124,433,660</u>	<u>122,787,723</u>
Fund balances:							
Non-spendable	4,673,997	30,799	--	--	1,454,076	6,158,872	5,114,341
Restricted	25,173,848	--	3,958,143	--	--	29,131,991	26,809,323
Committed	5,626,542	--	--	--	553,000	6,179,542	23,947,589
Assigned	61,839,597	--	--	--	6,794,111	68,633,708	62,435,081
Unassigned	23,894,352	(30,799)	--	(6,167,688)	--	17,695,865	30,657,065
Total fund balances	<u>121,208,336</u>	<u>--</u>	<u>3,958,143</u>	<u>(6,167,688)</u>	<u>8,801,187</u>	<u>127,799,978</u>	<u>148,963,399</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 251,190,095</u>	<u>\$ 17,470,701</u>	<u>\$ 22,245,911</u>	<u>\$ 3,648,376</u>	<u>\$ 11,803,893</u>	<u>\$ 306,358,976</u>	<u>\$ 323,915,607</u>

See accompanying notes to basic financial statements

June 30, 2019
With Comparative Totals for
June 30, 2018

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

	2019	2018
Total governmental fund balances	\$ 127,799,978	\$ 148,963,399
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	1,258,335,514	1,270,365,341
Other long-term liabilities not due and payable in the current period, and therefore not reported in the funds:		
Workers' compensation payable	(15,432,453)	(14,192,942)
Lease payable	(1,990,471)	--
General obligation debt	(461,920,000)	(517,000,000)
Accrued interest on general obligation debt	(7,393,184)	(6,992,867)
Unamortized loss/(gain) on refunding bonds	6,914,176	7,985,930
Unamortized general obligation bond premium	(47,248,495)	(51,859,142)
Net pension liability	(443,616,315)	(425,770,222)
Net OPEB liability	(77,400,950)	(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	50,020,575	43,876,068
Deferred outflows of resources related to OPEB	38,189,441	12,023,141
Deferred inflows of resources related to pensions	(11,957,792)	(56,058,638)
Deferred inflows of resources related to OPEB	(31,672,478)	(32,721,642)
Internal service fund net position	22,604,350	18,734,553
Total reconciling items	277,431,918	204,824,698
Net position of governmental activities	\$ 405,231,896	\$ 353,788,097

For the Year Ended June 30, 2019
With Comparative Totals
For the Year Ended June 30, 2018

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

	General	Grants Special Revenue	Debt Service	Capital Projects	Non-Major Governmental Funds	Totals	
						2019	2018
Revenues:							
Local sources	\$ 217,159,742	\$ 581,629	\$ 37,240,488	\$ 214,048	\$ 8,505,790	\$ 263,701,697	\$ 265,707,049
State sources	377,966,361	5,718,260	42,212,528	1,497,259	22,564,269	449,958,677	434,558,070
Federal sources	22,374,913	46,153,514	237,005	443,706	20,303,520	89,512,658	85,838,180
Total revenues	617,501,016	52,453,403	79,690,021	2,155,013	51,373,579	803,173,032	786,103,299
Expenditures:							
Current:							
General administration	30,136,582	--	--	--	6,298,783	36,435,365	36,044,730
Instruction	492,928,499	52,453,403	--	--	--	545,381,902	541,763,662
Pupil transportation	--	--	--	--	25,699,733	25,699,733	23,831,655
Operation and maintenance of plant	85,234,081	--	--	--	--	85,234,081	77,108,843
Community services	497,462	--	--	--	--	497,462	462,202
Food services	--	--	--	--	22,649,668	22,649,668	23,515,710
Debt service:							
Refunding bond issuance cost	--	--	--	--	--	--	141,879
Bond principal	--	--	55,080,000	--	--	55,080,000	56,500,000
Bond interest	--	--	22,057,954	--	--	22,057,954	24,758,330
Capital lease principal	--	--	85,977	--	--	85,977	--
Capital lease interest	--	--	39,663	--	--	39,663	--
Fiscal agent fees	--	--	1,950	--	--	1,950	2,900
Bond issuance cost	--	--	--	--	--	--	89,460
Capital outlays	--	--	--	33,278,822	--	33,278,822	41,849,624
Total expenditures	608,796,624	52,453,403	77,265,544	33,278,822	54,648,184	826,442,577	826,068,995
Excess (deficiency) of revenues over (under) expenditures	8,704,392	--	2,424,477	(31,123,809)	(3,274,605)	(23,269,545)	(39,965,696)
Other financing sources (uses):							
Proceeds from sale of property and equipment	16,176	--	--	--	13,500	29,676	13,310
Proceeds from capital lease	--	--	--	--	2,076,448	2,076,448	--
Issuance of general obligation bonds	--	--	--	--	--	--	35,660,000
Premium on issuance of general obligation bonds	--	--	--	--	--	--	4,434,243
Issuance of refunding bonds	--	--	--	--	--	--	57,020,000
Premium on issuance of refunding bonds	--	--	--	--	--	--	4,815,851
Payments to refunding escrow	--	--	--	--	--	--	(61,686,625)
Transfers in	--	--	131,692	1,531,000	2,588,163	4,250,855	3,883,521
Transfers out	(4,244,803)	--	--	(6,052)	--	(4,250,855)	(3,883,521)
Total other financing sources (uses)	(4,228,627)	--	131,692	1,524,948	4,678,111	2,106,124	40,256,779
Net change in fund balances	4,475,765	--	2,556,169	(29,598,861)	1,403,506	(21,163,421)	291,083
Fund balances at beginning of year	116,732,571	--	1,401,974	23,431,173	7,397,681	148,963,399	148,672,316
Fund balances at end of year	\$ 121,208,336	\$ --	\$ 3,958,143	\$ (6,167,688)	\$ 8,801,187	\$ 127,799,978	\$ 148,963,399

See accompanying notes to basic financial statements

For the Year Ended June 30, 2019
With Comparative Totals
For the Year Ended June 30, 2018

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

	2019	2018
Net change in fund balances	\$ (21,163,421)	\$ 291,083
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	35,491,517	41,771,580
Current depreciation expense	(43,630,204)	(43,869,199)
Loss on disposal of assets	(3,891,138)	(11,661,776)
Net adjustment for change in fund balance, total government funds to arrive at changes in net position of governmental activities	(12,029,825)	(13,759,395)
The issuance of long-term debt (e.g, bonds, leases) 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)
Premium on issuance of general obligation bonds	--	(4,434,243)
Issuance of refunding general obligation bonds	--	(57,020,000)
Payment to escrow agent for refunding	--	61,686,625
Premium on issuance of refunding general obligation bonds	--	(4,815,851)
Principal payments on general obligation bonds and refunded bonds	55,080,000	56,500,000
Principal payments on capital lease	85,977	--
Net change in refunding loss	(1,071,754)	(1,071,754)
Net change in general obligation bonds premium	4,610,646	4,135,290
Accrued interest	(400,317)	1,619,212
Proceeds from capital lease	(2,076,448)	
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	(1,239,511)	(1,195,085)
Pension contributions	(28,460,224)	2,890,945
Cost of benefits earned net of employee contributions	60,859,483	28,433,932
OPEB expense	(2,290,096)	7,614,331
Prepaid pension expense	(4,330,508)	4,330,508
Change in net position - Internal Service Funds	3,869,797	(767,711)
Total reconciling items	72,607,220	48,486,804
Change in net position of governmental activities	\$ 51,443,799	\$ 48,777,887

See accompanying notes to basic financial statements

June 30, 2019
With Comparative Totals for
June 30, 2018

INTERNAL SERVICE FUNDS

STATEMENT OF NET POSITION

	Governmental Activities	
	2019	2018
Assets		
Current Assets:		
Investments	\$ 30,076,522	\$ 27,759,150
Accounts receivable	389,882	389,982
Total current assets	<u>30,466,404</u>	<u>28,149,132</u>
Non-current assets:		
Machinery and equipment	33,846,917	34,463,759
Accumulated depreciation	<u>(26,008,858)</u>	<u>(26,298,661)</u>
Capital assets (net of accumulated depreciation)	<u>7,838,059</u>	<u>8,165,098</u>
Total assets	<u><u>38,304,463</u></u>	<u><u>36,314,230</u></u>
Liabilities		
Current liabilities:		
Medical claims and other payables	4,163,059	5,511,859
Accrued compensated absences	<u>6,756,771</u>	<u>6,666,468</u>
Total current liabilities	10,919,830	12,178,327
Non-current liabilities		
Accrued compensated absences	<u>4,780,283</u>	<u>5,401,350</u>
Total non-current liabilities	<u>4,780,283</u>	<u>5,401,350</u>
Total liabilities	<u>15,700,113</u>	<u>17,579,677</u>
Net Position		
Net investment in capital assets	7,838,059	8,165,098
Unrestricted	<u>14,766,291</u>	<u>10,569,455</u>
Total net position	<u><u>\$ 22,604,350</u></u>	<u><u>\$ 18,734,553</u></u>

See accompanying notes to basic financial statements

For the Year Ended June 30, 2019
 With Comparative Totals
 For the Year Ended June 30, 2018

INTERNAL SERVICE FUNDS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

	Governmental Activities	
	2019	2018
Operating revenues:		
Charges for services	\$ 1,736,974	\$ 1,714,571
Charges for health insurance services	36,630,712	36,962,401
Charges for accrued compensated absences	15,620,842	15,997,907
Total operating revenues	<u>53,988,528</u>	<u>54,674,879</u>
Operating expenses:		
Depreciation	1,736,974	1,714,571
Costs of services	2,426,527	2,493,235
Medical plan administration	2,678,573	2,427,168
Medical claims	29,469,442	32,954,158
Compensated absences expense	15,705,834	15,923,048
Total operating expenses	<u>52,017,350</u>	<u>55,512,180</u>
Operating gain (loss)	<u>1,971,178</u>	<u>(837,301)</u>
Non-operating revenues:		
Gain on sale of capital assets	29,830	(29,496)
Investment income	1,367,459	(54,958)
Total non-operating revenues	<u>1,397,289</u>	<u>(84,454)</u>
Total income (loss) before capital contributions and transfers	<u>3,368,467</u>	<u>(921,755)</u>
Capital contributions	501,330	154,044
Transfers in - General Fund	--	--
Total capital contributions and transfers	<u>501,330</u>	<u>154,044</u>
Changes in net position	3,869,797	(767,711)
Net position at beginning of year	<u>18,734,553</u>	<u>19,502,264</u>
Net position at end of year	<u>\$ 22,604,350</u>	<u>\$ 18,734,553</u>

See accompanying notes to basic financial statements

For the Year Ended June 30, 2019
 With Comparative Totals
 For the Year Ended June 30, 2018

INTERNAL SERVICE FUNDS

STATEMENT OF CASH FLOWS

	Governmental Activities	
	2019	2018
Cash flows from operating activities:		
Receipts from interfund activities	\$ 53,988,528	\$ 54,674,879
Payments for interfund services used	(16,236,598)	(14,986,767)
Payments for medical claims and other health insurance activity	(35,923,242)	(37,961,569)
Net cash flows provided by operating activities	<u>1,828,688</u>	<u>1,726,543</u>
Cash flow from capital and related financing activities:		
Acquisition of capital assets	(914,152)	(1,580,737)
Sale of capital assets	35,377	9,570
Net cash used in capital and related financing activities	<u>(878,775)</u>	<u>(1,571,167)</u>
Cash flows from investing activities:		
Sale of investments	(2,317,372)	(100,418)
Interest earnings received	1,367,459	(54,958)
Net cash provided by investing activities	<u>(949,913)</u>	<u>(155,376)</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 income (loss)	\$ 1,971,178	\$ (837,301)
Adjustments to reconcile operating income to net cash used by operating activities		
Depreciation expense	1,736,974	1,714,571
Change in assets and liabilities		
Receivables, net	100	(56,250)
Accounts and other payables	(1,879,564)	905,523
Net cash used by operating activities	<u>\$ 1,828,688</u>	<u>\$ 1,726,543</u>
Non-cash investing, capital, and financing activities:		
Contributed capital and equipment	<u>\$ 501,330</u>	<u>\$ 154,044</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, capital lease principal, interest and other 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 extracurricular and co-curricular accounts. Extracurricular student activities accounts are used to account for assets held by the district for the after-school student body organizations. Co-curricular student activities accounts are used to account for assets held by the district for the various school academic student body organizations. Extracurricular and Co-curricular 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. At the beginning of FY2019, the district closed all extracurricular Student Activity Fund accounts that were previously held at independent banking institutions and moved funds into accounts held by the districts central treasury.

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, Co-curricular 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, 2019, the district holds equity total of \$148,252,132, about 24.1 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
Collateralized with securities held by the bank's trust department in the district's name:		
Demand deposits:		
General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund	\$ 6,107,174	\$ 11,722,510

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, 2019:

- *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, 2019, 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, 2019				
U.S. government securities	\$ --	\$ 3,195,064	\$ --	\$ 3,195,064
Municipal Investment Pool	--	148,252,132	--	148,252,132
Total investments	\$ --	\$ 151,447,196	\$ --	\$ 151,447,196

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.

Investments through the Municipality:	Carrying Amount
Money market	\$ 10,426

As of June 30, 2019 the district's investments had the following maturities:

Investment Type	Value	Investment Maturities (in years)		
		Less than 1	1 to 5	More than 5
Money Market	\$ 10,426	\$ 10,426	\$ --	\$ --
U.S. government securities	3,195,064	3,195,064	--	--
Municipal Investment Pool	148,252,132	148,252,132	--	--
Total	\$ 151,457,622	\$ 151,457,622	\$ --	\$ --

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, 2019. 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.

	Date Acquired	Interest Rate	Maturity Date	Carrying Amount
General Fund				
Municipal Investment Pool				\$ 117,849,739
Capital Projects Fund				
Project Account				
Account Investment		0.75 %	6/30/2019	\$ 3,000,000
Project Interest Account				
Account Investment		0.75	6/30/2019	194,797
Total Project Account Balances				3,194,797
Municipal Investment Pool				325,871
Total Capital Projects Fund				\$ 3,520,668
Debt Service Fund				
Account Investment				\$ 267
Internal Service Fund				
Municipal Investment Pool				
Health Insurance Fund				\$ 7,381,300
Equipment Replacement Fund				10,539,226
Compensated Absences Fund				12,155,996
Total Internal Service Funds				\$ 30,076,522
Special Revenue Fund				
Money Market				\$ 10,426

Cash with Paying Agent

The total amount of cash with paying agent at June 30, 2019 is \$3,195,064, 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, Pupil Transportation Special Revenue Fund, and Debt Service Fund, at June 30, are \$104,520,957, \$1,624,935 and \$18,287,768, respectively. In addition, there is \$127,708 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 \$957,772 for fiscal year 2018-2019 reimbursements under cost reimbursable grants and \$139,104 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 \$208,337 for fiscal year 2018-2019 reimbursements under the Aid for School Construction Program. The amounts due from the United States Government in the Grants Special Revenue Fund include \$16,435,186 for fiscal year 2018-2019 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 2019 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 2019, taxes were levied on April 23. 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 2018-2019 budget:

January 1, 2019 through June 30, 2019	\$245,575,466 x 50%	=	\$122,787,723
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Amount required by the district to fund the first half of the fiscal year 2019-2020 budget:

July 1, 2019 through December 31, 2019	\$248,867,320 x 50%	=	<u>\$124,433,660</u>
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Total amount required by the district for calendar year 2019			<u>\$247,221,383</u>
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Computation of Mill Rate Required to Fund Calendar Year 2019

Total amount required by the district for calendar year 2019	\$247,221,383
Assessed valuation	\$34,559,295,046
Mill rate assessment for schools during calendar year 2019	
7.15	

The district has accrued the taxes of \$104,520,957, \$1,624,935 and \$18,287,768 for funding of the first half of the fiscal year 2019-2020 budget as of June 30, 2019 in the General Fund, Pupil Transportation Special Revenue 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 \$702,817 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 \$486,560 and \$1,351,369, respectively, and are equally offset as non-spendable fund balance. The value of USDA food commodities under the consumption method was \$149,730 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 \$1,189,377.

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, Pupil Transportation Special Revenue 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, 2019:

	General Fund	Grants Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	Totals
Non-spendable						
Inventory	\$ 1,189,377	\$ --	\$ --	\$ --	\$ 1,351,369	\$ 2,540,746
Prepaid items	3,484,620	30,799	--	--	102,707	3,618,126
Total non-spendable	4,673,997	30,799	--	--	1,454,076	6,158,872
Restricted						
Bond rating	24,886,732	--	--	--	--	24,886,732
Debt service	--	--	3,958,143	--	--	3,958,143
Federal Impact Aid - 8003(d)	287,116	--	--	--	--	287,116
Total restricted	25,173,848	--	3,958,143	--	--	29,131,991
Committed						
Services [1]	4,399,403	--	--	--	--	4,399,403
Supplies [1]	350,889	--	--	--	--	350,889
Equipment [1]	876,250	--	--	--	--	876,250
Food service	--	--	--	--	553,000	553,000
Total committed	5,626,542	--	--	--	553,000	6,179,542
Assigned						
Federal Impact Aid - 8003(b)	15,986,123	--	--	--	--	15,986,123
Self-insurance	18,932,453	--	--	--	--	18,932,453
Subsequent year's expenditures	5,064,654	--	--	--	--	5,064,654
Services [1]	16,782,306	--	--	--	--	16,782,306
Supplies [1]	2,612,088	--	--	--	--	2,612,088
Equipment [1]	2,461,973	--	--	--	--	2,461,973
Food service	--	--	--	--	365,210	365,210
Pupil Transportation	--	--	--	--	841,712	841,712
Student activities	--	--	--	--	5,587,189	5,587,189
Total assigned	61,839,597	--	--	--	6,794,111	68,633,708
Unassigned	23,894,352	(30,799)	--	(6,167,688)	--	17,695,865
Total fund balance	\$ 121,208,336	\$ --	\$ 3,958,143	\$ (6,167,688)	\$ 8,801,187	\$ 127,799,978

[1] All items in these categories have been encumbered as of June 30, 2019

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 \$125,640 from the General Fund to the Debt Service Fund to make the principal and interest payments on a Capital Lease. Another transfer of \$1,960,163 was made from the General Fund to the Pupil Transportation Fund to support planned operational expenses. Additional transfers of \$628,000 and \$1,531,000,000 were made from the General Fund to the Food Service and Capital Projects Funds, respectively, to fund software upgrades, unpaid student meals and for school construction projects at two sites. The last transfer was \$6,052 from the Capital Projects Fund to the Debt Service Fund obtained from unused cost of issuance funds.

A summary of interfund receivables and payables as of June 30, 2019 is as follows:

	<u>Interfund receivable</u>	<u>Interfund payable</u>
Major funds		
General Fund	\$ 15,088,708	\$ 12,155,135
Grants Special Revenue Fund	--	12,012,194
Debt Service Fund	3,749,539	--
Capital Projects Fund	--	3,076,514
Non-major funds	8,405,596	--
Total	<u>\$ 27,243,843</u>	<u>\$ 27,243,843</u>

A summary of interfund transfers for the year ended June 30, 2019 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds		
General Fund	\$ --	\$ 4,244,803
Debt Service Fund	131,692	--
Capital Projects Fund	1,531,000	6,052
Non-major funds	2,588,163	--
Total	<u>\$ 4,250,855</u>	<u>\$ 4,250,855</u>

F. Reclassification

Certain amounts included in the prior year financial statements have been reclassified for consistency with current year presentation. These reclassifications had no effect on previously reported changes in fund balance. The district reclassified the opening balances in the Extracurricular and C-curricular funds due to the consolidation of treasury management at the school level to being a part of the central district treasury.

NOTE 2 – CHANGES IN CAPITAL ASSETS

The capital assets activity for the fiscal year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Additions/ Transfers	Deductions/ Transfers	Balance June 30, 2019
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 42,357,063	\$ --	\$ --	\$ 42,357,063
Construction in progress	768,957	33,161,339	33,256,545	673,751
Total capital assets not being depreciated	<u>43,126,020</u>	<u>33,161,339</u>	<u>33,256,545</u>	<u>43,030,814</u>
Capital assets being depreciated:				
Land improvements	71,895,948	7,171	--	71,903,119
Buildings and equipment	1,847,939,195	34,918,584	11,909,250	1,870,948,529
Pupil transportation equipment	20,137,362	2,076,448	1,217,436	20,996,374
Total capital assets being depreciated	<u>1,939,972,505</u>	<u>37,002,203</u>	<u>13,126,686</u>	<u>1,963,848,022</u>
Less accumulated depreciation for:				
Land improvements	(49,312,221)	(1,758,096)	--	(51,070,317)
Buildings and equipment	(645,268,031)	(42,623,921)	(8,012,566)	(679,879,386)
Pupil transportation equipment	(9,987,835)	(985,161)	(1,217,436)	(9,755,560)
Total accumulated depreciation	<u>(704,568,087)</u>	<u>(45,367,178)</u>	<u>(9,230,002)</u>	<u>(740,705,263)</u>
Total capital assets, being depreciated, net	<u>1,235,404,418</u>	<u>(8,364,975)</u>	<u>3,896,684</u>	<u>1,223,142,759</u>
Governmental activities capital assets, net	<u>\$ 1,278,530,438</u>	<u>\$ 24,796,364</u>	<u>\$ 37,153,229</u>	<u>\$ 1,266,173,573</u>

The depreciation expense charged to functions of the governmental activities for the fiscal year ended June 30, 2019 is as follows:

Governmental activities:	Amount
General administration	\$ 1,209,462
Instruction	42,175,163
Pupil transportation	1,002,382
Operation and maintenance of plant	596,528
Community services	5,081
Food services	378,562
Total depreciation expense, governmental activities	<u>\$ 45,367,178</u>

Construction in progress, less projects completed in 2019 is comprised of the following:

	Project Authorization (Ending balance)	Expended to 6/30/2019	Committed
Secondary schools:			
Bartlett High School Kitchen Renovation	\$ 838,360	\$ --	\$ 72,122
Begich Middle School Construction	52,820	1	--
Benny Benson Intercom Upgrades	27,015	--	18,638
Central Middle School Improvements	2,070,850	--	763,019
Chugiak High School HVAC	3,224,392	2,253	10,350
Clark Middle School HVAC	13,400	--	--
Dimond High School	342,691	2,101	--
Eagle River Stadium Lighting	40,709	15,490	--
East High School Stadium Seating/Scoreboard	6,767,231	6,695	271,185
Goldenview Middle School	213,250	537	--
Gruening Middle School	2,301,549	1	2,101,979
Hanshaw Middle School Lighting Upgrades	5,172	3,000	--
Martin Luther King Jr. Career Center	2,490,217	1,312	1,080,859
Mears Middle School Fire Alarm Upgrades	9,686,778	76	125,387
Mirror Lake Middle School Construction	(1,184)	--	--
Romig Middle School Electrical Upgrades	53,025	853	--
Save High School Security Upgrades	87,805	--	--
Service High School Renovations	6,252,471	31,555	5,098
South High School Field Improvements	292,297	--	62,589
Steller Secondary School Electrical Upgrades	350,784	3,994	243,053
Wendler Middle School Technology Lab	175,436	2,275	--
West HS & Romig MS CTE	10,310,674	(8,136)	4,189,327
Whaley Middle School	847,818	947	19,897
Total secondary schools	<u>46,443,560</u>	<u>62,954</u>	<u>8,963,503</u>

Construction in progress (continued):

	Project Authorization (Ending balance)	Expended to 6/30/2019	Committed
Elementary schools:			
Abbott Loop Elementary School	\$ 3,970,051	\$ --	\$ 2,634
Airport Heights Cable Upgrades	835,399	1,963	12,148
Aplenglow Elem Heat Upgrades	415,063	18,690	5,820
Aquarian Charter School Lighting Upgrades	24,485	7,666	--
Aurora Elem Gym	1,600,512	1	117,649
Baxter Elem Renovation	99,478	2,990	--
Bayshore Elementary School	1,211,178	37	51,785
Bear Valley Elem Boiler Upgrades	3,214,211	--	--
Birchwood Elem Gym	3,300,155	(1,140)	1,401,894
Bowman Elem Ice Rink	606,673	(64)	227,581
Campbell Elem Ice Rink	453,736	--	8,400
Chester Valley Elementary ADA	4,091	--	--
Chinook Elementary School Lighting	341,257	867	7,500
Chugach Elementary School Playground	65,108	--	15,150
Chugiak Elem Doors & Windows Upgrades	5,268	1	--
College Gate Elem HVAC	291,645	--	7,200
Creekside Park Renovations	154,919	496	54,932
Denali Elem Security Upgrades	9,539	--	9,114
Eagle River Elem Renew Doors & Windows	7,291,917	1	788,036
Fairview Elem Site Improvement	31,261	(2,369)	--
Fire Lake Elem Roof	387	(1)	--
Girdwood Elem Construction	662,655	320	--
Gladys Wood Addition	353,018	1,700	137,324
Government Hill Security Cameras	6,317,884	--	2,886
Gruening Middle School	148,800	--	105,003
Homestead Elementary School	9,960,468	--	235,563
Huffman Renovation	296,398	1,928	--
Inlet View Elem Equipment & Upgrades	481,389	--	5,622
Kasuun CCTV Upgrades	410,365	--	196,741
Kincaid Elementary SRTS	565,763	--	199,733
Klatt Elementary School	240,560	1,200	--
Lake Hood Elem Fire Upgrades	445,091	--	230,281
Lake Otis Elementary School	9,285	2,050	--
Mountain View Elementary Renovation	74,174	456	47,107
Mt. Illiamna Fire Alarm Upgrades	56,946	56,024	--

Construction in progress (continued):

	Project Authorization (Ending balance)	Expended to 6/30/2019	Committed
Mt. Spurr Elem Emergency Upgrades	\$ 150,383	\$ (22)	\$ --
Muldoon Elementary School	273,666	--	56,335
North Star Elem HVAC	5,605,628	19	197,036
Northern Lights ABC Elementary School	460,648	--	232,531
Northwood Elem Doors and Windows	873,610	--	123,140
Nunaka Valley Elem Gym	327,666	1,785	17,161
Ocean View Elementary School	92,959	411	--
O'Malley Elem School Design	5,312,899	336	108,051
Orion Elem Fire Alarm Upgrades	7,934,876	--	353,828
Polaris Elementary School	445,422	936	--
Ptarmigan Elementary School	2,676,559	2,000	1,533,303
Rabbit Creek Elem Renovation	40,900	--	15,000
Ravenwood Elem Security Cameras	666	--	--
Rogers Park Elementary School	3,081,296	--	1,673,548
Russian Jack Elementary School	519,785	200	230,281
Sand Lake Elem Wall Replacement	16,092	(749)	--
Scenic Park Elem CCTV Upgrades	91,509	--	--
Spring Hill Elem CCTV Upgrades	446,420	--	11,095
Susitna Elem School Renovation	28,320	1	--
Taku Elementary School	4,866,223	100	1,149
Trailside Elem Playgrounds	566,513	623	246,781
Tudor Elementary School	548,923	964	--
Turnagain Elementary School	286,375	1	110,225
Ursa Major Elem HVAC	543,770	--	274,083
Ursa Minor Elem Stair Upgrades	(18,053)	--	--
William Tyson Elem Roof	105,496	--	40,989
Willwaw Elementary School	3,210	3,541	--
Willow Crest Elementary School	2,976,173	12,100	1,961,276
Wonder Park Elem Security System Upgrades	659,429	--	1,627
Total elementary schools	<u>82,717,692</u>	<u>115,062</u>	<u>10,952,539</u>

Construction in progress (continued):

	Project Authorization	Expended to 6/30/2019	Committed
Other capital projects:			
District-wide Asbestos, ADA	\$ 179,802	\$ 168,051	\$ --
District-wide Building Life Extension	6,766,549	275,142	--
District-wide Electric Upgrades	5,513,137	4,146	5,025
District-wide Emergency Prep	289,166	--	--
District-wide Federal Impact Aid	52,696	--	--
District-wide Library Books	(130)	--	--
District-wide Maintenance Equip	11,922	--	--
District-wide Mechanical Upgrades	326,032	47,801	100,677
District-wide Roof and Replacements	21,935	--	--
District-wide Safety/Security	12,775,142	1	49,579
District-wide Site Acquisition	569,228	--	--
District-wide Underground Storage Tank	3,654	--	--
Other capital projects	1,806,723	594	376,523
Total other capital projects	<u>28,315,856</u>	<u>495,735</u>	<u>531,804</u>
Total construction in progress	<u>\$ 157,477,108</u>	<u>\$ 673,751</u>	<u>\$ 20,447,846</u>

NOTE 3 – CHANGES IN LONG-TERM OBLIGATIONS

A. Capital Lease

The District has entered into a capital lease agreement as lessee for financing the acquisition of sixteen school buses, payable in quarterly installments of \$62,820, ending October 1, 2028, and including interest at 3.86 percent. As of June 30, 2019, capital lease obligations included in current liabilities were \$176,989, and capital lease obligations in non-current liabilities were \$1,813,482.

The following is a summary of the asset acquired with the capital lease that has an outstanding balance as of June 30, 2019:

16 School buses	\$ 2,076,448
Less accumulated depreciation	<u>(125,452)</u>
Carrying value	<u>\$ 1,950,996</u>

Capital Lease (continued):

The following is a schedule of future minimum lease payments under this capital lease and the present value of the net minimum lease payments at June 30, 2019:

	Principal	Interest	Total
2020	\$ 176,989	\$ 74,291	\$ 251,280
2021	183,921	67,359	251,280
2022	191,123	60,157	251,280
2023	198,608	52,672	251,280
2024	206,386	44,894	251,280
2025-2029	1,033,443	87,317	1,120,760
	<u>\$ 1,990,470</u>	<u>\$ 386,690</u>	<u>\$ 2,377,160</u>

B. 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, 2019 (in thousands):

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019
Capital Lease	\$ --	\$ 2,077	\$ 86	\$ 1,991
General obligation bonds	517,000	--	55,080	461,920
Unamortized premium/discount on bonds	51,859	--	4,611	47,248
	<u>\$ 568,859</u>	<u>\$ 2,077</u>	<u>\$ 59,777</u>	<u>\$ 511,159</u>

C. 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, 2019, the amount of general obligation bonds considered defeased is \$185,560,000.

D. Bonds Payable

Bonds payable at June 30, 2019 are comprised of the following individual issues (in thousands):

Bonds payable (continued):

The annual requirements to amortize all general obligation debt outstanding for the year ended June 30, 2019, including interest payments in the amount of \$132,499,417 are as follows (in thousands):

	Principal	Interest	Total
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	38,430	11,191	49,621
2025-2029	111,450	36,945	148,395
2030-2034	75,790	15,825	91,615
2035-2040	31,390	2,064	33,454
	<u>\$ 461,920</u>	<u>\$ 132,499</u>	<u>\$ 594,419</u>

E. Bonds Authorized But Unissued

For the year ended June 30, 2019, the Municipality has the following authorized but unissued general obligation bonds for schools (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	60,540	21,245
\$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	12,485	960
\$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	1,605	520
\$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	1,285	--
\$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	10,895	640
\$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	33,015	1,545
\$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	51,440	2,150
\$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	25,605	3,895
\$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	62,620	2,400
\$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	56,530	7,085
\$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	18,920	710
\$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	34,300	12,385
\$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	1,105
\$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>\$ 461,920</u>	<u>\$ 54,640</u>

<u>Purpose</u>	<u>Election Date</u>	<u>Interest Limitation</u>	<u>Authorized Amount</u>	<u>Amount Issued</u>	<u>Remaining Authorization</u>
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
Construction/renovation/ replacement/major maintenance	April 02, 2019	none	59,113	--	59,113
			<u>\$ 398,656</u>	<u>\$ 244,285</u>	<u>\$ 154,371</u>

Bonds Authorized but Unissued (continued):

Subsequent to fiscal year end June 30, 2019, the Municipality of Anchorage issued \$41,000,000 general obligation school bonds on October 1, 2019.

F. Refunded Bonds

In the fiscal year ended June 30, 2019, the Municipality of Anchorage did not issue any refunding school bonds.

Subsequent to fiscal year end June 30, 2019, the Municipality of Anchorage issued \$10,295,000 general obligation refunding school bonds to refund \$11,525,000 of general obligation school bonds, resulting in a decrease of \$1,359,022 in total debt service. The economic gain of this refunding on October 1, 2019 is \$1,242,941.

G. 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, 2019 is as follows:

Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
\$ 12,067,818	\$ 15,705,834	\$ 16,236,598	\$ 11,537,054	\$ 6,756,771

H. 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, 2019 is as follows:

Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
\$ 14,192,942	\$ 7,639,147	\$ 6,399,636	\$ 15,432,453	\$ 6,719,618

NOTE 4 – RETIREMENT PLANS

Historical Context and Special Funding Situation

As of June 30, 2019, substantially all employees of the district are either members of the Alaska Public Employees' Retirement System (PERS) or the Alaska Teachers' Retirement System (TRS). Both plans are either defined benefit or defined contribution pension plans, dependent on the date of membership. The TRS is a cost-sharing multiple employer plan which covers teachers and other eligible participants. The PERS was originally established as an agent multiple employer plan, but was converted by legislation to a cost-sharing plan, effective July 1, 2008. PERS covers eligible state and local government employees, other than teachers. Both plans were established and are administered by the State of Alaska to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by state law and may be amended only by the state legislature. In addition to PERS, the Alaska Teamster-Employer Pension Trust Fund also covers bus drivers and attendants. The Alaska Teamster-Employer Pension Trust Fund Plan is a multi-employer cost-sharing defined benefit plan created and administered by Teamster Local 959.

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

Management of the District disagrees with the State's position and believes that AS 39.35.255 and AS 14.25.085 do constitute a special funding situation under GASB 68 rules and has recorded all pension

related liabilities, deferred inflows/outflows, and disclosures on this basis, pending a final legal determination, as may be required to settle the matter.

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

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

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

A. State Retirement Systems

Public Employees' Retirement System (PERS)

Plan Description and Provisions

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

Pension Benefits

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

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

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

Postemployment Health Care Benefits

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

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

PERS Conversion to Cost Sharing

In April 2008 the Alaska Legislature passed Senate Bill (SB) 125 which converted the existing Public Employees' Retirement System (PERS) from an agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. Under the cost-sharing arrangement, the State of Alaska Division of Retirement and Benefits will no longer track individual employer assets and liabilities. Rather, all plan costs and past service liabilities will be shared among all participating employers. The cost-sharing plan requires a uniform employer contribution rate of 22 percent 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, 2019 was \$264,302,327 which compares to the district's total payroll of \$387,963,514.

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.

The district's contribution rates for the year ended June 30, 2019 were determined as part of the June 30, 2015 actuarial valuation and are as follows:

	Contractual		ARM Board		State
	Rate		Adopted Rate		Contribution
					Rate
PERS					
Pension	16.17	%	23.21	%	5.58
Postemployment healthcare	5.83		4.37		--
Total contribution rate	<u>22.00</u>	%	<u>27.58</u>	%	<u>5.58</u>

	Contractual		ARM Board		State
	Rate		Adopted Rate		Contribution
					Rate
TRS					
Pension	8.41	%	26.20	%	16.34
Postemployment healthcare	4.15		2.70		--
Total contribution rate	<u>12.56</u>	%	<u>28.90</u>	%	<u>16.34</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 5.58 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 \$5,806,096 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, 2019, 2018, and 2017, 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
2019	\$ 14,141,985	\$ 5,098,811	\$ 19,240,796	\$ 19,240,796	100
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

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 16.34 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 \$43,411,829 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, 2019, 2018, and 2017, 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
2019	\$ 20,524,271	\$ 10,127,910	\$ 30,652,181	\$ 30,652,181	100
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

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

At June 30, 2019, 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	\$ 177,787,628	\$ 265,828,687
State's proportionate share of NPL associated with the district	<u>51,492,393</u>	<u>395,192,750</u>
Total net pension liability	<u>\$ 229,280,021</u>	<u>\$ 661,021,437</u>

The net pension liabilities were measured as of June 30, 2018, 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, 2018, the district's proportion of PERS was 3.57792 percent, which was an increase of 0.32015 from its proportion measured as of June 30, 2018. For TRS the district's proportion was 13.88626 percent, representing an increase of 1.18715 from the prior year.

For the year ended June 30, 2019, the district recognized a pension expense/(benefit) of \$105,019 for PERS and \$8,116,844 for TRS. In addition, the district recognized on-behalf revenue from the State of Alaska in the amounts of \$2,410,968 and \$18,346,734 for PERS and TRS, respectively. At June 30, 2019, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ --	\$ (4,462,120)
Changes in assumptions	--	--
Net difference between projected and actual earnings on pension plan investments	3,926,513	--
Changes in proportion and differences between District contributions and proportionate share of contributions	6,223,599	--
District contributions subsequent to the measurement date	<u>11,015,039</u>	<u>--</u>
Total	<u>\$ 21,165,151</u>	<u>\$ (4,462,120)</u>

The \$11,015,039 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, 2019. 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,	
2020	6,755,470
2021	2,147,000
2022	(3,042,324)
2023	(172,155)
2024	--
Thereafter	--
Total Amortization	<u>5,687,991</u>

TRS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ --	\$ (7,495,672)
Changes in assumptions	--	--
Net difference between projected and actual earnings on pension plan investments	8,786,364	--
Changes in proportion and differences between District contributions and proportionate share of contributions	6,696,666	--
District contributions subsequent to the measurement date	13,372,394	--
Total	<u>\$ 28,855,424</u>	<u>\$ (7,495,672)</u>

The \$13,372,394 reported as deferred outflows of resources related to pension 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, 2020. 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,	
2020	10,372,545
2021	5,149,358
2022	(7,093,851)
2023	(440,694)
2024	--
Thereafter	--
Total Amortization	<u>7,987,358</u>

Actuarial Assumptions

The total pension liability for the measurement period ended June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2018.

Actuarial Cost Method	Entry Age Normal – Level Percentage of Payroll
Amortization Method	Level dollar, closed
Allocation Methodology	Amounts for FY18 were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of the projected future contributions for the fiscal years 2019 to 2039 to the Plan. 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 – The rates for pre-termination mortality were 68% of the male rates and 60% of the female rates of the post-termination mortality rates (TRS); Based on 96% of all rates of the RP-2000 table, 2000 Base Year projected to 2018 with Projection Scale BB (PERS). Post-termination – 94% of the male rates and 97% of the female rates 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 (TRS); Based on 2010-2013 actual mortality experience, 60% of male and 65% of female post-termination rates (PERS).

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013. The assumptions used in the June 30, 2017 actuarial valuation report are the same as those used in the June 30, 2016 actuarial valuation.

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 rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018, 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	24%	8.90%
Global ex-U.S. equity	22%	7.85%
Intermediate Treasuries	10%	1.25%
Opportunistic	10%	4.76%
Real assets	17%	6.20%
Absolute return	7%	4.76%
Private equity	9%	12.08%
Cash equivalents	1%	0.66%

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%)
PERS				
District's proportionate share of the net pension liability	3.57792%	\$ 235,435,673	\$ 177,787,628	\$ 129,042,314
TRS				
District's proportionate share of the net pension liability	13.88626%	\$ 380,277,902	\$ 265,828,687	\$ 169,524,633

Defined Contribution (DC) Pension Plans

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

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

Employees are immediately vested in their own contributions and vest 25 percent with two years of service, plus an additional 25 percent per year thereafter for full vesting at five years of service. Employees are required to contribute 8.0 percent of their annual covered salary for both PERS and TRS. This amount goes directly to the individual's account. For the year ended June 30, 2019, the District was required to contribute 5 percent of covered salary into the Plan for PERS and 7 percent of covered salary for TRS.

The District and employee contributions to PERS for pensions for the year ended June 30, 2019 were \$2,876,659 and \$4,602,898, respectively. The District and employee contributions to TRS for pensions for the year ended June 30, 2019 were \$8,451,749 and \$9,659,130, respectively. District contributions are recognized as pension expenditures.

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 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, 2019, 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:

Net OPEB Liability	PERS	TRS
District's proportionate share of NOL - ARHCT	\$ 36,712,728	\$ 43,081,246
District's proportionate share of NOL - RMP	605,047	(989,642)
District's proportionate share of NOL - ODD	(923,475)	(1,084,954)
State's proportionate share of ARHCT NOL associated with the district	10,656,455	64,287,926
Total net OPEB liability	<u>\$ 47,050,755</u>	<u>\$ 105,294,576</u>

The total OPEB liabilities for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 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.

PERS	June 30, 2017	June 30, 2018	<u>Change</u>
	Measurement	Measurement	
	Date Employer	Date Employer	
	<u>Proportion</u>	<u>Proportion</u>	
District's Proportionate Share of the Net OPEB Liabilities:			
ARHCT	3.25817 %	3.57723 %	0.31906 %
RMP	4.90371	4.75479	(0.14892)
ODD	4.90371	4.75479	(0.14892)

TRS	June 30, 2017	June 30, 2018	<u>Change</u>
	Measurement	Measurement	
	Date Employer	Date Employer	
	<u>Proportion</u>	<u>Proportion</u>	
District's Proportionate Share of the Net OPEB Liabilities:			
ARHCT	12.65888 %	13.85521 %	1.19633 %
RMP	30.86980	30.94564	0.07584
ODD	30.86980	30.94564	0.07584

As a result of its requirement to contribute to the Plan, the District recognized OPEB expense of \$4,824,913 and \$10,716,706 for PERS and TRS, respectively. In addition, the District recognized on-behalf revenue of \$1,398,970 and \$11,481,452 for PERS and TRS, respectively, for support provided by the State.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

PERS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ --	\$ (4,216,335)
Changes in assumptions	5,849,994	--
Changes in benefits	--	--
Net difference between projected and actual earnings on OPEB plan investments	--	(7,900,481)
Changes in proportion and differences between District contributions and proportionate share of contributions	2,458,201	(1,910,829)
District contributions subsequent to the measurement date	4,677,995	--
Total Deferred Outflows and Deferred Inflows of Resources Related to OPEB Plans	<u>\$ 12,986,190</u>	<u>\$ (14,027,645)</u>

The \$4,677,995 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,	
2020	\$ (1,965,225)
2021	(978,824)
2022	(2,582,340)
2023	(175,859)
2024	(5,599)
Thereafter	(11,603)
Total Amortization	<u>\$ (5,719,450)</u>

TRS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ --	\$ (5,508,411)
Changes in assumptions	12,996,980	--
Changes in benefits	--	--
Net difference between projected and actual earnings on OPEB plan investments	--	(11,468,565)
Changes in proportion and differences between District contributions and proportionate share of contributions	4,550,127	(667,857)
District contributions subsequent to the measurement date	7,656,144	--
Total Deferred Outflows and Deferred Inflows of Resources Related to OPEB Plans	<u>\$ 25,203,251</u>	<u>\$ (17,644,833)</u>

The \$7,656,144 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 December 31, 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,	
2020	\$ 5,148,989
2021	(1,606,196)
2022	(3,696,723)
2023	(189,210)
2024	47,296
Thereafter	198,118
Total Amortization	<u>\$ (97,726)</u>

Actuarial Assumptions

The total OPEB liability for the measurement period ended June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2018.

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% RDS/EGWP; 6.5% 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 actuarial assumptions used in the June 30, 2017 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. The assumptions used in the June 30, 2017 actuarial valuation are the same as those used in the June 30, 2016 valuation with the following exceptions:

- 1) The medical trend rate assumption was updated to reflect anticipated increases in costs based on recent survey data.
- 2) An obligation for the Cadillac Tax was added to the June 30, 2017 valuation because it was no longer deemed immaterial due to the updated trend rates and the change to use chained Consumer Price Index (which was part of the Tax Cut and Jobs Act passed in December 2017) to project the tax thresholds in future years.

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 included in the plans' targeted asset allocation, as of June 30, 2018, 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%	0.66%

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%)
PERS				
District's proportionate share of the net OPEB liabilities (assets)				
ARHCT	3.57723 %	\$ 74,324,880	\$ 36,712,728	\$ 5,186,060
RMP	4.75479	1,806,819	605,047	(332,312)
ODD	4.75479	(867,178)	(923,475)	(969,786)
TRS				
District's proportionate share of the net OPEB liabilities (assets)				
ARHCT	13.85521 %	\$ 102,263,075	\$ 43,081,246	\$ (5,769,863)
RMP	30.94564	1,690,251	(989,642)	(3,028,341)
ODD	30.94564	(1,090,524)	(1,084,954)	(1,081,860)

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:

PERS	Proportional Share	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liabilities				
ARHCT	3.57723 %	\$ 712,657	\$ 36,712,728	\$ 80,078,325
RMP	4.75479	(514,420)	605,047	2,103,233
ODD	4.75479	N/A	N/A	N/A

TRS	Proportional Share	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liabilities				
ARHCT	13.85521 %	\$ (11,735,223)	\$ 43,081,246	\$ 109,983,751
RMP	30.94564	(3,411,757)	(989,642)	2,346,299
ODD	30.94564	N/A	N/A	N/A

OPEB 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 (DC) OPEB Plans

Defined Contribution Pension Plan participants (PERS Tier IV and TRS Tier III) participate in the occupational Death and Disability Plan (ODD), and the Retiree Medical Plan. Information on these plans is included in the comprehensive annual financial report for the PERS Plan noted above. These plans provide for death, disability, and postemployment healthcare benefits. Employees do not contribute to the DC OPEB plans. Employer contribution rates for the year ended June 30, 2019 were, as follows:

	PERS Tier IV	TRS Tier III
Health Reimbursement Arrangement	3.00 %	3.00 %
Retiree medical	0.94	0.79
Occupational death and disability benefits	0.26	0.08
	<u>4.20 %</u>	<u>3.87 %</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, and approximates to \$2,103 per year for each full-time employee, and \$1.35 per hour for part-time employees.

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, 2021 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 \$317,391 in 2017, \$318,401 in 2018, and \$345,286 in 2019 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, 2019 was \$3,297,086, which compares to the district's total of \$387,963,514. 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 25, as of June 30, 2019. The cost of the retiree supplemental health benefits is recognized as expenditure when incurred. The total amount expended for the year ended June 30, 2019 is \$66,230.

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 \$18,932,453. 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 2019, 2018, and 2017 are, as follows:

	Liability Balance July 1	Current Year Claims and Changes in Estimates	Claims Payment	Liability Balance June 30
2019				
Health	\$ 6,047,842	\$ 28,138,948	\$ 29,469,442	\$ 4,717,348
Unemployment	30,930	215,669	208,762	37,837
Workers' Comp	14,192,942	7,639,147	6,399,636	15,432,453
	<u>\$ 20,271,714</u>	<u>\$ 35,993,764</u>	<u>\$ 36,077,840</u>	<u>\$ 20,187,638</u>
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>

NOTE 7 – COMMITMENTS

Commitments under lease agreements for the various administration buildings provide for minimum annual rental payments of \$3,822,159. Rent expenditures for the year ended June 30, 2019 were \$7,615,899.

NOTE 8 – CONTINGENT LIABILITIESGrants

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, 2019 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	\$	210,319,531
Debt Service Fund		36,901,852

Charges for services:

Operations of swimming pools	\$	(213,845)
------------------------------	----	-----------

Joint property and liability insurance:

Purchase of a single property and liability policy, which covers both the municipality and district	\$	(1,603,016)
--	----	-------------

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 – 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 87 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.

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Required Supplementary Information

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

For the Year Ended June 30, 2019

	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:						
Appropriation from Municipality of Anchorage	\$ 208,347,278	\$ --	\$ 208,347,278	\$ 208,347,278	\$ 208,347,278	\$ --
Reimbursement for school facilities rental	728,250	--	728,250	750,000	750,000	(21,750)
Nonresident tuition	49,349	--	49,349	30,000	30,000	19,349
Investment income	4,696,923	--	4,696,923	1,000,000	1,000,000	3,696,923
E-Rate	936,176	--	936,176	1,000,000	1,000,000	(63,824)
Other revenues	2,401,766	18,292,381	20,694,147	2,656,850	50,025,381	(29,331,234)
Total revenues from local sources	217,159,742	18,292,381	235,452,123	213,784,128	261,152,659	(25,700,536)
Revenues from state sources:						
Public school funding program	326,288,682	--	326,288,682	327,312,480	327,312,480	(1,023,798)
Retirement systems employer relief	45,370,405	(45,370,405)	--	--	--	--
On-Base tuition	408,484	--	408,484	408,484	408,484	--
School improvement grant	5,765,196	--	5,765,196	5,772,629	5,772,629	(7,433)
State - FEMA reimbursement	133,594	--	133,594	--	--	133,594
Total revenues from state sources	377,966,361	(45,370,405)	332,595,956	333,493,593	333,493,593	(897,637)
Revenues from federal sources:						
Reserve Officers Training Corps	707,989	--	707,989	825,000	825,000	(117,011)
Federal Impact Aid	20,911,255	--	20,911,255	16,145,543	16,145,543	4,765,712
Medicaid reimbursement	354,886	--	354,886	750,000	750,000	(395,114)
Federal - FEMA reimbursement	400,783	--	400,783	--	--	400,783
Total revenues from federal sources	22,374,913	--	22,374,913	17,720,543	17,720,543	4,654,370
Total revenues	617,501,016	(27,078,024)	590,422,992	564,998,264	612,366,795	(21,943,803)
Expenditures:						
Current:						
General administration	30,136,582	2,950,313	33,086,895	17,068,073	14,561,333	(18,525,562)
Instruction	492,928,499	(27,748,284)	465,180,215	468,835,238	485,200,431	20,020,216
Operation and maintenance of plant	85,234,081	6,367,587	91,601,668	78,627,030	111,514,020	19,912,352
Community services	497,462	542,887	1,040,349	469,923	1,093,011	52,662
Total expenditures	608,796,624	(17,887,497)	590,909,127	565,000,264	612,368,795	21,459,668
Excess (deficiency) of revenues over (under) expenditures	8,704,392	(9,190,527)	(486,135)	(2,000)	(2,000)	(484,135)

See accompanying notes to required supplementary information
(Continued)

For the Year Ended June 30, 2019

**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	\$ 16,176	\$ --	\$ 16,176	\$ 2,000	\$ 2,000	\$ 14,176
Transfers in - Debt Service Fund	--	--	--	--	--	--
Transfers out - Capital Projects Fund	(1,531,000)	--	(1,531,000)	--	--	(1,531,000)
Transfers out - Debt Service Fund	(125,640)	--	(125,640)	--	--	(125,640)
Transfers out - Food Service Fund	(628,000)	--	(628,000)	--	--	(628,000)
Transfers out - Pupil Transportation Fund	(1,960,163)	--	(1,960,163)	--	--	(1,960,163)
Total other financing sources (uses)	(4,228,627)	--	(4,228,627)	2,000	2,000	(4,230,627)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	4,475,765	\$ (9,190,527)	\$ (4,714,762)	\$ --	\$ --	\$ (4,714,762)
Fund balance at beginning of year	116,732,571					
Fund balance at end of year	\$ 121,208,336					

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		\$ 617,501,016
Add: budgeted fund balance	\$ 923,850	
Add: fund balance from prior year encumbrances	17,368,531	
Deduct: retirement systems employer relief	(45,370,405)	
		(27,078,024)
Revenues reported on the basis of budgeting		590,422,992
Expenditures reported on the basis of GAAP		608,796,624
Add: current year encumbrances	\$ 27,482,908	
Deduct: retirement systems employer relief	(45,370,405)	
		(17,887,497)
Expenditures and encumbrances reported on the basis of budgeting		590,909,127
Excess (deficiency) of revenues over (under) expenditures on the basis of budgeting		\$ (486,135)

For the Year Ended June 30, 2019

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

	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	\$ 21,101	\$ --	\$ 21,101	\$ 13,362	\$ 13,362	\$ (7,739)
Community Partners Diversity Project	565	409	974	500	500	(474)
Districtwide Recycling Program	55,001	--	55,001	55,000	55,000	(1)
Donations From Local Agencies	321,574	12,164	333,738	153,436	153,436	(180,302)
Graduation Support Services	646	--	646	--	--	(646)
Immersion Programs	--	--	--	8,000	8,000	8,000
NoVo Foundation Alaska Native Cultural Charter School	169,478	--	169,478	--	--	(169,478)
NoVo Foundation Social and Emotional Learning	13,264	--	13,264	--	--	(13,264)
Ticket To Ride Grant	--	--	--	1,350	1,350	1,350
Contingency	--	--	--	--	1,160,608	1,160,608
Total revenues from local grants	581,629	12,573	594,202	231,648	1,392,256	798,054
Revenues from state grants:						
Designated Legislative Grants						
Senate Bill 18	50,580	(263)	50,317	--	--	(50,317)
Senate Bill 119	373,675	12,784	386,459	--	--	(386,459)
Total Designated Legislative Grants	424,255	12,521	436,776	--	--	(436,776)
Alaska Mental Health Trust	11,675	1,969	13,644	60,500	60,500	46,856
Alaska Railroad Summer Youth Program	24,870	--	24,870	25,000	25,000	130
Alaska State School for the Deaf	320,121	--	320,121	387,000	387,000	66,879
Alternative Schools Health and Wellness	86,267	--	86,267	86,500	86,500	233
Confucius Grant	10,000	--	10,000	10,000	10,000	--
Cultural Collaboration Project	11,031	--	11,031	11,335	11,335	304
Obesity Prevention Partnership	40,005	6,764	46,769	85,000	85,000	38,231
Office of Children's Services Transportation Program	436,037	--	436,037	195,887	195,887	(240,150)
Pre-School Kindergarten Program	421,396	--	421,396	430,792	430,792	9,396
Principal & School Leaders	--	(1,425)	(1,425)	--	--	1,425
Providence Heights	46,394	--	46,394	145,000	145,000	98,606
Retirement Systems Employer Relief	3,083,216	(3,083,216)	--	--	--	--
Safe Children's Act	43,804	(14,739)	29,065	27,525	27,525	(1,540)
Staff Development	--	--	--	500	500	500
Suicide Awareness	24,827	--	24,827	26,935	26,935	2,108
Youth Behavior Risk Survey	16,500	4,869	21,369	16,500	16,500	(4,869)
Youth in Detention	717,862	3,902	721,764	735,984	735,984	14,220
Total revenues from state grants	5,718,260	(3,069,355)	2,648,905	2,244,458	2,244,458	(404,447)
Revenues from federal grants:						
Access to Education for Homeless Children	73,596	--	73,596	73,651	73,651	55
Alaska Family Directory Website	28,972	--	28,972	29,000	29,000	28
Alaska State School for the Deaf	63,732	--	63,732	65,000	65,000	1,268
Big Brothers Big Sisters Mentoring	1,651	--	1,651	10,000	10,000	8,349
Bike Sharing Education Program	67,776	39,330	107,106	--	--	(107,106)
Carl Perkins Vocational Education	1,134,901	2,018	1,136,919	1,166,731	1,166,731	29,812
Centennial Challenge	19,845	--	19,845	50,628	50,628	30,783
CITC SEL Grant	194,071	6,104	200,175	223,731	223,731	23,556
Community Centers Learning Program	1,336,555	917	1,337,472	1,430,000	1,430,000	92,528
Educational Camp Program	9,686	--	9,686	10,465	10,465	779
ESEA Consolidated	951,966	291	952,257	962,997	962,997	10,740
Leap Program	31,133	--	31,133	28,778	28,778	(2,355)
Military Impacted Students	206,600	(3,499)	203,101	--	--	(203,101)
Pre-School Handicapped	342,095	--	342,095	347,949	347,949	5,854
Project Aware	425,437	--	425,437	476,979	476,979	51,542
Project Ki'l	464,342	32,796	497,138	609,644	609,644	112,506
Project Lead the Way	6,768	--	6,768	9,672	9,672	2,904
Project Yugtun Qanerluten	506,643	(1,382)	505,261	489,314	489,314	(15,947)
Safety Assessment & Intervention	6,219	--	6,219	223,092	223,092	216,873
Staff Development	13,935	--	13,935	23,800	23,800	9,865
StarTalk - Language Culture Summer Camp	87,605	(605)	87,000	89,837	89,837	2,837

**GRANTS
SPECIAL REVENUE FUND**
**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	\$ 120,617	\$ 1,300	\$ 121,917	\$ 150,155	\$ 150,155	\$ 28,238
District-Wide	13,228,745	(67,472)	13,161,273	15,330,898	15,330,898	2,169,625
Homeless	902,342	--	902,342	906,938	906,938	4,596
McLaughlin Youth Center	195,228	--	195,228	202,961	202,961	7,733
Parent Involvement Program	106,283	--	106,283	260,116	260,116	153,833
Preschool	1,648,686	--	1,648,686	1,720,000	1,720,000	71,314
School Improvement Program	68,043	--	68,043	152,964	152,964	84,921
School Improvement Implementation	65,082	--	65,082	350,000	350,000	284,918
Total Title I - No Child Left Behind	16,335,026	(66,172)	16,268,854	19,074,032	19,074,032	2,805,178
Title I - Migrant Education						
Book Program	42,500	--	42,500	42,500	42,500	--
Competitive	56,508	--	56,508	118,125	118,125	61,617
District-Wide	1,748,161	24,789	1,772,950	4,859,028	4,859,028	3,086,078
Parent Involvement Program	998	--	998	5,000	5,000	4,002
Summer Program	564,287	(17,578)	546,709	1,455,782	1,455,782	909,073
Total Title I - Migrant Education	2,412,454	7,211	2,419,665	6,480,435	6,480,435	4,060,770
Title II-A - Professional Development Program						
Principal & School Leaders	250,457	1,425	251,882	300,000	300,000	48,118
Private Schools	54,814	--	54,814	85,361	85,361	30,547
Professional Development Program	3,500,089	28,112	3,528,201	5,081,845	5,081,845	1,553,644
Total Title II A - Professional Development Program	3,805,360	29,537	3,834,897	5,467,206	5,467,206	1,632,309
Title III - English Language Acquisition	442,893	11,100	453,993	545,066	545,066	91,073
Title IV-A Student Support Academic						
Private Schools	29,611	--	29,611	39,660	39,660	10,049
Student Support Academic	883,562	19,150	902,712	1,237,269	1,237,269	334,557
Total Title IV-A Student Support Academic	913,173	19,150	932,323	1,276,929	1,276,929	344,606
Title VI - Indian, Native Hawaiian, and Alaska						
Native Education	2,852,223	(11,852)	2,840,371	2,854,289	2,854,289	13,918
Title VI-B - Education of All Handicapped Children Act	13,418,857	58,048	13,476,905	15,610,255	15,610,255	2,133,350
Total revenues from federal grants	46,153,514	122,992	46,276,506	57,629,480	57,629,480	11,352,974
Total revenues	\$ 52,453,403	\$ (2,933,790)	\$ 49,519,613	\$ 60,105,586	\$ 61,266,194	\$ 11,746,581
Expenditures:						
Current:						
Instruction:						
Local grants	\$ 581,629	\$ 12,573	\$ 594,202	\$ 231,648	\$ 1,392,256	\$ 798,054
State grants	5,718,260	(3,069,355)	2,648,905	2,244,458	2,244,458	(404,447)
Federal grants	46,153,514	122,992	46,276,506	57,629,480	57,629,480	11,352,974
Total expenditures	52,453,403	(2,933,790)	49,519,613	60,105,586	61,266,194	11,746,581
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		\$ 52,453,403
Add revenues from current year encumbrances	\$ 381,850	
Deduct retirement systems employer relief	(3,083,216)	
Deduct revenues on prior year encumbrances	(232,424)	
		(2,933,790)
Revenues reported on the basis of budgeting		49,519,613
Expenditures reported on the basis GAAP		52,453,403
Add current year encumbrances	\$ 381,850	
Deduct retirement systems employer relief	(3,083,216)	
Deduct expenditures on prior year encumbrances	(232,424)	
		(2,933,790)
Expenditures and encumbrances reported on the basis of budgeting		49,519,613
Excess (deficiency) of revenue over (under) expenditures on the basis of budgeting		\$ --

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

For the Year Ended June 30, 2019

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
2018-2019	3.57792	177,787,628	51,492,393	229,280,021	97,738,015	181.90	65.19

See accompanying notes to required supplementary information

SCHEDULE OF DISTRICT CONTRIBUTIONS

For the Year Ended June 30, 2019

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
2018-2019	11,015,039	11,015,039	--	97,895,747	11.252

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, 2019

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
2018-2019	13.88626	265,828,687	395,192,750	661,021,437	265,540,010	101.00	74.09

See accompanying notes to required supplementary information

SCHEDULE OF DISTRICT CONTRIBUTIONS

For the Year Ended June 30, 2019

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
2018-2019	13,372,394	13,372,394	--	264,345,198	5.059

See accompanying notes to required supplementary information

**SCHEDULE OF THE DISTRICT'S INFORMATION
OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - ARHCT
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)**

Fiscal Year	District's proportion of the net OPEB liability	District's proportionate share of the net OPEB liability	State of Alaska proportionate share of the net OPEB liability	Total net OPEB liability	District's covered employee payroll	District's proportionate share of the net OPEB liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2018-2019	3.57723 %	\$ 36,712,728	\$ 10,656,455	\$ 47,369,183	\$ 97,738,015	37.56 %	88.12 %
2017-2018	3.25817	27,523,645	10,262,394	37,786,039	99,947,301	27.54	89.68

See accompanying notes to required supplementary information

**SCHEDULE OF THE DISTRICT'S INFORMATION
OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - RMP
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)**

<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>
2018-2019	4.75479 %	\$ 605,047	\$ --	\$ 605,047	\$ 97,738,015	0.62 %	88.71 %
2017-2018	4.90371	255,728	--	255,728	99,947,301	0.26	93.98

**SCHEDULE OF THE DISTRICT'S INFORMATION
OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - ODD
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)**

Fiscal Year	District's proportion of the net OPEB liability	District's proportionate share of the net OPEB liability	State of Alaska proportionate share of the net OPEB liability	Total net OPEB liability	District's covered employee payroll	District's proportionate share of the net OPEB liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2018-2019	4.75479 %	\$ (923,475)	\$ --	\$ (923,475)	\$ 97,738,015	-0.94 %	270.62 %
2017-2018	4.90371	(695,787)	--	(695,787)	99,947,301	-0.70	212.97

SCHEDULE OF DISTRICT CONTRIBUTIONS - ARHCT

For the Year Ended June 30, 2019

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>
2018-2019	\$ 3,987,589	\$ 3,987,589	\$ --	\$ 97,895,747	4.070 %
2017-2018	3,431,819	3,431,819	--	97,738,015	3.510

See accompanying notes to required supplementary information

SCHEDULE OF DISTRICT CONTRIBUTIONS - RMP

For the Year Ended June 30, 2019

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) OPEB PLAN

Fiscal Year	Contractually required contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered- employee payroll	Contributions as a percentage of covered payroll
2018-2019	\$ 540,846	\$ 540,846	\$ --	\$ 97,895,747	0.550 %
2017-2018	554,292	554,292	--	97,738,015	0.570

SCHEDULE OF DISTRICT CONTRIBUTIONS - ODD

For the Year Ended June 30, 2019

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>
2018-2019	\$ 149,560	\$ 149,560	\$ --	\$ 97,895,747	0.150 %
2017-2018	86,100	86,100	--	97,738,015	0.090

**SCHEDULE OF THE DISTRICT'S INFORMATION
OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - ARHCT
TEACHERS RETIREMENT SYSTEM (TRS)**

Fiscal Year	District's proportion of the net OPEB liability	District's proportionate share of the net OPEB liability	State of Alaska proportionate share of the net OPEB liability	Total net OPEB liability	District's covered employee payroll	District's proportionate share of the net OPEB liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2018-2019	13.85521 %	\$ 43,081,246	\$ 64,287,926	\$ 107,369,172	\$ 263,799,611	16.33 %	90.23 %
2017-2018	12.65888	23,283,858	40,836,969	64,120,827	263,540,009	8.84	93.75

See accompanying notes to required supplementary information

**SCHEDULE OF THE DISTRICT'S INFORMATION
OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - RMP
TEACHERS RETIREMENT SYSTEM (TRS)**

Fiscal Year	District's proportion of the net OPEB liability	District's proportionate share of the net OPEB liability	State of Alaska proportionate share of the net OPEB liability	Total net OPEB liability	District's covered employee payroll	District's proportionate share of the net OPEB liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2018-2019	30.94564 %	\$ (989,642)	\$ --	\$ (989,642)	\$ 263,799,611	-0.38 %	109.56 %
2017-2018	30.86980	(1,463,229)	--	(1,463,229)	263,540,009	-0.56	118.16

**SCHEDULE OF THE DISTRICT'S INFORMATION
OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - ODD
TEACHERS RETIREMENT SYSTEM (TRS)**

Fiscal Year	District's proportion of the net OPEB liability	District's proportionate share of the net OPEB liability	State of Alaska proportionate share of the net OPEB liability	Total net OPEB liability	District's covered employee payroll	District's proportionate share of the net OPEB liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2018-2019	30.94564 %	\$ (1,084,954)	\$ --	\$ (1,084,954)	\$ 263,799,611	-0.41 %	1304.81 %
2017-2018	30.86980	(1,008,825)	--	(1,008,825)	263,540,009	-0.38	1342.59

SCHEDULE OF DISTRICT CONTRIBUTIONS - ARHCT

For the Year Ended June 30, 2019

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>
2018-2019	\$ 6,605,762	\$ 6,605,762	\$ --	\$ 264,345,198	2.500 %
2017-2018	6,911,105	6,911,105	--	263,799,611	2.620

SCHEDULE OF DISTRICT CONTRIBUTIONS - RMP

For the Year Ended June 30, 2019

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>
2018-2019	\$ 953,785	\$ 953,785	\$ --	\$ 264,345,198	0.360 %
2017-2018	1,012,203	1,012,203	--	263,799,611	0.380

SCHEDULE OF DISTRICT CONTRIBUTIONS - ODD

For the Year Ended June 30, 2019

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>
2018-2019	\$ 96,597	\$ 96,597	\$ --	\$ 264,345,198	0.040 %
2017-2018	--	--	--	263,799,611	0.000

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
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
2018-2019	345,286	345,286	100

BUDGETARY DATA

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

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

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

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

On March 20, 2018, the Assembly approved Assembly Ordinance AO NO. 2018-10 determining and approving the district's combined budget of \$785,776,778 with \$245,575,446 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 December 10, 2018 the School Board approved a revision to the financial plan with ASD Memorandum No. 084 (2018-2019) which increased the overall upper limit by \$25,772,629 and reallocated \$4,227,371 of budget authority from the Capital Projects Fund into the General Fund to account for potential expenditures related the November 30, 2018 earthquake that caused extensive

damage to district facilities. The upper limit revision was approved by the Assembly on March 20, 2019 with Assembly Ordinance 2019-038.

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, 2019, the plan measurement date is June 30, 2018.

Schedule of District Contributions – Public Employees Retirement System - PERS

This table reports the District's pension contributions to PERS during fiscal year 2019. 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, 2019, the plan measurement date is June 30, 2018.

Schedule of District Contributions – Public Employees Retirement System - TRS

This table reports the District's pension contributions to TRS during fiscal year 2019. These contributions are reported as a deferred outflow on the June 30, 2019 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, 2019, the plan measurement date is June 30, 2018.

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

This table reports the District's pension contributions to PERS during fiscal year 2019. These contributions are reported as a deferred outflow on the June 30, 2019 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, 2019, the plan measurement date is June 30, 2018.

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

This table reports the District's pension contributions to TRS during fiscal year 2019. These contributions are reported as a deferred outflow on the June 30, 2019 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 percent for every dollar contributed in fiscal year 2018-2019. Additionally, the district was required to make supplemental contributions of 54 percent in fiscal year 2017-2018, 54 percent in fiscal year 2016-2017, and 44 percent in fiscal year 2015-2016.



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, 2019
With Comparative Totals for
June 30, 2018

BALANCE SHEET

	2019	2018
Assets		
Cash and investments	\$ 123,956,914	\$ 124,902,769
Accounts receivable (net of any allowances for uncollectables)	2,949,519	2,125,740
Due from other funds:		
State and Federal Grants Special Revenue Fund	12,012,194	13,201,385
Student Activity Special Revenue Fund	--	63,737
Capital Projects Fund	3,076,514	--
Due from other governments:		
Municipality of Anchorage	104,520,957	104,173,639
Prepaid items	3,484,620	2,300,590
Inventory, at weighted average cost	1,189,377	1,173,113
Total assets	<u>\$ 251,190,095</u>	<u>\$ 247,940,973</u>
Liabilities		
Accounts payable	\$ 2,650,162	\$ 2,221,795
Medical claims and other contracts payable	554,289	535,983
Due to other funds:		
Debt Service Fund	3,749,539	961,485
Food Service Special Revenue Fund	1,875,134	794,077
Student Activity Special Revenue Fund	5,622,672	2,539,090
Capital Projects Fund	--	3,519,218
Pupil Transportation Special Revenue Fund	907,790	690,145
Accrued salaries and related items:		
Wages and salaries payable	1,500,083	2,017,533
Payroll taxes, other accrued and withheld items	8,590,404	13,744,707
Unearned revenue	10,730	10,730
Total liabilities	<u>25,460,802</u>	<u>27,034,763</u>
Deferred inflows of resources		
General property tax appropriations	104,520,957	104,173,639
Total deferred inflows of resources	<u>104,520,957</u>	<u>104,173,639</u>
Fund balance		
Non-spendable	4,673,997	3,473,702
Restricted	25,173,848	25,407,349
Committed	5,626,542	517,116
Assigned	61,839,597	56,282,602
Unassigned	23,894,352	31,051,802
Total fund balance	<u>121,208,336</u>	<u>116,732,571</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 251,190,095</u>	<u>\$ 247,940,973</u>

For the Year Ended June 30, 2019
With Comparative Totals
For the Year Ended June 30, 2018

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

	2019	2018
Revenues:		
Revenues from local sources:		
Appropriation from Municipality of Anchorage	\$ 208,347,278	\$ 208,967,951
Reimbursement for school facilities rental	728,250	646,485
Non-resident tuition	49,349	29,487
Investment income	4,696,923	340,719
E-Rate	936,176	4,092,825
Other revenues	2,401,766	1,849,472
Total revenues from local sources	<u>217,159,742</u>	<u>215,926,939</u>
Revenues from state sources:		
Public school funding program	326,288,682	326,734,512
Retirement systems employer relief	45,370,405	35,957,262
On-Base tuition	408,484	408,484
School improvement grant	5,765,196	--
State - FEMA reimbursement	133,594	--
Total revenues from state sources	<u>377,966,361</u>	<u>363,100,258</u>
Revenues from federal sources:		
Reserve Officers Training Corps	707,989	644,368
Federal Impact Aid	20,911,255	18,353,170
Medicaid reimbursement	354,886	489,350
Federal - FEMA reimbursement	400,783	--
Total revenues from federal sources	<u>22,374,913</u>	<u>19,486,888</u>
Total revenues	<u>617,501,016</u>	<u>598,514,085</u>
Expenditures:		
Current:		
General administration	30,136,582	28,779,186
Instruction	492,928,499	491,777,523
Operation and maintenance of plant	85,234,081	77,108,843
Community services	497,462	462,202
Total expenditures	<u>608,796,624</u>	<u>598,127,754</u>
Excess (deficiency) of revenues over (under) expenditures	8,704,392	386,331
Other financing sources (uses):		
Proceeds from sale of property and equipment	16,176	13,310
Transfers in - Debt Service Fund	--	1,920,859
Transfers out - Capital Projects Fund	(1,531,000)	(300,000)
Transfers out - Debt Service Fund	(125,640)	--
Transfers out - Pupil Transportation Fund	(1,960,163)	(1,578,956)
Transfers out - Food Service Fund	(628,000)	(83,706)
Total other financing sources (uses)	<u>(4,228,627)</u>	<u>(28,493)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	4,475,765	357,838
Fund balance at beginning of year	116,732,571	116,374,733
Fund balance at end of year	<u>\$ 121,208,336</u>	<u>\$ 116,732,571</u>

For the Year Ended June 30, 2019
 With Comparative Totals
 For the Year Ended June 30, 2018

SCHEDULE OF EXPENDITURES - GAAP BASIS

	<u>2019</u>	<u>2018</u>
Current:		
General administration:		
Anchorage School Board	\$ 746,748	\$ 752,981
Superintendent	1,385,378	1,509,533
Instruction	338,310	332,348
Support services	4,418,956	4,306,998
Planning, communications and development	648,590	471,842
Business management	3,167,947	3,161,585
Employee relations	3,515,363	3,386,397
Assessment and evaluation	787,051	664,423
Technology/management information systems	14,851,298	14,409,599
Other general administration	<u>276,941</u>	<u>(216,520)</u>
Total general administration	<u>30,136,582</u>	<u>28,779,186</u>
Instruction:		
Instructional support:		
Curriculum and staff development	11,471,169	16,810,853
Instructional media	936,100	1,241,886
Technology/management information systems	<u>5,125,833</u>	<u>3,678,489</u>
Total instructional support	17,533,102	21,731,228
Elementary education	173,100,311	172,488,725
Charter schools	23,499,136	23,487,872
Middle school education	49,278,315	49,436,983
High school education	99,965,780	97,868,159
Special education services:		
Special services	22,761,722	21,423,053
Special education	<u>85,456,039</u>	<u>84,304,606</u>
Total special education services	108,217,761	105,727,659
English language learners	12,131,227	12,967,168
Gifted education	4,927,482	5,379,914
Native education	594,464	770,158
Other instruction	<u>3,680,921</u>	<u>1,919,657</u>
Total instruction	<u>492,928,499</u>	<u>491,777,523</u>

(Continued)

For the Year Ended June 30, 2019
 With Comparative Totals
 For the Year Ended June 30, 2018

SCHEDULE OF EXPENDITURES - GAAP BASIS (Continued)

	<u>2019</u>	<u>2018</u>
Operation and maintenance of plant:		
Elementary schools	\$ 12,872,832	\$ 12,766,624
Charter schools	4,536,775	4,027,608
Middle schools	3,993,369	4,043,264
High schools	7,899,875	7,467,140
Custodial services	17,528,052	18,835,341
Facilities	22,542,695	22,490,886
Vehicle maintenance	1,018,952	1,243,488
Other operations and maintenance of plant	<u>14,841,531</u>	<u>6,234,492</u>
Total operations and maintenance of plant	<u>85,234,081</u>	<u>77,108,843</u>
Community services	<u>497,462</u>	<u>462,202</u>
Total expenditures	<u><u>\$ 608,796,624</u></u>	<u><u>\$ 598,127,754</u></u>

For the Year Ended June 30, 2019

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	\$ 274,833	\$ --	\$ 274,833	\$ 276,446	\$ 276,446	\$ 1,613
Employee benefits	87,688	(10,805)	76,883	102,190	97,005	20,122
Purchased services	382,357	187,941	570,298	394,595	571,386	1,088
Supplies and materials	1,870	--	1,870	4,948	2,898	1,028
Total anchorage school board	746,748	177,136	923,884	778,179	947,735	23,851
Superintendent:						
Salaries	616,757	--	616,757	615,700	630,700	13,943
Employee benefits	259,708	(76,048)	183,660	215,069	186,323	2,663
Purchased services	485,689	45,615	531,304	1,098,600	1,125,741	594,437
Supplies and materials	23,224	13,933	37,157	17,900	38,948	1,791
Total superintendent	1,385,378	(16,500)	1,368,878	1,947,269	1,981,712	612,834
Instruction:						
Salaries	227,243	--	227,243	223,038	223,038	(4,205)
Employee benefits	108,369	(30,727)	77,642	81,790	78,284	642
Purchased services	1,897	--	1,897	3,750	3,750	1,853
Supplies and materials	801	--	801	1,200	1,200	399
Total instruction	338,310	(30,727)	307,583	309,778	306,272	(1,311)
Support services:						
Salaries	2,585,327	--	2,585,327	2,510,046	2,539,244	(46,083)
Employee benefits	1,432,531	(145,559)	1,286,972	1,467,647	1,391,430	104,458
Purchased services	166,591	201,932	368,523	311,782	407,245	38,722
Supplies and materials	127,742	39,841	167,583	181,670	187,472	19,889
Capital outlay	106,765	184,803	291,568	105,711	290,514	(1,054)
Total support services	4,418,956	281,017	4,699,973	4,576,856	4,815,905	115,932
Planning, communications and development:						
Salaries	306,542	--	306,542	200,062	345,569	39,027
Employee benefits	146,713	(15,531)	131,182	98,116	191,041	59,859
Purchased services	130,780	59,886	190,666	224,530	195,153	4,487
Supplies and materials	16,897	624	17,521	24,005	24,005	6,484
Capital outlay	47,658	--	47,658	18,945	18,945	(28,713)
Total planning, communications and development	648,590	44,979	693,569	565,658	774,713	81,144
Business management:						
Salaries	1,995,194	--	1,995,194	2,022,169	2,022,169	26,975
Employee benefits	1,123,883	(110,108)	1,013,775	1,139,222	1,075,029	61,254
Purchased services	32,765	32,324	65,089	29,502	66,988	1,899
Supplies and materials	16,105	55,759	71,864	14,646	72,328	464
Total business management	3,167,947	(22,025)	3,145,922	3,205,539	3,236,514	90,592
Employee relations:						
Salaries	2,186,079	--	2,186,079	2,172,149	2,215,942	29,863
Employee benefits	1,169,389	(124,315)	1,045,074	1,276,002	1,238,115	193,041
Purchased services	124,081	448	124,529	139,350	138,805	14,276
Supplies and materials	35,814	26,486	62,300	17,820	64,007	1,707
Total employee relations	3,515,363	(97,381)	3,417,982	3,605,321	3,656,869	238,887
Assessment and evaluation:						
Salaries	464,301	--	464,301	543,036	543,036	78,735
Employee benefits	177,819	(47,957)	129,862	187,298	181,386	51,524
Purchased services	138,565	--	138,565	134,120	141,085	2,520
Supplies and materials	6,366	--	6,366	10,500	6,620	254
Total assessment and evaluation	787,051	(47,957)	739,094	874,954	872,127	133,033
Technology/management information systems:						
Salaries	6,800,262	--	6,800,262	7,341,728	7,190,877	390,615
Employee benefits	3,795,457	(380,355)	3,415,102	4,079,698	3,816,190	401,088
Purchased services	3,109,746	810,647	3,920,393	3,243,205	3,988,250	67,857
Supplies and materials	469,100	200,186	669,286	315,696	688,758	19,472
Capital outlay	676,733	55,000	731,733	860,873	823,296	91,563
Total technology/management information systems	14,851,298	685,478	15,536,776	15,841,200	16,507,371	970,595

(continued)

For the Year Ended June 30, 2019

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	\$ 249,777	\$ --	\$ 249,777	\$ (4,751,034)	\$ (4,751,034)	\$ (5,000,811)
Employee benefits	159,399	(14,221)	145,178	(10,743,843)	(14,730,659)	(14,875,837)
Purchased services	(2,093,338)	166,737	(1,926,601)	(1,190,999)	(1,019,889)	906,712
Supplies and materials	58,153	37,826	95,979	385,850	101,349	5,370
Capital outlay	--	--	--	50,000	--	--
Other	1,902,950	1,785,951	3,688,901	1,613,345	1,862,348	(1,826,553)
Total other general administration	276,941	1,976,293	2,253,234	(14,636,681)	(18,537,885)	(20,791,119)
Total general administration	30,136,582	2,950,313	33,086,895	17,068,073	14,561,333	(18,525,562)
Instruction:						
Instructional support:						
Curriculum & staff development:						
Salaries	6,209,772	--	6,209,772	7,024,400	6,882,256	672,484
Employee benefits	2,713,333	(873,061)	1,840,272	2,465,482	2,321,462	481,190
Purchased services	739,819	178,509	918,328	918,691	998,278	79,950
Supplies and materials	1,767,064	2,089,963	3,857,027	1,307,408	3,888,423	31,396
Capital outlay	41,181	39,118	80,299	25,000	82,691	2,392
Total curriculum & staff development	11,471,169	1,434,529	12,905,698	11,740,981	14,173,110	1,267,412
Instructional media:						
Salaries	408,730	--	408,730	391,276	391,276	(17,454)
Employee benefits	253,405	(23,738)	229,667	237,306	229,438	(229)
Purchased services	124,355	18,561	142,916	133,701	173,053	30,137
Supplies and materials	144,106	29,643	173,749	120,273	183,278	9,529
Capital outlay	5,504	--	5,504	--	5,504	--
Total instructional media	936,100	24,466	960,566	882,556	982,549	21,983
Technology/management information systems:						
Salaries	410,516	--	410,516	470,053	476,703	66,187
Employee benefits	228,700	(63,619)	165,081	181,427	175,834	10,753
Purchased services	2,922,478	71,088	2,993,566	2,720,393	3,007,304	13,738
Supplies and materials	1,338,135	745,672	2,083,807	1,017,525	2,092,217	8,410
Capital outlay	226,004	15,228	241,232	--	241,232	--
Total technology/management information systems	5,125,833	768,369	5,894,202	4,389,398	5,993,290	99,088
Total instructional support	17,533,102	2,227,364	19,760,466	17,012,935	21,148,949	1,388,483
Elementary education:						
Salaries	112,953,232	--	112,953,232	111,045,767	112,766,642	(186,590)
Employee benefits	57,997,182	(16,826,755)	41,170,427	46,423,760	44,953,046	3,782,619
Purchased services	477,889	135,429	613,318	690,403	619,782	6,464
Supplies and materials	1,672,008	147,082	1,819,090	1,839,538	1,938,183	119,093
Total elementary education	173,100,311	(16,544,244)	156,556,067	159,999,468	160,277,653	3,721,586
Charter schools:						
Salaries	13,175,320	--	13,175,320	12,927,536	13,173,172	(2,148)
Employee benefits	6,910,807	(1,830,504)	5,080,303	5,704,702	5,081,373	1,070
Purchased services	2,601,656	10,101,952	12,703,608	3,476,262	12,715,458	11,850
Supplies and materials	797,752	540,338	1,338,090	769,044	1,326,242	(11,848)
Capital outlay	7,725	--	7,725	--	7,725	--
Other	5,876	--	5,876	5,000	5,875	(1)
Total charter schools	23,499,136	8,811,786	32,310,922	22,882,544	32,309,845	(1,077)
Middle school education:						
Salaries	31,684,004	--	31,684,004	32,864,129	33,487,255	1,803,251
Employee benefits	16,525,350	(4,771,177)	11,754,173	13,543,055	13,216,558	1,462,385
Purchased services	443,464	24,198	467,662	482,245	475,833	8,171
Supplies and materials	619,675	91,079	710,754	672,902	733,081	22,327
Capital outlay	5,822	--	5,822	--	--	(5,822)
Total middle school education	49,278,315	(4,655,900)	44,622,415	47,562,331	47,912,727	3,290,312
High school education:						
Salaries	62,501,245	--	62,501,245	61,976,762	63,094,570	593,325
Employee benefits	31,859,836	(9,242,707)	22,617,129	25,308,128	24,633,197	2,016,068
Purchased services	3,455,128	277,749	3,732,877	3,607,478	3,802,503	69,626
Supplies and materials	1,938,486	334,462	2,272,948	2,083,653	2,509,524	236,576
Capital outlay	21,604	11,345	32,949	--	56,540	23,591
Other	189,481	--	189,481	186,271	191,285	1,804
Total high school education	99,965,780	(8,619,151)	91,346,629	93,162,292	94,287,619	2,940,990

(continued)

For the Year Ended June 30, 2019

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	\$ 13,684,715	\$ --	\$ 13,684,715	\$ 14,121,174	\$ 13,651,240	\$ (33,475)
Employee benefits	7,366,847	(1,803,957)	5,562,890	6,717,037	6,170,112	607,222
Purchased services	1,436,422	23,044	1,459,466	456,855	1,507,781	48,315
Supplies and materials	273,738	68,191	341,929	148,446	345,882	3,953
Capital outlay	--	8,000	8,000	--	8,000	--
Total special services	22,761,722	(1,704,722)	21,057,000	21,443,512	21,683,015	626,015
Special education:						
Salaries	52,761,326	--	52,761,326	54,203,367	55,211,403	2,450,077
Employee benefits	30,955,538	(6,109,377)	24,846,161	31,144,587	29,642,420	4,796,259
Purchased services	1,382,229	51,311	1,433,540	707,628	1,572,758	139,218
Supplies and materials	356,946	155,462	512,408	278,581	552,957	40,549
Total special education	85,456,039	(5,902,604)	79,553,435	86,334,163	86,979,538	7,426,103
Total special education services	108,217,761	(7,607,326)	100,610,435	107,777,675	108,662,553	8,052,118
English language learners:						
Salaries	7,284,450	--	7,284,450	7,524,195	7,608,265	323,815
Employee benefits	4,678,125	(854,366)	3,823,759	4,353,131	4,233,054	409,295
Purchased services	70,558	3,000	73,558	75,676	85,671	12,113
Supplies and materials	98,094	2,142	100,236	76,581	114,593	14,357
Total English language learners	12,131,227	(849,224)	11,282,003	12,029,583	12,041,583	759,580
Gifted program:						
Salaries	3,162,661	--	3,162,661	2,907,377	2,956,369	(206,292)
Employee benefits	1,707,242	(517,824)	1,189,418	1,233,893	1,217,587	28,169
Purchased services	21,200	5,585	26,785	28,279	31,779	4,994
Supplies and materials	36,379	43,299	79,678	58,217	82,605	2,927
Total gifted program	4,927,482	(468,940)	4,458,542	4,227,766	4,288,340	(170,202)
Native education:						
Salaries	338,274	--	338,274	353,047	353,047	14,773
Employee benefits	254,640	(19,648)	234,992	312,468	304,716	69,724
Purchased services	--	--	--	300	300	300
Supplies and materials	1,550	--	1,550	--	1,550	--
Total native education	594,464	(19,648)	574,816	665,815	659,613	84,797
Other instruction:						
Salaries	524,266	--	524,266	453,212	597,583	73,317
Employee benefits	2,400,630	(31,101)	2,369,529	103,105	2,020,713	(348,816)
Purchased services	554,179	--	554,179	2,830,427	749,779	195,600
Supplies and materials	106,675	8,100	114,775	--	115,389	614
Capital outlay	95,171	--	95,171	128,085	128,085	32,914
Total other instruction	3,680,921	(23,001)	3,657,920	3,514,829	3,611,549	(46,371)
Total instruction	492,928,499	(27,748,284)	465,180,215	468,835,238	485,200,431	20,020,216
Operations and maintenance of plant:						
Elementary education:						
Salaries	2,533,318	--	2,533,318	2,403,255	2,403,255	(130,063)
Employee benefits	2,020,972	(140,267)	1,880,705	1,982,098	1,845,656	(35,049)
Purchased services	8,291,034	710	8,291,744	9,467,851	8,324,217	32,473
Supplies and materials	27,508	--	27,508	35,455	37,572	10,064
Total elementary education	12,872,832	(139,557)	12,733,275	13,888,659	12,610,700	(122,575)
Charter schools:						
Salaries	288,634	--	288,634	199,007	288,634	--
Employee benefits	213,228	(18,594)	194,634	161,791	194,633	(1)
Purchased services	3,998,887	112,432	4,111,319	3,299,127	4,111,317	(2)
Supplies and materials	36,026	30,743	66,769	15,472	66,769	--
Total charter schools	4,536,775	124,581	4,661,356	3,675,397	4,661,353	(3)
Middle school education:						
Salaries	460,870	--	460,870	438,948	438,948	(21,922)
Employee benefits	357,710	(26,721)	330,989	342,079	320,529	(10,460)
Purchased services	3,157,154	--	3,157,154	3,632,476	3,185,765	28,611
Supplies and materials	17,635	1,310	18,945	24,885	20,721	1,776
Total middle school education	3,993,369	(25,411)	3,967,958	4,438,388	3,965,963	(1,995)

(continued)

For the Year Ended June 30, 2019

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	\$ 619,877	\$ --	\$ 619,877	\$ 545,953	\$ 560,648	\$ (59,229)
Employee benefits	443,453	(35,111)	408,342	416,675	392,500	(15,842)
Purchased services	6,807,221	3,600	6,810,821	7,935,921	6,908,280	97,459
Supplies and materials	29,324	2,149	31,473	45,525	46,318	14,845
Total high school education	7,899,875	(29,362)	7,870,513	8,944,074	7,907,746	37,233
Custodial services:						
Salaries	9,293,239	--	9,293,239	9,575,309	9,577,309	284,070
Employee benefits	7,230,410	(526,074)	6,704,336	7,187,817	6,684,604	(19,732)
Purchased services	107,027	--	107,027	136,318	118,034	11,007
Supplies and materials	880,070	7,274	887,344	847,792	906,520	19,176
Capital outlay	17,306	--	17,306	24,964	24,964	7,658
Total custodial services	17,528,052	(518,800)	17,009,252	17,772,200	17,311,431	302,179
Facilities:						
Salaries	10,153,609	--	10,153,609	9,963,680	10,037,163	(116,446)
Employee benefits	5,958,649	(562,701)	5,395,948	6,288,508	5,769,956	374,008
Purchased services	2,793,072	4,764,538	7,557,610	2,546,744	7,438,374	(119,236)
Supplies and materials	3,033,956	196,556	3,230,512	2,869,950	3,163,006	(67,506)
Capital outlay	601,074	722,702	1,323,776	577,087	1,428,396	104,620
Other	2,335	--	2,335	--	--	(2,335)
Total facilities	22,542,695	5,121,095	27,663,790	22,245,969	27,836,895	173,105
Vehicle maintenance:						
Salaries	423,059	--	423,059	463,358	463,358	40,299
Employee benefits	250,878	(24,444)	226,434	293,390	273,620	47,186
Purchased services	72,827	--	72,827	79,949	72,963	136
Supplies and materials	272,188	12,678	284,866	472,938	321,482	36,616
Total vehicle maintenance	1,018,952	(11,766)	1,007,186	1,309,635	1,131,423	124,237
Other operations and maintenance of plant:						
Salaries	1,679,547	--	1,679,547	474,478	1,641,627	(37,920)
Employee benefits	728,145	(98,775)	629,370	298,201	626,205	(3,165)
Purchased services	11,002,256	1,833,787	12,836,043	4,723,038	32,276,968	19,440,925
Supplies and materials	567,273	64,620	631,893	6,991	632,224	331
Other	864,310	47,175	911,485	850,000	911,485	--
Total other operations and maintenance of plant	14,841,531	1,846,807	16,688,338	6,352,708	36,088,509	19,400,171
Total operations and maintenance of plant	85,234,081	6,367,587	91,601,668	78,627,030	111,514,020	19,912,352
Community services:						
Community services:						
Salaries	229,286	--	229,286	246,325	246,325	17,039
Employee benefits	131,139	(13,509)	117,630	153,121	149,317	31,687
Purchased services	54,177	236,813	290,990	53,150	294,064	3,074
Supplies and materials	25,385	209,000	234,385	16,760	234,678	293
Capital outlay	57,475	110,583	168,058	567	168,627	569
Total community services	497,462	542,887	1,040,349	469,923	1,093,011	52,662
Total current	\$ 608,796,624	\$ (17,887,497)	\$ 590,909,127	\$ 565,000,264	\$ 612,368,795	\$ 21,459,668

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

For the Year Ended June 30, 2019

	Personnel Services	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other	Total
Current:							
General administration:							
Anchorage School Board	\$ 274,833	\$ 87,688	\$ 382,357	\$ 1,870	\$ --	\$ --	\$ 746,748
Superintendent	616,757	259,708	485,689	23,224	--	--	1,385,378
Instruction	227,243	108,369	1,897	801	--	--	338,310
Support services	2,585,327	1,432,531	166,591	127,742	106,765	--	4,418,956
Planning, communications and development	306,542	146,713	130,780	16,897	47,658	--	648,590
Business management	1,995,194	1,123,883	32,765	16,105	--	--	3,167,947
Employee relations	2,186,079	1,169,389	124,081	35,814	--	--	3,515,363
Assessment and evaluation	464,301	177,819	138,565	6,366	--	--	787,051
Technology/management information systems	6,800,262	3,795,457	3,109,746	469,100	676,733	--	14,851,298
Other general administration	249,777	159,399	(2,093,338)	58,153	--	1,902,950	276,941
Total general administration	15,706,315	8,460,956	2,479,133	756,072	831,156	1,902,950	30,136,582
Instruction:							
Instructional support:							
Curriculum and staff development	6,209,772	2,713,333	739,819	1,767,064	41,181	--	11,471,169
Instructional media	408,730	253,405	124,355	144,106	5,504	--	936,100
Technology/management information systems	410,516	228,700	2,922,478	1,338,135	226,004	--	5,125,833
Total instructional support	7,029,018	3,195,438	3,786,652	3,249,305	272,689	--	17,533,102
Elementary education	112,953,232	57,997,182	477,889	1,672,008	--	--	173,100,311
Charter schools	13,175,320	6,910,807	2,601,656	797,752	7,725	5,876	23,499,136
Middle school education	31,684,004	16,525,350	443,464	619,675	5,822	--	49,278,315
High school education	62,501,245	31,859,836	3,455,128	1,938,486	21,604	189,481	99,965,780
Special education services:							
Special services	13,684,715	7,366,847	1,436,422	273,738	--	--	22,761,722
Special education	52,761,326	30,955,538	1,382,229	356,946	--	--	85,456,039
Total special education services	66,446,041	38,322,385	2,818,651	630,684	--	--	108,217,761
English language learners	7,284,450	4,678,125	70,558	98,094	--	--	12,131,227
Gifted education	3,162,661	1,707,242	21,200	36,379	--	--	4,927,482
Native education	338,274	254,640	--	1,550	--	--	594,464
Other instruction	524,266	2,400,630	554,179	106,675	95,171	--	3,680,921
Total instruction	305,098,511	163,851,635	14,229,377	9,150,608	403,011	195,357	492,928,499
Operation and maintenance of plant:							
Elementary schools	2,533,318	2,020,972	8,291,034	27,508	--	--	12,872,832
Charter schools	288,634	213,228	3,998,887	36,026	--	--	4,536,775
Middle schools	460,870	357,710	3,157,154	17,635	--	--	3,993,369
High schools	619,877	443,453	6,807,221	29,324	--	--	7,899,875
Custodial services	9,293,239	7,230,410	107,027	880,070	17,306	--	17,528,052
Facilities	10,153,609	5,958,649	2,793,072	3,033,956	601,074	2,335	22,542,695
Vehicle maintenance	423,059	250,878	72,827	272,188	--	--	1,018,952
Other operations and maintenance of plant:	1,679,547	728,145	11,002,256	567,273	--	864,310	14,841,531
Total operation and maintenance of plant	25,452,153	17,203,445	36,229,478	4,863,980	618,380	866,645	85,234,081
Community services	229,286	131,139	54,177	25,385	57,475	--	497,462
Total expenditures	\$ 346,486,265	\$ 189,647,175	\$ 52,992,165	\$ 14,796,045	\$ 1,910,022	\$ 2,964,952	\$ 608,796,624

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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, 2019
With Comparative Totals for
June 30, 2018

BALANCE SHEET

	2019	2018
Assets		
Accounts receivable	\$ 46,944	\$ 22,263
Due from other governments:		
Municipality of Anchorage	--	155
State of Alaska	957,772	669,038
United States Government	16,435,186	16,848,878
Prepaid items	30,799	41,630
Total assets	<u>\$ 17,470,701</u>	<u>\$ 17,581,964</u>
Liabilities		
Accounts payable	\$ 247,496	\$ 79,679
Due to General Fund	12,012,194	13,201,385
Accrued salaries and related items:		
Wages and salaries payable	1,137,845	859,942
Payroll taxes, other accrued and withheld items	3,522,013	2,346,481
Unearned revenues	551,153	1,094,477
Total liabilities	<u>17,470,701</u>	<u>17,581,964</u>
Fund balance		
Non-spendable	30,799	41,630
Unassigned	(30,799)	(41,630)
Total fund balance	--	--
 Total liabilities and fund balance	 <u>\$ 17,470,701</u>	 <u>\$ 17,581,964</u>

For the Year Ended June 30, 2019
With Comparative Totals
For the Year Ended June 30, 2018

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

	2019	2018
Revenues:		
Revenues from local grants:		
Anchorage Schools Foundation	\$ 21,101	\$ 10,011
Charter School Supplemental Grants	--	620
Community Partners Diversity Project	565	--
Districtwide Recycling Program	55,001	55,002
Donations From Local Agencies	321,574	476,985
Graduation Support Services	646	--
NoVo Foundation Alaska Native Cultural Charter School	169,478	118,483
NoVo Foundation Social and Emotional Learning	13,264	60,774
Total revenues from local grants	<u>581,629</u>	<u>721,875</u>
Revenues from state grants:		
Designated Legislative Grants		
Senate Bill 18	50,580	458,986
Senate Bill 119	373,675	302,273
Senate Bill 160	--	93,690
Total Designated Legislative Grants	<u>424,255</u>	<u>854,949</u>
Alaska Mental Health Trust	11,675	--
Alaska Railroad Summer Youth Program	24,870	19,735
Alaska State School for Deaf	320,121	318,788
Alternative Schools Health and Wellness	86,267	96,801
Confucius Grant	10,000	9,662
Cultural Collaboration Project	11,031	16,682
Obesity Prevention Partnership	40,005	16,394
Office of Children's Services Transportation Program	436,037	195,888
Pre-School Kindergarten Program	421,396	295,281
Providence Heights	46,394	90,547
Retirement Systems Employer Relief	3,083,216	2,213,191
Safe Children's Act	43,804	1,286
Suicide Awareness	24,827	27,181
Youth Behavior Risk Survey	16,500	--
Youth in Detention	717,862	476,874
Total revenues from state grants	<u>5,718,260</u>	<u>4,633,259</u>
Revenues from federal grants:		
Access to Education for Homeless Children Program	73,596	46,999
Alaska Family Directory Website	28,972	27,567
Alaska State School for the Deaf	63,732	64,981
Artists in Schools	--	1,734
Big Brothers Big Sisters Mentoring	1,651	24,952
Bike Sharing Education Program	67,776	--
Carl Perkins Vocational Education	1,134,901	1,046,655
Centennial Challenge	19,845	21,872
CITC SEL Grant	194,071	177,494
Community Centers Learning Program	1,336,555	1,386,695
Educational Camp Program	9,686	8,369
ESEA Consolidated	951,966	896,723
Leap Program	31,133	--
Military Impacted Students	206,600	249,266
Northwest Eisenhower Consortium Program	--	1,243
Pre-School Handicapped Public Law 99-457	342,095	327,454

(Continued)

For the Year Ended June 30, 2019
With Comparative Totals
For the Year Ended June 30, 2018SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GAAP BASIS (Continued)

	2019	2018
Project Aware	\$ 425,437	\$ 471,603
Project Ki'l	464,342	680,923
Project Lead the Way	6,768	15,328
Project Yugtun Qanerluten	506,643	34,619
Safety Assessment & Intervention	6,219	--
Staff Development	13,935	--
StarTalk - Language Culture Summer Camp	87,605	97,469
Title I - No Child Left Behind Act		
Delinquent and At-Risk Youth Program	120,617	184,200
District-wide	13,228,745	13,151,181
Homeless	902,342	993,932
McLaughlin Youth Center	195,228	199,723
Parent Involvement Program	106,283	140,789
Preschool	1,648,686	1,493,064
School Improvement Program	68,043	25,860
School Improvement Implementation	65,082	--
Total Title I - No Child Left Behind Act	16,335,026	16,188,749
Title I - Migrant Education		
Book Program	42,500	47,404
Competitive	56,508	41,877
District-wide	1,748,161	1,729,382
Parent Involvement Program	998	1,798
Summer Program	564,287	244,539
Total Title I - Migrant Education	2,412,454	2,065,000
Title II A - Professional Development Program		
Principal & School Leaders	250,457	--
Private Schools	54,814	--
Professional Development Program	3,500,089	3,783,312
Total Title II A - Professional Development Program	3,805,360	3,783,312
Title III - English Language Acquisition	442,893	506,794
Title IV-A Student Support Academic		
Private Schools	29,611	--
Student Support Academic	883,562	26,111
Total Title IV-A Student Support Academic	913,173	26,111
Title VI - Indian, Native Hawaiian, and Alaska Native Education	2,852,223	3,237,988
Title VI B - Education of All Handicapped Children	13,418,857	13,241,105
Total revenues from federal grants	46,153,514	44,631,005
Total revenues	52,453,403	49,986,139
Expenditures:		
Current:		
Instruction:		
Local grants	581,629	721,875
State grants	5,718,260	4,633,259
Federal grants	46,153,514	44,631,005
Total expenditures	52,453,403	49,986,139
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, 2019
With Comparative Totals
For the Year Ended June 30, 2018

SCHEDULE OF EXPENDITURES - GAAP BASIS

	2019	2018
Current:		
Instruction:		
Local grants:		
Anchorage Schools Foundation	\$ 21,101	\$ 10,011
Charter School Supplemental Grants	--	620
Community Partners Diversity Project	565	55,002
Districtwide Recycling Program	55,001	476,985
Donations From Local Agencies	321,574	118,483
Graduation Support Services	646	60,774
NoVo Foundation Alaska Native Cultural Charter School	169,478	--
NoVo Foundation Social and Emotional Learning	13,264	--
Total local grants	<u>581,629</u>	<u>721,875</u>
State grants:		
Designated Legislative Grants		
Senate Bill 18	50,580	458,986
Senate Bill 119	373,675	302,273
Senate Bill 160	--	93,690
Total Designated Legislative Grants	<u>424,255</u>	<u>854,949</u>
Alaska Mental Health Trust	11,675	--
Alaska Railroad Summer Youth Program	24,870	19,735
Alaska State School for Deaf	320,121	318,788
Alternative Schools Health and Wellness	86,267	96,801
Confucius Grant	10,000	9,662
Cultural Collaboration Project	11,031	16,682
Obesity Prevention Partnership	40,005	16,394
Office of Children's Services Transportation Program	436,037	195,888
Pre-School Kindergarten Program	421,396	295,281
Providence Heights	46,394	90,547
Retirement Systems Employer Relief	3,083,216	2,213,191
Safe Children's Act	43,804	1,286
Suicide Awareness	24,827	27,181
Youth Behavior Risk Survey	16,500	--
Youth in Detention	717,862	476,874
Total state grants	<u>5,718,260</u>	<u>4,633,259</u>
Federal grants:		
Access to Education for Homeless Children Program	73,596	46,999
Alaska Family Directory Website	28,972	27,567
Alaska State School for the Deaf	63,732	64,981
Artists in Schools	--	1,734
Big Brothers Big Sisters Mentoring	1,651	24,952
Bike Sharing Education Program	67,776	--
Carl Perkins Vocational Education	1,134,901	1,046,655

(Continued)

For the Year Ended June 30, 2019
With Comparative Totals
For the Year Ended June 30, 2018

SCHEDULE OF EXPENDITURES - GAAP BASIS (Continued)

	2019	2018
Centennial Challenge	\$ 19,845	\$ 21,872
CITC SEL Grant	194,071	177,494
Community Centers Learning Program	1,336,555	1,386,695
Educational Camp Program	9,686	8,369
ESEA Consolidated	951,966	896,723
Leap Program	31,133	--
Military Impacted Students	206,600	249,266
Northwest Eisenhower Consortium Program	--	1,243
Pre-School Handicapped Public Law 99-457	342,095	327,454
Project Aware	425,437	471,603
Project Ki'l	464,342	680,923
Project Lead the Way	6,768	15,328
Project Yugtun Qanerluten	506,643	34,619
Safety Assessment & Intervention	6,219	--
Staff Development	13,935	--
StarTalk - Language Culture Summer Camp	87,605	97,469
Title I - No Child Left Behind Act		
Delinquent and At-Risk Youth Program	120,617	184,200
District-Wide	13,228,745	13,151,181
Homeless	902,342	993,932
McLaughlin Youth Center	195,228	199,723
Parent Involvement Program	106,283	140,789
Pre-School	1,648,686	1,493,064
School Improvement Program	68,043	25,860
School Improvement Implementation	65,082	--
Total Title I - No Child Left Behind Act	16,335,026	16,188,749
Title I - Migrant Education		
Book Program	42,500	47,404
Competitive	56,508	41,877
District-Wide	1,748,161	1,729,382
Parent Involvement Program	998	1,798
Summer Program	564,287	244,539
Total Title I - Migrant Education	2,412,454	2,065,000
Title II A - Professional Development Program		
Principal & School Leaders	250,457	--
Private Schools	54,814	--
Professional Development Program	3,500,089	3,783,312
Total Title II A - Professional Development Program	3,805,360	3,783,312
Title III - English Language Acquisition	442,893	506,794
Title IV-A Student Support Academic		
Private Schools	29,611	--
Student Support Academic	883,562	26,111
Total Title IV-A Student Support Academic	913,173	26,111
Title VI - Indian, Native Hawaiian, and Alaska Native Education	2,852,223	3,237,988
Title VI B - Education of All Handicapped Children Act	13,418,857	13,241,105
Total federal grants	46,153,514	44,631,005
Total expenditures	\$ 52,453,403	\$ 49,986,139

For the Year Ended June 30, 2019

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	\$ 1,075	\$ --	\$ 1,075	\$ 955	\$ (120)
Supplies and materials	20,026	--	20,026	12,407	(7,619)
Total Anchorage Schools Foundation	21,101	--	21,101	13,362	(7,739)
Community Partners Diversity Project					
Supplies and materials	565	409	974	500	(474)
Total Community Partners Diversity Project	565	409	974	500	(474)
District-Wide Recycling Program					
Salaries	33,398	--	33,398	33,398	--
Employee benefits	21,603	--	21,603	21,602	(1)
Total Districtwide Recycling Program	55,001	--	55,001	55,000	(1)
Donations from Local Agencies					
Salaries	64,832	--	64,832	2,857	(61,975)
Employee benefits	10,625	--	10,625	230	(10,395)
Purchased services	48,133	14,722	62,855	40,780	(22,075)
Supplies and materials	182,984	(2,558)	180,426	94,569	(85,857)
Capital outlay	15,000	--	15,000	15,000	--
Total Donations from Local Agencies	321,574	12,164	333,738	153,436	(180,302)
Graduation Support Services					
Supplies and materials	646	--	646	--	(646)
Total Graduation Support Services	646	--	646	--	(646)
Immersion Programs					
Supplies and materials	--	--	--	8,000	8,000
Total Immersion Programs	--	--	--	8,000	8,000
NoVo Foundation Alaska Native Cultural Charter School					
Salaries	127,905	--	127,905	258,090	130,185
Employee benefits	38,079	--	38,079	119,376	81,297
Purchased services	--	--	--	(400,000)	(400,000)
Supplies and materials	3,494	--	3,494	22,534	19,040
Total NoVo Foundation Alaska Native Cultural Charter School	169,478	--	169,478	--	(169,478)
NoVo Foundation Social and Emotional Learning					
Purchased services	10,668	--	10,668	--	(10,668)
Supplies and materials	2,596	--	2,596	--	(2,596)
Total NoVo Foundation Social and Emotional Learning	13,264	--	13,264	--	(13,264)
Ticket To Ride Grant					
Purchased services	--	--	--	1,350	1,350
Total Ticket To Ride Grant	--	--	--	1,350	1,350
Contingency	--	--	--	1,160,608	1,160,608
Total Local grants	581,629	12,573	594,202	1,392,256	798,054
State grants:					
Designated Legislative Grants:					
Senate Bill 18					
Purchased services	3,433	(59)	3,374	--	(3,374)
Supplies and materials	47,147	(204)	46,943	--	(46,943)
Total Senate Bill 18	50,580	(263)	50,317	--	(50,317)
Senate Bill 119					
Salaries	2,447	--	2,447	900	(1,547)
Employee benefits	372	--	372	137	(235)
Purchased services	35,245	--	35,245	(1,037)	(36,282)
Supplies and materials	335,611	12,784	348,395	--	(348,395)
Total Senate Bill 119	373,675	12,784	386,459	--	(386,459)
Total Designated Legislative Grants	424,255	12,521	436,776	--	(436,776)
Alaska Mental Health Trust					
Purchased services	257	1,969	2,226	40,515	38,289
Supplies and materials	11,418	--	11,418	19,985	8,567
Total Alaska Mental Health Trust	11,675	1,969	13,644	60,500	46,856

(Continued)

For the Year Ended June 30, 2019

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 Railroad Summer Youth Program					
Salaries	\$ 19,530	\$ --	\$ 19,530	\$ 19,530	\$ --
Employee benefits	2,971	--	2,971	2,973	2
Supplies and materials	2,369	--	2,369	2,497	128
Total Alaska Railroad Summer Youth Program	24,870	--	24,870	25,000	130
Alaska State School for the Deaf					
Salaries	188,188	--	188,188	232,616	44,428
Employee benefits	76,265	--	76,265	83,935	7,670
Purchased services	55,101	--	55,101	63,715	8,614
Supplies and materials	567	--	567	6,734	6,167
Total Alaska State School for the Deaf	320,121	--	320,121	387,000	66,879
Alternative Schools Health and Wellness					
Salaries	22,020	--	22,020	22,740	720
Employee benefits	3,475	--	3,475	3,538	63
Purchased services	40,466	--	40,466	40,233	(233)
Supplies and materials	20,306	--	20,306	19,989	(317)
Total Alternative Schools Health and Wellness	86,267	--	86,267	86,500	233
Confucius Grant					
Supplies and materials	10,000	--	10,000	10,000	--
Total Confucius Grant	10,000	--	10,000	10,000	--
Cultural Collaboration Project					
Salaries	459	--	459	459	--
Employee benefits	41	--	41	41	--
Purchased services	10,531	--	10,531	10,835	304
Total Cultural Collaboration Project	11,031	--	11,031	11,335	304
Obesity Prevention Partnership					
Salaries	13,605	--	13,605	13,605	--
Employee benefits	2,068	--	2,068	2,069	1
Purchased services	6,009	--	6,009	43,185	37,176
Supplies and materials	18,323	6,764	25,087	26,141	1,054
Total Obesity Prevention Partnership	40,005	6,764	46,769	85,000	38,231
Office of Children's Services Transportation Program					
Salaries	26,445	--	26,445	26,889	444
Employee benefits	17,839	--	17,839	17,915	76
Purchased services	391,753	--	391,753	151,083	(240,670)
Total Office of Children's Services Transportation Program	436,037	--	436,037	195,887	(240,150)
Preschool Kindergarten					
Salaries	96,803	--	96,803	100,177	3,374
Employee benefits	44,482	--	44,482	45,184	702
Purchased services	26,354	--	26,354	28,760	2,406
Supplies and materials	253,757	--	253,757	256,671	2,914
Total Preschool Kindergarten	421,396	--	421,396	430,792	9,396
Principal & School Leaders					
Salaries	--	(1,425)	(1,425)	--	1,425
Total Principal & School Leaders	--	(1,425)	(1,425)	--	1,425
Providence Heights					
Salaries	37,554	--	37,554	89,219	51,665
Employee benefits	6,941	--	6,941	35,010	28,069
Purchased services	1,634	--	1,634	5,106	3,472
Supplies and materials	265	--	265	15,665	15,400
Total Providence Heights	46,394	--	46,394	145,000	98,606
Retirement Systems Employer					
Employee benefits	3,083,216	(3,083,216)	--	--	--
Total Retirement Systems Employer	3,083,216	(3,083,216)	--	--	--
Safe Childrens Act					
Salaries	7,254	--	7,254	7,616	362
Employee benefits	1,104	--	1,104	1,159	55
Purchased services	13,742	(4,130)	9,612	11,500	1,888
Supplies and materials	21,704	(10,609)	11,095	7,250	(3,845)
Total Safe Childrens Act	43,804	(14,739)	29,065	27,525	(1,540)
Staff Development					
Purchased services	--	--	--	500	500
Total Staff Development	--	--	--	500	500

(Continued)

For the Year Ended June 30, 2019

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)
Suicide Awareness					
Salaries	\$ 18,022	\$ --	\$ 18,022	\$ 19,599	\$ 1,577
Employee benefits	2,824	--	2,824	3,096	272
Purchased services	1,702	--	1,702	1,777	75
Supplies and materials	2,279	--	2,279	2,463	184
Total Suicide Awareness	24,827	--	24,827	26,935	2,108
Youth Behavior Risk Survey					
Salaries	7,500	--	7,500	8,000	500
Employee benefits	1,189	--	1,189	1,219	30
Supplies and materials	7,811	4,869	12,680	7,281	(5,399)
Total Youth Behavior Risk Survey	16,500	4,869	21,369	16,500	(4,869)
Youth In Detention					
Salaries	404,631	--	404,631	320,877	(83,754)
Employee benefits	100,806	--	100,806	86,907	(13,899)
Purchased services	32,417	3,902	36,319	35,955	(364)
Supplies and materials	180,008	--	180,008	292,245	112,237
Total Youth In Detention	717,862	3,902	721,764	735,984	14,220
Total State grants	5,718,260	(3,069,355)	2,648,905	2,244,458	(404,447)
Federal grants:					
Access to Education for Homeless Children					
Salaries	31,872	--	31,872	31,900	28
Employee benefits	4,848	--	4,848	4,856	8
Purchased services	34,630	--	34,630	34,632	2
Supplies and materials	2,246	--	2,246	2,263	17
Total Access to Education for Homeless Children	73,596	--	73,596	73,651	55
Alaska Family Directory Website					
Salaries	15,098	--	15,098	15,100	2
Employee benefits	10,365	--	10,365	10,388	23
Purchased services	3,509	--	3,509	3,512	3
Total Alaska Family Directory Website	28,972	--	28,972	29,000	28
Alaska State School for the Deaf					
Salaries	24,316	--	24,316	24,417	101
Employee benefits	11,391	--	11,391	11,896	505
Purchased services	27,935	--	27,935	28,386	451
Supplies and materials	90	--	90	301	211
Total Alaska State School for the Deaf	63,732	--	63,732	65,000	1,268
Big Brothers Big Sisters Mentoring					
Salaries	1,268	--	1,268	7,372	6,104
Employee benefits	325	--	325	2,276	1,951
Purchased services	58	--	58	352	294
Total Big Brothers Big Sisters Mentoring	1,651	--	1,651	10,000	8,349
Bike Sharing Education Program					
Purchased services	--	--	--	(2,199)	(2,199)
Supplies and materials	48,111	--	48,111	2,199	(45,912)
Capital outlay	19,665	39,330	58,995	--	(58,995)
Total Bike Sharing Education Program	67,776	39,330	107,106	--	(107,106)
Carl Perkins Vocational Education					
Salaries	351,213	--	351,213	354,593	3,380
Employee benefits	93,065	--	93,065	94,583	1,518
Purchased services	201,394	--	201,394	217,830	16,436
Supplies and materials	472,316	2,018	474,334	482,334	8,000
Capital outlay	16,913	--	16,913	17,391	478
Total Carl Perkins Vocational Education	1,134,901	2,018	1,136,919	1,166,731	29,812
Centennial Challenge					
Purchased services	14,816	--	14,816	45,993	31,177
Supplies and materials	5,029	--	5,029	4,635	(394)
Total Centennial Challenge	19,845	--	19,845	50,628	30,783
CITC SEL Grant					
Salaries	17,684	--	17,684	40,260	22,576
Employee benefits	2,315	--	2,315	3,332	1,017
Purchased services	170,869	6,104	176,973	170,139	(6,834)
Supplies and materials	3,203	--	3,203	10,000	6,797
Total CITC SEL Grant	194,071	6,104	200,175	223,731	23,556

(Continued)

For the Year Ended June 30, 2019

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)
Community Centers Learning Program					
Salaries	\$ 792,082	\$ --	\$ 792,082	\$ 832,646	\$ 40,564
Employee benefits	275,193	--	275,193	305,405	30,212
Purchased services	185,713	917	186,630	206,361	19,731
Supplies and materials	83,567	--	83,567	85,588	2,021
Total Community Centers Learning Program	1,336,555	917	1,337,472	1,430,000	92,528
Education Camp Program					
Purchased services	9,686	--	9,686	10,465	779
Total Education Camp Program	9,686	--	9,686	10,465	779
ESEA Consolidated					
Salaries	586,242	--	586,242	588,572	2,330
Employee benefits	308,453	--	308,453	305,480	(2,973)
Purchased services	57,240	291	57,531	67,914	10,383
Supplies and materials	31	--	31	1,031	1,000
Total ESEA Consolidated	951,966	291	952,257	962,997	10,740
Leap Program					
Salaries	20,950	--	20,950	17,500	(3,450)
Employee benefits	3,187	--	3,187	2,664	(523)
Purchased services	3,324	--	3,324	4,239	915
Supplies and materials	3,672	--	3,672	4,375	703
Total Leap Grant	31,133	--	31,133	28,778	(2,355)
Military Impacted Students					
Salaries	58,950	--	58,950	--	(58,950)
Employee benefits	15,201	--	15,201	--	(15,201)
Purchased services	96,951	(3,499)	93,452	--	(93,452)
Supplies and materials	35,498	--	35,498	--	(35,498)
Total Military Impacted Students	206,600	(3,499)	203,101	--	(203,101)
Pre-School Handicapped Public Law 99-457					
Salaries	233,844	--	233,844	239,808	5,964
Employee benefits	91,106	--	91,106	90,788	(318)
Purchased services	14,266	--	14,266	14,473	207
Supplies and materials	2,879	--	2,879	2,880	1
Total Pre-School Handicapped Public Law 99-457	342,095	--	342,095	347,949	5,854
Project Aware					
Salaries	210,384	--	210,384	211,114	730
Employee benefits	92,559	--	92,559	95,321	2,762
Purchased services	70,942	--	70,942	117,582	46,640
Supplies and materials	51,552	--	51,552	52,962	1,410
Total Project Aware	425,437	--	425,437	476,979	51,542
Project Ki'l					
Salaries	267,391	--	267,391	304,793	37,402
Employee benefits	127,608	--	127,608	123,513	(4,095)
Purchased services	53,729	32,796	86,525	147,015	60,490
Supplies and materials	15,614	--	15,614	34,323	18,709
Total Project Ki'l	464,342	32,796	497,138	609,644	112,506
Project Lead the Way					
Purchased services	6,768	--	6,768	9,672	2,904
Total Project Lead the Way	6,768	--	6,768	9,672	2,904
Project Yugtun Qanerluten					
Salaries	224,471	--	224,471	203,527	(20,944)
Employee benefits	75,511	--	75,511	130,685	55,174
Purchased services	170,951	5,014	175,965	122,845	(53,120)
Supplies and materials	35,710	(6,396)	29,314	32,257	2,943
Total Project Yugtun Qanerluten	506,643	(1,382)	505,261	489,314	(15,947)
Safety Assessment & Intervention					
Salaries	--	--	--	151,084	151,084
Employee benefits	--	--	--	19,567	19,567
Purchased services	6,219	--	6,219	48,331	42,112
Supplies and materials	--	--	--	4,110	4,110
Total Safety Assessment & Intervention	6,219	--	6,219	223,092	216,873

(Continued)

For the Year Ended June 30, 2019

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)
Staff Development					
Salaries	\$ 260	\$ --	\$ 260	\$ 1,000	\$ 740
Employee benefits	40	--	40	153	113
Purchased services	13,635	--	13,635	22,647	9,012
Total Staff Development	13,935	--	13,935	23,800	9,865
StarTalk - Language Culture Summer Camp					
Salaries	51,171	--	51,171	54,857	3,686
Employee benefits	7,828	--	7,828	7,406	(422)
Purchased services	16,859	(605)	16,254	17,592	1,338
Supplies and materials	11,747	--	11,747	9,982	(1,765)
Total StarTalk - Language Culture Summer Camp	87,605	(605)	87,000	89,837	2,837
Title I - No Child Left Behind Act					
Delinquent and At-Risk Youth Program					
Salaries	69,796	--	69,796	81,147	11,351
Employee benefits	36,503	--	36,503	41,283	4,780
Purchased services	6,149	1,300	7,449	9,710	2,261
Supplies and materials	8,169	--	8,169	18,015	9,846
Total Delinquent and At-Risk Youth Program	120,617	1,300	121,917	150,155	28,238
District-Wide					
Salaries	7,528,332	--	7,528,332	8,329,232	800,900
Employee benefits	2,899,026	--	2,899,026	3,125,999	226,973
Purchased services	1,117,483	1,800	1,119,283	1,785,390	666,107
Supplies and materials	1,661,619	(69,272)	1,592,347	2,067,992	475,645
Capital outlay	22,285	--	22,285	22,285	--
Total District-Wide	13,228,745	(67,472)	13,161,273	15,330,898	2,169,625
Homeless					
Salaries	513,670	--	513,670	516,324	2,654
Employee benefits	307,488	--	307,488	308,338	850
Purchased services	80,030	--	80,030	80,626	596
Supplies and materials	1,154	--	1,154	1,650	496
Total Homeless	902,342	--	902,342	906,938	4,596
McLaughlin Youth Center					
Salaries	127,497	--	127,497	128,572	1,075
Employee benefits	19,391	--	19,391	19,648	257
Purchased services	11,218	--	11,218	11,490	272
Supplies and materials	37,122	--	37,122	43,251	6,129
Total McLaughlin Youth Center	195,228	--	195,228	202,961	7,733
Parent Involvement Program					
Salaries	47,081	--	47,081	115,114	68,033
Employee benefits	8,259	--	8,259	21,947	13,688
Purchased services	620	--	620	3,044	2,424
Supplies and materials	50,323	--	50,323	120,011	69,688
Total Parent Involvement Program	106,283	--	106,283	260,116	153,833
Preschool					
Salaries	980,529	--	980,529	1,025,504	44,975
Employee benefits	506,121	--	506,121	516,773	10,652
Purchased services	133,166	--	133,166	141,712	8,546
Supplies and materials	28,870	--	28,870	36,011	7,141
Total Preschool	1,648,686	--	1,648,686	1,720,000	71,314
School Improvement Implementation					
Salaries	52,592	--	52,592	160,735	108,143
Employee benefits	8,145	--	8,145	24,324	16,179
Purchased services	2,291	--	2,291	106,371	104,080
Supplies and materials	2,054	--	2,054	58,570	56,516
Total School Improvement Implementation	65,082	--	65,082	350,000	284,918
School Improvement Program					
Salaries	37,067	--	37,067	94,906	57,839
Employee benefits	5,486	--	5,486	14,889	9,403
Purchased services	23,756	--	23,756	38,640	14,884
Supplies and materials	1,734	--	1,734	4,529	2,795
Total School Improvement Program	68,043	--	68,043	152,964	84,921
Total Title I - No Child Left Behind Act	16,335,026	(66,172)	16,268,854	19,074,032	2,805,178

(Continued)

For the Year Ended June 30, 2019

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 - Migrant Education					
Book Program					
Supplies and materials	\$ 42,500	\$ --	\$ 42,500	\$ 42,500	\$ --
Total Book Program	42,500	--	42,500	42,500	--
Competitive					
Salaries	30,173	--	30,173	39,457	9,284
Employee benefits	19,286	--	19,286	20,625	1,339
Purchased services	7,049	--	7,049	20,698	13,649
Supplies and materials	--	--	--	37,345	37,345
Total Competitive	56,508	--	56,508	118,125	61,617
District-Wide					
Salaries	841,091	--	841,091	2,631,605	1,790,514
Employee benefits	513,638	--	513,638	1,010,924	497,286
Purchased services	187,502	24,789	212,291	451,327	239,036
Supplies and materials	205,930	--	205,930	765,172	559,242
Total District-Wide	1,748,161	24,789	1,772,950	4,859,028	3,086,078
Parent Involvement Program					
Purchased services	998	--	998	5,000	4,002
Total Parent Involvement Program	998	--	998	5,000	4,002
Summer Program					
Salaries	286,551	--	286,551	611,503	324,952
Employee benefits	49,728	--	49,728	157,970	108,242
Purchased services	123,505	(17,578)	105,927	455,704	349,777
Supplies and materials	104,503	--	104,503	230,605	126,102
Total Summer Program	564,287	(17,578)	546,709	1,455,782	909,073
Total Title I - Migrant Education	2,412,454	7,211	2,419,665	6,480,435	4,060,770
Title II A - Professional Development Program					
Principal & School Leaders					
Salaries	121,501	1,425	122,926	124,590	1,664
Employee benefits	59,523	--	59,523	68,746	9,223
Purchased services	55,419	--	55,419	69,664	14,245
Supplies and materials	14,014	--	14,014	37,000	22,986
Total Principal & School Leaders	250,457	1,425	251,882	300,000	48,118
Private Schools					
Purchased services	53,615	--	53,615	83,861	30,246
Supplies and materials	1,199	--	1,199	1,500	301
Total Private Schools	54,814	--	54,814	85,361	30,547
Professional Development Program					
Salaries	2,208,709	--	2,208,709	3,068,440	859,731
Employee benefits	759,513	--	759,513	953,206	193,693
Purchased services	525,415	28,112	553,527	822,031	268,504
Supplies and materials	6,452	--	6,452	238,168	231,716
Total Professional Development	3,500,089	28,112	3,528,201	5,081,845	1,553,644
Total Title II A - Professional Development Program	3,805,360	29,537	3,834,897	5,467,206	1,632,309
Title III - English Language Acquisition					
Salaries	187,782	--	187,782	230,000	42,218
Employee benefits	28,903	--	28,903	37,042	8,139
Purchased services	212,419	11,100	223,519	249,095	25,576
Supplies and materials	13,789	--	13,789	28,929	15,140
Total Title III - English Language Acquisition	442,893	11,100	453,993	545,066	91,073
Title IV A - Student Support Academic					
Private Schools					
Purchased services	11,655	--	11,655	21,603	9,948
Supplies and materials	17,956	--	17,956	18,057	101
Total Private Schools	29,611	--	29,611	39,660	10,049
Student Support Academic					
Salaries	314,250	--	314,250	392,290	78,040
Employee benefits	45,756	--	45,756	56,051	10,295
Purchased services	482,807	19,150	501,957	715,798	213,841
Supplies and materials	40,749	--	40,749	73,130	32,381
Total Student Support Academic	883,562	19,150	902,712	1,237,269	334,557
Total Title IV A - Student Support Academic	913,173	19,150	932,323	1,276,929	344,606

(Continued)

For the Year Ended June 30, 2019

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 VI - Indian, Native Hawaiian, Alaska Native Education					
Salaries	\$ 1,641,120	\$ --	\$ 1,641,120	\$ 1,612,540	\$ (28,580)
Employee benefits	973,718	--	973,718	1,071,239	97,521
Purchased services	160,060	(11,852)	148,208	146,983	(1,225)
Supplies and materials	77,325	--	77,325	23,527	(53,798)
Total Title VI - Indian, Native Hawaiian, Alaska Native Education	2,852,223	(11,852)	2,840,371	2,854,289	13,918
Title VI B - Education of All Handicapped Children					
Salaries	7,394,606	--	7,394,606	8,172,702	778,096
Employee benefits	4,232,042	--	4,232,042	5,289,798	1,057,756
Purchased services	1,117,210	58,495	1,175,705	1,421,709	246,004
Supplies and materials	674,999	(447)	674,552	726,046	51,494
Total Title VI B - Education of All Handicapped Children	13,418,857	58,048	13,476,905	15,610,255	2,133,350
Total Federal grants	46,153,514	122,992	46,276,506	57,629,480	11,352,974
Total expenditures	\$ 52,453,403	\$ (2,933,790)	\$ 49,519,613	\$ 61,266,194	\$ 11,746,581

For the Year Ended June 30, 2019

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	\$ --	\$ --	\$ 1,075	\$ 20,026	\$ --	\$ 21,101
Community Partners Diversity Project	--	--	--	565	--	565
District-Wide Recycling Program	33,398	21,603	--	--	--	55,001
Donations from Local Agencies	64,832	10,625	48,133	182,984	15,000	321,574
Graduation Support Services	--	--	--	646	--	646
NoVo Foundation Alaska Native Cultural Charter School	127,905	38,079	--	3,494	--	169,478
NoVo Foundation Social and Emotional Learning	--	--	10,668	2,596	--	13,264
Total local grants	226,135	70,307	59,876	210,311	15,000	581,629
State grants:						
Designated Legislative Grants						
Senate Bill 18	--	--	3,433	47,147	--	50,580
Senate Bill 119	2,447	372	35,245	335,611	--	373,675
Total Designated Legislative Grants	2,447	372	38,678	382,758	--	424,255
Alaska Mental Health Trust	--	--	257	11,418	--	11,675
Alaska Railroad Summer Youth Program	19,530	2,971	--	2,369	--	24,870
Alaska State School for the Deaf	188,188	76,265	55,101	567	--	320,121
Alternative Schools Health and Wellness	22,020	3,475	40,466	20,306	--	86,267
Confucius Grant	--	--	--	10,000	--	10,000
Cultural Collaboration Project	459	41	10,531	--	--	11,031
Obesity Prevention Partnership	13,605	2,068	6,009	18,323	--	40,005
Office of Children's Services Transportation Program	26,445	17,839	391,753	--	--	436,037
Pre-School Kindergarten Program	96,803	44,482	26,354	253,757	--	421,396
Providence Heights	37,554	6,941	1,634	265	--	46,394
Retirement Systems Employer Relief	3,083,216	--	--	--	--	3,083,216
Safe Children's Act	7,254	1,104	13,742	21,704	--	43,804
Suicide Awareness	18,022	2,824	1,702	2,279	--	24,827
Youth Behavior Risk Survey	7,500	1,189	--	7,811	--	16,500
Youth in Detention	404,631	100,806	32,417	180,008	--	717,862
Total state grants	3,927,674	260,377	618,387	900,147	--	5,718,260
Federal grants:						
Access to Education for Homeless Children	31,872	4,848	34,630	2,246	--	73,596
Alaska Family Directory Website	15,098	10,365	3,509	--	--	28,972
Alaska State School for the Deaf	24,316	11,391	27,935	90	--	63,732
Big Brothers Big Sisters Mentoring	1,268	325	58	--	--	1,651
Bike Sharing Education Program	--	--	--	48,111	19,665	67,776
Carl Perkins Vocational Education	351,213	93,065	201,394	472,316	16,913	1,134,901
Centennial Challenge	--	--	14,816	5,029	--	19,845
CITC SEL Grant	17,684	2,315	170,869	3,203	--	194,071
Community Centers Learning Program	792,082	275,193	185,713	83,567	--	1,336,555
Educational Camp Program	--	--	9,686	--	--	9,686
ESEA Consolidated	586,242	308,453	57,240	31	--	951,966
Leap Program	20,950	3,187	3,324	3,672	--	31,133
Military Impacted Students	58,950	15,201	96,951	35,498	--	206,600
Pre-School Handicapped Public Law 99-457	233,844	91,106	14,266	2,879	--	342,095
Project Aware	210,384	92,559	70,942	51,552	--	425,437
Project Ki'l	267,391	127,608	53,729	15,614	--	464,342
Project Lead the Way	--	--	6,768	--	--	6,768
Project Yugtun Qanerluten	224,471	75,511	170,951	35,710	--	506,643
Safety Assessment & Intervention	--	--	6,219	--	--	6,219
Staff Development	260	40	13,635	--	--	13,935
StarTalk - Language Culture Summer Camp	51,171	7,828	16,859	11,747	--	87,605
Title I - No Child Left Behind Act						
Delinquent and At-Risk Youth Program	69,796	36,503	6,149	8,169	--	120,617
District-Wide	7,528,332	2,899,026	1,117,483	1,661,619	22,285	13,228,745
Homeless	513,670	307,488	80,030	1,154	--	902,342
McLaughlin Youth Center	127,497	19,391	11,218	37,122	--	195,228
Parent Involvement Program	47,081	8,259	620	50,323	--	106,283
Pre-School	980,529	506,121	133,166	28,870	--	1,648,686
School Improvement Program	37,067	5,486	23,756	1,734	--	68,043
School Improvement Implementation	52,592	8,145	2,291	2,054	--	65,082
Total Title I - No Child Left Behind Act	9,356,564	3,790,419	1,374,713	1,791,045	22,285	16,335,026

(Continued)

For the Year Ended June 30, 2019

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

	Personnel Services	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Total
Title I - Migrant Education						
Book Program	\$ --	\$ --	\$ --	\$ 42,500	\$ --	\$ 42,500
Competitive	30,173	19,286	7,049	--	--	56,508
District-Wide	841,091	513,638	187,502	205,930	--	1,748,161
Parent Involvement Program	--	--	998	--	--	998
Summer Program	286,551	49,728	123,505	104,503	--	564,287
Total Title I -Migrant Education	<u>1,157,815</u>	<u>582,652</u>	<u>319,054</u>	<u>352,933</u>	--	<u>2,412,454</u>
Title II A - Professional Development Program						
Principal & School Leaders	121,501	59,523	55,419	14,014	--	250,457
Private Schools	--	--	53,615	1,199	--	54,814
Professional Development Program	2,208,709	759,513	525,415	6,452	--	3,500,089
Total Title II A - Professional Development Program	<u>2,330,210</u>	<u>819,036</u>	<u>634,449</u>	<u>21,665</u>	--	<u>3,805,360</u>
Title III - English Language Acquisition	187,782	28,903	212,419	13,789	--	442,893
Title IV-A Student Support Academic						
Private Schools	--	--	11,655	17,956	--	29,611
Student Support Academic	314,250	45,756	482,807	40,749	--	883,562
Total Title IV-A Student Support Academic	<u>314,250</u>	<u>45,756</u>	<u>494,462</u>	<u>58,705</u>	--	<u>913,173</u>
Title VI - Indian, Native Hawaiian, and Alaska Native Education	1,641,120	973,718	160,060	77,325	--	2,852,223
Title VI B - Education of All Handicapped Children Act	7,394,606	4,232,042	1,117,210	674,999	--	13,418,857
Total federal grants	<u>25,269,543</u>	<u>11,591,521</u>	<u>5,471,861</u>	<u>3,761,726</u>	<u>58,863</u>	<u>46,153,514</u>
Total expenditures	<u>\$ 29,423,352</u>	<u>\$ 11,922,205</u>	<u>\$ 6,150,124</u>	<u>\$ 4,872,184</u>	<u>\$ 73,863</u>	<u>\$ 52,453,403</u>

COMBINING BALANCE SHEET

	Food Service	Student Activities	Pupil Transportation	Totals	
				2019	2018
Assets					
Cash and investments	\$ --	\$ 10,426	\$ --	\$ 10,426	\$ 3,040,622
Cash and investments with paying agent	--	--	--	--	--
Accounts receivable	41	19,737	248	20,026	30,647
Due from General Fund	1,875,134	5,622,672	907,790	8,405,596	4,023,312
Due from State of Alaska	139,104	--	--	139,104	121,329
Due from Municipality of Anchorage	--	--	1,624,935	1,624,935	--
Prepaid items	--	--	102,707	102,707	240
U.S.D.A. food commodities, at U.S.D.A. allocated value	149,730	--	--	149,730	260,325
Inventory, at FIFO	1,351,369	--	--	1,351,369	1,598,069
Total assets	<u>\$ 3,515,378</u>	<u>\$ 5,652,835</u>	<u>\$ 2,635,680</u>	<u>\$ 11,803,893</u>	<u>\$ 9,074,544</u>
Liabilities					
Accounts payable	\$ 28,657	\$ 53,011	\$ 17,680	\$ 99,348	\$ 42,068
Due to General Fund	--	--	--	--	63,737
Accrued salaries and related items:					
Wages and salaries payable	31,404	9,296	25,005	65,705	48,047
Payroll taxes, other accrued and withheld items	29,686	3,339	23,641	56,666	36,749
Unearned revenue	1,156,052	--	--	1,156,052	1,486,262
Total liabilities	1,245,799	65,646	66,326	1,377,771	1,676,863
Deferred inflows of resources					
General property tax appropriations	--	--	1,624,935	1,624,935	--
Total deferred inflows of resources	--	--	1,624,935	1,624,935	--
Fund balances					
Reserved:					
Non-spendable	1,351,369	--	102,707	1,454,076	1,598,309
Committed	553,000	--	--	553,000	--
Assigned	365,210	5,587,189	841,712	6,794,111	6,152,479
Unassigned	--	--	--	--	(353,107)
Total fund balances	2,269,579	5,587,189	944,419	8,801,187	7,397,681
Total liabilities and fund balance	<u>\$ 3,515,378</u>	<u>\$ 5,652,835</u>	<u>\$ 2,635,680</u>	<u>\$ 11,803,893</u>	<u>\$ 9,074,544</u>

For the Year Ended June 30, 2019
With Comparative Totals
For the Year Ended June 30, 2018

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

	Food Service	Student Activities	Pupil Transportation	Totals	
				2019	2018
Revenues:					
Revenues from local sources	\$ 2,194,423	\$ 6,311,367	\$ --	\$ 8,505,790	\$ 9,814,463
Revenues from state sources	548,342	30,851	21,985,076	22,564,269	22,718,133
Revenues from federal sources	20,303,520	--	--	20,303,520	21,408,286
Total revenues	<u>23,046,285</u>	<u>6,342,218</u>	<u>21,985,076</u>	<u>51,373,579</u>	<u>53,940,882</u>
Expenditures:					
Current:					
Instruction	--	6,298,783	--	6,298,783	7,265,544
Food services	22,649,668	--	--	22,649,668	23,515,710
Pupil Transportation	--	--	25,699,733	25,699,733	23,831,655
Total expenditures	<u>22,649,668</u>	<u>6,298,783</u>	<u>25,699,733</u>	<u>54,648,184</u>	<u>54,612,909</u>
Excess (deficiency) of revenues over (under) expenditures	396,617	43,435	(3,714,657)	(3,274,605)	(672,027)
Other financing sources (uses):					
Proceeds from sale of property and equipment	--	13,500	--	13,500	--
Proceeds from capital lease	--	--	2,076,448	2,076,448	--
Transfers in from General Fund	628,000	--	1,960,163	2,588,163	1,662,662
Total other financing sources (uses)	<u>628,000</u>	<u>13,500</u>	<u>4,036,611</u>	<u>4,678,111</u>	<u>1,662,662</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	1,024,617	56,935	321,954	1,403,506	990,635
Fund balances at beginning 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>
Fund balances at end of year	<u>\$ 2,269,579</u>	<u>\$ 5,587,189</u>	<u>\$ 944,419</u>	<u>\$ 8,801,187</u>	<u>\$ 7,397,681</u>

June 30, 2019
With Comparative Totals for
June 30, 2018

BALANCE SHEET

	<u>2019</u>	<u>2018</u>
Assets		
Accounts receivable	\$ 41	\$ 415
Due from State of Alaska	139,104	121,329
Due from General Fund	1,875,134	794,077
U.S.D.A. food commodities, at U.S.D.A. allocated value	149,730	260,325
Inventory, at FIFO	<u>1,351,369</u>	<u>1,598,069</u>
Total assets	<u><u>\$ 3,515,378</u></u>	<u><u>\$ 2,774,215</u></u>
Liabilities		
Accounts payable	\$ 28,657	\$ 18,840
Accrued salaries and related items:		
Wages and salaries payable	31,404	13,246
Payroll taxes, other accrued and withheld items	29,686	10,905
Unearned revenue	<u>1,156,052</u>	<u>1,486,262</u>
Total liabilities	<u>1,245,799</u>	<u>1,529,253</u>
Fund balance		
Non-spendable	1,351,369	1,598,069
Committed	553,000	--
Assigned	365,210	--
Unassigned	<u>--</u>	<u>(353,107)</u>
Total fund balance	<u>2,269,579</u>	<u>1,244,962</u>
Total liabilities and fund balance	<u><u>\$ 3,515,378</u></u>	<u><u>\$ 2,774,215</u></u>

For the Year Ended June 30, 2019
With Comparative Totals
For the Year Ended June 30, 2018

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

	2019	2018
Revenues:		
Revenues from local sources:		
Lunch sales - student	\$ 1,846,804	\$ 1,802,168
Lunch sales - adult	14,608	27,799
Breakfast - student	116,585	120,028
Breakfast - adult	571	2,773
Milk program	41,315	44,972
A la carte program	153,044	44,757
Other revenues	21,496	16,008
Total revenues from local sources	<u>2,194,423</u>	<u>2,058,505</u>
Revenues from state sources:		
Grants	169,993	138,762
Retirement system employer relief	378,349	203,755
Total revenues from state sources	<u>548,342</u>	<u>342,517</u>
Revenues from federal sources:		
Type A lunch program - reimbursement	13,052,572	13,708,275
Breakfast program - reimbursement	4,802,907	5,149,136
After school dinner program - reimbursement	486,198	711,480
Fresh fruit and vegetable program - reimbursement	663,314	727,560
Lunch summer program - reimbursement	191,585	158,347
Breakfast summer program - reimbursement	30,706	22,997
Snack summer program - reimbursement	6,549	4,258
United States Department of Agriculture commodities	1,069,689	926,233
Total revenues from federal sources	<u>20,303,520</u>	<u>21,408,286</u>
Total revenues	<u>23,046,285</u>	<u>23,809,308</u>
Expenditures:		
Current:		
Food services:		
General administration	2,370,528	2,388,424
Kitchens and food center	18,941,582	19,562,395
Delivery	1,337,558	1,564,891
Total expenditures	<u>22,649,668</u>	<u>23,515,710</u>
Excess (deficiency) of revenues over (under) expenditures	396,617	293,598
Other financing sources (uses):		
Transfers in from General Fund	628,000	83,706
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	1,024,617	377,304
Fund balance at beginning of year	<u>1,244,962</u>	<u>867,658</u>
Fund balance at end of year	<u>\$ 2,269,579</u>	<u>\$ 1,244,962</u>

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

For the Year Ended June 30, 2019

	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	\$ 1,846,804	\$ --	\$ 1,846,804	\$ 1,964,239	\$ 1,964,239	\$ (117,435)
Lunch sales - adult	14,608	--	14,608	37,728	37,728	(23,120)
Breakfast - student	116,585	--	116,585	132,623	132,623	(16,038)
Breakfast - adult	571	--	571	8,033	8,033	(7,462)
Milk program	41,315	--	41,315	--	--	41,315
A la carte program	153,044	--	153,044	356,185	356,185	(203,141)
Other revenues	21,496	366,529	388,025	50,000	416,529	(28,504)
Total revenue from local sources	2,194,423	366,529	2,560,952	2,548,808	2,915,337	(354,385)
Revenues from state sources:						
Grants	169,993	--	169,993	250,000	250,000	(80,007)
Retirement system employer relief	378,349	(378,349)	--	--	--	--
Total revenue from state sources	548,342	(378,349)	169,993	250,000	250,000	(80,007)
Revenues from federal sources:						
Type A lunch program - reimbursement	13,052,572	--	13,052,572	14,218,584	14,218,584	(1,166,012)
Breakfast program - reimbursement	4,802,907	--	4,802,907	5,193,645	5,193,645	(390,738)
After school snack program - reimbursement	--	--	--	837,000	837,000	(837,000)
After school dinner program - reimbursement	486,198	--	486,198	--	--	486,198
Fresh fruit and vegetable program - reimb.	663,314	--	663,314	549,977	549,977	113,337
Lunch summer program - reimbursement	191,585	--	191,585	--	--	191,585
Breakfast summer program - reimbursement	30,706	--	30,706	--	--	30,706
Snack summer program - reimbursement	6,549	--	6,549	--	--	6,549
United States Department of Agriculture commodities	1,069,689	--	1,069,689	1,000,000	1,000,000	69,689
Total revenue from federal sources	20,303,520	--	20,303,520	21,799,206	21,799,206	(1,495,686)
Total revenues	23,046,285	(11,820)	23,034,465	24,598,014	24,964,543	(1,930,078)
Expenditures:						
Current:						
Food services						
General administration						
Personnel services	1,054,391	--	1,054,391	957,386	957,386	(97,005)
Employee benefits	525,637	(52,722)	472,915	529,499	529,499	56,584
Purchased services	587,230	403,360	990,590	773,792	776,272	(214,318)
Supplies and materials	115,184	--	115,184	29,239	29,239	(85,945)
Capital outlay	88,086	--	88,086	--	--	(88,086)
Total general administration	2,370,528	350,638	2,721,166	2,289,916	2,292,396	(428,770)
Kitchens and food center						
Personnel services	5,236,627	--	5,236,627	5,446,491	5,446,491	209,864
Employee benefits	3,570,560	(285,625)	3,284,935	4,217,151	4,217,151	932,216
Purchased services	309,301	441	309,742	375,913	376,353	66,611
Supplies and materials	9,713,847	364,555	10,078,402	10,157,363	10,507,701	429,299
Capital outlay	35,825	--	35,825	5,940	5,940	(29,885)
Other	75,422	--	75,422	1,500	1,500	(73,922)
Total kitchens and food center	18,941,582	79,371	19,020,953	20,204,358	20,555,136	1,534,183

(Continued)

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

For the Year Ended June 30, 2019

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Delivery:						
Personnel services	\$ 723,267	\$ --	\$ 723,267	\$ 975,455	\$ 975,455	\$ 252,188
Employee benefits	486,850	(40,002)	446,848	618,780	618,780	171,932
Purchased services	6,452	--	6,452	242,612	242,612	236,160
Supplies and materials	120,989	8,026	129,015	259,477	272,748	143,733
Capital Outlay	--	171,057	171,057	7,416	7,416	(163,641)
Total delivery	<u>1,337,558</u>	<u>139,081</u>	<u>1,476,639</u>	<u>2,103,740</u>	<u>2,117,011</u>	<u>640,372</u>
Total expenditures	<u>22,649,668</u>	<u>569,090</u>	<u>23,218,758</u>	<u>24,598,014</u>	<u>24,964,543</u>	<u>1,745,785</u>
Excess (deficiency) of revenues over (under) expenditures	396,617	(580,910)	(184,293)	--	--	(184,293)
Other financing sources (uses):						
Transfer in from General Fund	<u>628,000</u>	--	<u>628,000</u>	--	--	(628,000)
Total other financing sources (uses)	<u>628,000</u>	--	<u>628,000</u>	--	--	(628,000)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	1,024,617	<u>\$ (580,910)</u>	<u>\$ 443,707</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 443,707</u>
Fund balance at beginning of year	<u>1,244,962</u>					
Fund balance at end of year	<u>\$ 2,269,579</u>					

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

Revenues reported on the basis of GAAP		\$ 23,046,285
Add: budgeted fund balance	\$ --	
Add: fund balance from prior year encumbrances	366,529	
Deduct: retirement system on-behalf payments	<u>(378,349)</u>	
		<u>(11,820)</u>
Revenues reported on the basis of budgeting		<u>23,034,465</u>
Expenditures reported on the basis of GAAP		22,649,668
Add: current year encumbrances	\$ 947,439	
Deduct: retirement system incremental increase (PERS)	<u>(378,349)</u>	
Expenditures and encumbrances reported on the basis of budgeting		<u>569,090</u> <u>23,218,758</u>
Excess (deficiency) of revenues over (under) expenditures on the basis of budgeting		<u>\$ (184,293)</u>

For the Year Ended June 30, 2019

**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	\$ 1,054,391	\$ 525,637	\$ 587,230	\$ 115,184	\$ 88,086	\$ --	\$ 2,370,528
Kitchens and food center	5,236,627	3,570,560	309,301	9,713,847	35,825	75,422	18,941,582
Delivery	<u>723,267</u>	<u>486,850</u>	<u>6,452</u>	<u>120,989</u>	<u>--</u>	<u>--</u>	<u>1,337,558</u>
	<u>\$ 7,014,285</u>	<u>\$ 4,583,047</u>	<u>\$ 902,983</u>	<u>\$ 9,950,020</u>	<u>\$ 123,911</u>	<u>\$ 75,422</u>	<u>\$ 22,649,668</u>

June 30, 2019
With Comparative Totals for
June 30, 2018

BALANCE SHEET - BY ACCOUNT

	Extracurricular Student Activities	Co-Curricular Student Activities	Totals	
			2019	2018
Assets				
Cash and investments	\$ --	\$ 10,426	\$ 10,426	\$ 3,040,622
Accounts receivable	250	19,487	19,737	29,984
Due from General Fund	<u>2,805,550</u>	<u>2,817,122</u>	<u>5,622,672</u>	<u>2,539,090</u>
Total assets	<u>\$ 2,805,800</u>	<u>\$ 2,847,035</u>	<u>\$ 5,652,835</u>	<u>\$ 5,609,696</u>
Liabilities				
Accounts payable	\$ 29,340	\$ 23,671	\$ 53,011	\$ 8,340
Accrued salaries and related items:				
Wages and salaries payable	--	9,296	9,296	5,585
Payroll taxes, other accrued and withheld items	--	3,339	3,339	1,780
Due to General Fund	<u>--</u>	<u>--</u>	<u>--</u>	<u>63,737</u>
Total liabilities	<u>29,340</u>	<u>36,306</u>	<u>65,646</u>	<u>79,442</u>
Fund balances				
Assigned	<u>2,776,460</u>	<u>2,810,729</u>	<u>5,587,189</u>	<u>5,530,254</u>
Total fund balances	<u>2,776,460</u>	<u>2,810,729</u>	<u>5,587,189</u>	<u>5,530,254</u>
Total liabilities and fund balances	<u>\$ 2,805,800</u>	<u>\$ 2,847,035</u>	<u>\$ 5,652,835</u>	<u>\$ 5,609,696</u>

For the Year Ended June 30, 2019
With Comparative Totals
For the Year Ended June 30, 2018

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

	Extracurricular Student Activities	Co-Curricular Student Activities	Totals	
			2019	2018
Revenues:				
Revenues from local sources:				
Other revenues	\$ 3,622,302	\$ 2,689,065	\$ 6,311,367	\$ 7,245,291
Revenues from state sources:				
Retirement systems employer relief	14,624	16,227	30,851	11,231
Total revenues	3,636,926	2,705,292	6,342,218	7,256,522
Expenditures:				
Current:				
Instruction:				
Student activities	3,660,395	2,638,388	6,298,783	7,265,544
Excess (deficiency) of revenues over (under) expenditures	(23,469)	66,904	43,435	(9,022)
Other financing sources (uses):				
Proceeds from sale of property and equipment				
	13,500	--	13,500	--
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(9,969)	66,904	56,935	(9,022)
Fund balances at beginning of year	2,786,429	2,743,825	5,530,254	5,539,276
Fund balances at end of year	\$ 2,776,460	\$ 2,810,729	\$ 5,587,189	\$ 5,530,254

June 30, 2019
With Comparative Totals for
June 30, 2018EXTRACURRICULAR STUDENT ACTIVITIES
BALANCE SHEET - BY DEPARTMENT

	Elementary Schools	Middle Schools	High Schools	Charter Schools	Departments and Others	Totals	
						2019	2018
Assets							
Cash and investments	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 3,030,385
Accounts Receivable	--	--	250	--	--	250	--
Due from General Fund	24,404	596,552	2,179,596	78	4,920	2,805,550	117,936
Total assets	<u>\$ 24,404</u>	<u>\$ 596,552</u>	<u>\$ 2,179,846</u>	<u>\$ 78</u>	<u>\$ 4,920</u>	<u>\$ 2,805,800</u>	<u>\$ 3,148,321</u>
Liabilities							
Accounts Payable	\$ --	\$ --	\$ 29,340	\$ --	\$ --	\$ 29,340	\$ --
Due to General Fund	--	--	--	--	--	--	63,737
Total liabilities	--	--	29,340	--	--	29,340	63,737
Fund balances							
Assigned	24,404	596,552	2,150,506	78	4,920	2,776,460	3,084,584
Total fund balances	<u>24,404</u>	<u>596,552</u>	<u>2,150,506</u>	<u>78</u>	<u>4,920</u>	<u>2,776,460</u>	<u>3,084,584</u>
Total liabilities and fund balances	<u>\$ 24,404</u>	<u>\$ 596,552</u>	<u>\$ 2,179,846</u>	<u>\$ 78</u>	<u>\$ 4,920</u>	<u>\$ 2,805,800</u>	<u>\$ 3,148,321</u>

For the Year Ended June 30, 2019
With Comparative Totals
For the Year Ended June 30, 2018

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

	Elementary Schools	Middle Schools	High Schools	Charter Schools	Departments and Others	Totals	
						2019	2018
Revenues:							
Revenues from local sources:							
Other revenues	\$ 11,415	\$ 607,168	\$ 3,001,585	\$ 2,134	\$ --	\$ 3,622,302	\$ 4,996,038
Revenues from state sources:							
Retirement systems employer relief	--	--	--	--	14,624	14,624	1,015
Total revenues	11,415	607,168	3,001,585	2,134	14,624	3,636,926	4,997,053
Expenditures:							
Current:							
Instruction:							
Student Activity	11,463	581,059	3,042,613	2,056	23,204	3,660,395	5,006,578
Excess (deficiency) of revenues over (under) expenditures	(48)	26,109	(41,028)	78	(8,580)	(23,469)	(9,525)
Other financing sources (uses):							
Proceeds from sale of property and equipment	--	--	--	--	13,500	13,500	--
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(48)	26,109	(41,028)	78	4,920	(9,969)	(9,525)
Fund balances at beginning of year	24,452	570,443	2,191,534	--	--	2,786,429	3,094,109
Fund balances at end of year	\$ 24,404	\$ 596,552	\$ 2,150,506	\$ 78	\$ 4,920	\$ 2,776,460	\$ 3,084,584

June 30, 2019
With Comparative Totals for
June 30, 2018

CO-CURRICULAR STUDENT ACTIVITIES

BALANCE SHEET - BY DEPARTMENT

	Elementary Schools	Middle Schools	High Schools	Charter Schools	Departments & Others	Totals	
						2019	2018
Assets							
Cash and investments	\$ --	\$ --	\$ 10,426	\$ --	\$ --	\$ 10,426	\$ 10,237
Accounts receivable	1,875	--	10,964	--	6,648	19,487	29,984
Due from General Fund	1,023,371	180,136	1,114,341	342,782	156,492	2,817,122	2,421,154
Total assets	<u>\$ 1,025,246</u>	<u>\$ 180,136</u>	<u>\$ 1,135,731</u>	<u>\$ 342,782</u>	<u>\$ 163,140</u>	<u>\$ 2,847,035</u>	<u>\$ 2,461,375</u>
Liabilities							
Accounts payable	\$ 23,671	\$ --	\$ --	\$ --	\$ --	\$ 23,671	\$ 8,340
Accrued salaries and related items:							
Wages and salaries payable	4,857	--	4,439	--	--	9,296	5,585
Payroll taxes, other accrued and withheld items	1,745	--	1,594	--	--	3,339	1,780
Total liabilities	30,273	--	6,033	--	--	36,306	15,705
Fund balances							
Assigned	994,973	180,136	1,129,698	342,782	163,140	2,810,729	2,445,670
Total fund balances	994,973	180,136	1,129,698	342,782	163,140	2,810,729	2,445,670
Total liabilities and fund balances	<u>\$ 1,025,246</u>	<u>\$ 180,136</u>	<u>\$ 1,135,731</u>	<u>\$ 342,782</u>	<u>\$ 163,140</u>	<u>\$ 2,847,035</u>	<u>\$ 2,461,375</u>

For the Year Ended June 30, 2019
With Comparative Totals
For the Year Ended June 30, 2018

CO-CURRICULAR STUDENT ACTIVITIES

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

	Elementary Schools	Middle Schools	High Schools	Charter Schools	Departments & Others	Totals	
						2019	2018
Revenues:							
Revenues from local sources:							
Other revenues	\$ 1,290,066	\$ 165,786	\$ 861,101	\$ 296,329	\$ 75,783	\$ 2,689,065	\$ 2,249,253
Revenues from state sources:							
Retirement systems employer relief	--	--	--	--	16,227	16,227	10,216
Total revenues	1,290,066	165,786	861,101	296,329	92,010	2,705,292	2,259,469
Expenditures:							
Current:							
Instruction:							
Student activities	1,252,715	170,830	823,911	306,830	84,102	2,638,388	2,258,966
Excess (deficiency) of revenues over (under) expenditures	37,351	(5,044)	37,190	(10,501)	7,908	66,904	503
Fund balances at beginning of year	957,622	185,180	1,092,508	353,283	155,232	2,743,825	2,445,167
Fund balances at end of year	\$ 994,973	\$ 180,136	\$ 1,129,698	\$ 342,782	\$ 163,140	\$ 2,810,729	\$ 2,445,670

June 30, 2019
 With Comparative Totals for
 June 30, 2018

BALANCE SHEET

	<u>2019</u>	<u>2018</u>
Assets		
Accounts receivable	\$ 248	\$ 248
Due from Municipality of Anchorage	1,624,935	--
Due from General Fund	907,790	690,145
Prepaid items	<u>102,707</u>	<u>240</u>
Total assets	<u>\$ 2,635,680</u>	<u>\$ 690,633</u>
Liabilities		
Accounts payable	\$ 17,680	\$ 14,888
Accrued salaries and related items:		
Wages and salaries payable	25,005	29,216
Payroll taxes, other accrued and withheld items	<u>23,641</u>	<u>24,064</u>
Total liabilities	<u>66,326</u>	<u>68,168</u>
Deferred inflows of resources		
General property tax appropriations	<u>1,624,935</u>	<u>--</u>
Total deferred inflows of resources	<u>1,624,935</u>	<u>--</u>
Fund balance		
Non-spendable	102,707	240
Assigned	<u>841,712</u>	<u>622,225</u>
Total fund balance	<u>944,419</u>	<u>622,465</u>
Total liabilities and fund balance	<u>\$ 2,635,680</u>	<u>\$ 690,633</u>

For the Year Ended June 30, 2019
 With Comparative Totals
 For the Year Ended June 30, 2018

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

	2019	2018
Revenues:		
Revenues from local sources:		
Local tax appropriation	\$ --	\$ 510,667
Total revenues from local sources	<u>--</u>	<u>510,667</u>
Revenues from state sources:		
Pupil transportation program	21,567,453	22,053,860
Transportation routes grant	180,000	180,000
Retirement system employer relief	<u>237,623</u>	<u>130,525</u>
Total revenues from state sources	<u>21,985,076</u>	<u>22,364,385</u>
Total revenues	<u>21,985,076</u>	<u>22,875,052</u>
Expenditures:		
Current:		
Pupil transportation:		
General administration	1,107,121	1,151,749
Bus operations	23,047,704	21,177,496
Operations and maintenance of plant	<u>1,544,908</u>	<u>1,502,410</u>
Total expenditures	<u>25,699,733</u>	<u>23,831,655</u>
Excess (deficiency) of revenues over (under) expenditures	(3,714,657)	(956,603)
Other financing sources (uses):		
Proceeds from capital lease	2,076,448	--
Transfers in from General Fund	<u>1,960,163</u>	<u>1,578,956</u>
Total other financing sources (uses)	<u>4,036,611</u>	<u>1,578,956</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	321,954	622,353
Fund balance at beginning of year	<u>622,465</u>	<u>112</u>
Fund balance at end of year	<u>\$ 944,419</u>	<u>\$ 622,465</u>

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

For the Year Ended June 30, 2019

	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:						
Other revenues	\$ --	\$ 97,798	\$ 97,798	\$ --	\$ 97,798	\$ --
Total revenues from local sources	--	97,798	97,798	--	97,798	--
Revenues from state sources:						
Pupil transportation program	21,567,453	--	21,567,453	21,775,966	21,775,966	(208,513)
Transportation routes grant	180,000	--	180,000	180,000	180,000	--
Retirement system employer relief	237,623	(237,623)	--	--	--	--
Total revenue from state sources	21,985,076	(237,623)	21,747,453	21,955,966	21,955,966	(208,513)
Total revenues	21,985,076	(139,825)	21,845,251	21,955,966	22,053,764	(208,513)
Expenditures:						
Pupil transportation:						
General administration						
Personnel services	679,701	--	679,701	692,456	692,456	12,755
Employee benefits	425,011	(35,891)	389,120	446,271	446,271	57,151
Purchased services	94	--	94	--	94	--
Supplies and materials	2,315	--	2,315	2,416	2,322	7
Total general administration	1,107,121	(35,891)	1,071,230	1,141,143	1,141,143	69,913
Bus operations						
Personnel services	3,411,070	--	3,411,070	3,682,131	3,682,131	271,061
Employee benefits	3,223,938	(171,039)	3,052,899	3,316,809	3,316,809	263,910
Purchased services	13,627,986	255,569	13,883,555	14,573,728	14,403,088	519,533
Supplies and materials	406,449	53,123	459,572	542,592	571,801	112,229
Capital outlay	2,316,845	--	2,316,845	253,603	253,603	(2,063,242)
Other	61,416	31,061	92,477	55,000	93,391	914
Total bus operations	23,047,704	168,714	23,216,418	22,423,863	22,320,823	(895,595)
Operations and maintenance of plant						
Personnel services	539,014	--	539,014	595,831	595,831	56,817
Employee benefits	337,225	(30,693)	306,532	388,080	388,080	81,548
Purchased services	234,909	--	234,909	245,405	265,703	30,794
Supplies and materials	432,891	79,999	512,890	336,794	517,334	4,444
Other	869	--	869	1,000	1,000	131
Total operation and maintenance of plant	1,544,908	49,306	1,594,214	1,567,110	1,767,948	173,734
Total expenditures	25,699,733	182,129	25,881,862	25,132,116	25,229,914	(651,948)
Excess (deficiency) of revenues over (under) expenditures	(3,714,657)	(321,954)	(4,036,611)	(3,176,150)	(3,176,150)	(860,461)
Other financing sources (uses):						
Proceeds from capital lease	2,076,448	--	2,076,448	--	--	2,076,448
Transfers in from General Fund	1,960,163	--	1,960,163	3,176,150	3,176,150	(1,215,987)
Total other financing sources (uses)	4,036,611	--	4,036,611	3,176,150	3,176,150	860,461
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	321,954	<u>(321,954)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Fund balance at beginning of year	622,465					
Fund balance at end of year	<u>\$ 944,419</u>					

(Continued)

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

For the Year Ended June 30, 2019

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		\$ 21,985,076
Add: budgeted fund balance	\$ --	
Add: fund balance from prior year encumbrances	97,798	
Deduct: retirement system on-behalf payments	<u>(237,623)</u>	
		<u>(139,825)</u>
Revenues reported on the basis of budgeting		<u>21,845,251</u>
Expenditures reported on the basis of GAAP		25,699,733
Add: current year encumbrances	\$ 419,752	
Deduct: retirement system incremental increase (PERS)	<u>(237,623)</u>	
Expenditures and encumbrances reported on the basis of budgeting		<u>182,129</u>
		<u>25,881,862</u>
Excess (deficiency) of revenues over (under) expenditures on the basis of budgeting		<u>\$ (4,036,611)</u>

For the Year Ended June 30, 2019

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

	Personnel Services	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other	Total
Current:							
Pupil transportation:							
General administration	\$ 679,701	\$ 425,011	\$ 94	\$ 2,315	\$ --	\$ --	\$ 1,107,121
Bus operations	3,411,070	3,223,938	13,627,986	406,449	2,316,845	61,416	23,047,704
Operation and maintenance							
of plant	<u>539,014</u>	<u>337,225</u>	<u>234,909</u>	<u>432,891</u>	<u>--</u>	<u>869</u>	<u>1,544,908</u>
	<u>\$ 4,629,785</u>	<u>\$ 3,986,174</u>	<u>\$ 13,862,989</u>	<u>\$ 841,655</u>	<u>\$ 2,316,845</u>	<u>\$ 62,285</u>	<u>\$ 25,699,733</u>



Debt Service Fund

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

June 30, 2019
With Comparative Totals for
June 30, 2018

BALANCE SHEET

	<u>2019</u>	<u>2018</u>
Assets		
Cash and investments with paying agent	\$ 267	\$ 7,855
Due from other governments:		
Municipality of Anchorage	18,287,768	18,614,084
State of Alaska	208,337	432,634
Due From General Fund	<u>3,749,539</u>	<u>961,485</u>
Total assets	<u>\$ 22,245,911</u>	<u>\$ 20,016,058</u>
Deferred inflows of resources		
Debt service tax appropriation	18,287,768	18,614,084
Fund balance		
Restricted	<u>3,958,143</u>	<u>1,401,974</u>
Total fund balance	3,958,143	1,401,974
 Total liabilities, deferred inflows of resources and fund balance	 <u>\$ 22,245,911</u>	 <u>\$ 20,016,058</u>

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

For the Year Ended June 30, 2019

	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:						
Appropriation from Municipality of Anchorage	\$ 37,228,168	\$ --	\$ 37,228,168	\$ 37,228,168	\$ 37,228,168	\$ --
Investment income	12,320	--	12,320	--	--	12,320
Total revenues from local sources	37,240,488	--	37,240,488	37,228,168	37,228,168	12,320
Revenues from state sources:						
Aid for school construction	42,212,528	--	42,212,528	43,190,202	43,190,202	(977,674)
Revenues from federal sources:						
BABS subsidy	237,005	--	237,005	234,446	234,446	2,559
Total revenues	79,690,021	--	79,690,021	80,652,816	80,652,816	(962,795)
Expenditures:						
Debt service:						
Bond Principal	55,080,000	--	55,080,000	56,153,000	56,153,000	1,073,000
Bond Interest	22,057,954	--	22,057,954	24,484,816	24,484,816	2,426,862
Capital Lease Principal	85,977	--	85,977	--	--	(85,977)
Capital Lease Interest	39,663	--	39,663	--	--	(39,663)
Fiscal agent fees	1,950	--	1,950	15,000	15,000	13,050
Total expenditures	77,265,544	--	77,265,544	80,652,816	80,652,816	3,387,272
Excess (deficiency) of revenues over (under) expenditures	2,424,477	--	2,424,477	--	--	2,424,477
Other financing sources (uses):						
Transfers in - Capital Projects Fund	6,052	--	6,052	--	--	6,052
Transfers in - General Fund	125,640	--	125,640	--	--	125,640
Total other financing sources (uses)	131,692	--	131,692	--	--	131,692
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	2,556,169	\$ --	\$ 2,556,169	\$ --	\$ --	\$ 2,556,169
Fund balance at beginning of year	1,401,974					
Fund balance at end of year	\$ 3,958,143					



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, 2019
With Comparative Totals for
June 30, 2018

BALANCE SHEET

	2019	2018
Assets		
Cash and investments	\$ 325,871	\$ 422,855
Cash and investments with paying agent	3,194,797	24,864,560
Interest receivable	--	11,063
Due from General Fund	--	3,519,218
Due from other governments:		
Municipality of Anchorage	1,476	40,376
State of Alaska	126,232	443,296
Prepaid items	--	700
Total assets	<u>\$ 3,648,376</u>	<u>\$ 29,302,068</u>
Liabilities		
Accounts payable	\$ 86,407	\$ 767,084
Contracts payable	6,508,585	4,915,606
Due to General Fund	3,076,514	--
Accrued salaries and related items:		
Wages and salaries payable	27,414	49,908
Payroll taxes, other accrued and withheld items	25,917	41,107
Unearned revenue	91,227	97,190
Total liabilities	<u>9,816,064</u>	<u>5,870,895</u>
Fund balance		
Non-spendable	--	700
Committed	--	23,430,473
Unassigned	(6,167,688)	--
Total fund balance	<u>(6,167,688)</u>	<u>23,431,173</u>
Total liabilities and fund balance	<u>\$ 3,648,376</u>	<u>\$ 29,302,068</u>

For the Year Ended June 30, 2019
 With Comparative Totals
 For the Year Ended June 30, 2018

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

	2019	2018
Revenues:		
Revenues from local sources:		
Investment income	\$ 210,147	\$ 109,646
Other revenues	3,901	350
Total revenues from local sources	214,048	109,996
Revenues from state sources:		
State/Municipal grants	1,379,777	772,709
Retirement systems employer relief	117,482	70,317
Total revenues from state sources	1,497,259	843,026
Revenues from federal sources:		
Federal Impact Aid	443,706	53,314
Total revenues	2,155,013	1,006,336
Expenditures:		
Bond issuance cost	--	89,460
Capital outlays:		
Secondary schools	10,687,862	22,442,211
Elementary schools	19,350,410	16,611,554
Other capital outlays	3,240,550	2,795,859
Total capital outlays	33,278,822	41,849,624
Total expenditures	33,278,822	41,939,084
Excess (deficiency) of revenues over (under) expenditures	(31,123,809)	(40,932,748)
Other financing sources (uses):		
Issuance of general obligation bonds	--	35,660,000
Premium on issuance of general obligation bonds	--	4,434,243
Transfers in - General Fund	1,531,000	300,000
Transfers out - Debt Service Fund	(6,052)	--
Total other financing sources (uses)	1,524,948	40,394,243
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(29,598,861)	(538,505)
Fund balance at beginning of year	23,431,173	23,969,678
Fund balance at end of year	\$ (6,167,688)	\$ 23,431,173

For the Period Ended June 30, 2019

**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	\$ --	\$ 213,455	\$ 213,455	\$ 213,455	\$ --	\$ 1,051,815	\$ 838,360
Begich Middle School	1	194	195	194	1	53,014	52,819
Benny Benson Secondary	--	7,042	7,042	7,042	--	34,057	27,015
Central Middle School	--	--	--	--	--	2,070,850	2,070,850
Chugiak Senior High	2,253	715,710	717,963	715,709	2,254	3,940,102	3,222,139
Clark Middle School	--	--	--	--	--	13,400	13,400
Dimond Senior High	1,023	4,179	5,202	3,102	2,100	345,793	340,591
Eagle River Senior High	15,490	--	15,490	--	15,490	40,709	25,219
East Senior High	8,172	1,156,998	1,165,170	1,158,475	6,695	7,925,706	6,760,536
Goldenview Middle School	440	25,874	26,314	25,777	537	239,027	212,713
Ernest Gruening Middle School	1	350,718	350,719	350,718	1	2,652,268	2,301,549
U. S. Hanshew Middle School	3,000	386	3,386	386	3,000	5,558	2,172
Martin Luther King, Jr. Career Center	1,312	1,863,549	1,864,861	1,863,549	1,312	4,353,765	2,488,904
Jane Mears Middle School	(72)	329,038	328,966	328,890	76	10,015,668	9,686,702
Mirror Lake Middle School	--	--	--	--	--	(1,184)	(1,184)
Romig Middle School	853	--	853	--	853	53,025	52,172
Save Alternative	--	569	569	569	--	88,373	87,804
Service Senior High	31,555	197,053	228,608	197,053	31,555	6,449,524	6,220,916
South Anchorage Senior High	--	569	569	569	--	292,866	292,297
Steller Alternative	3,994	10,958	14,952	10,958	3,994	361,742	346,790
Wendler Middle School	2,275	146,183	148,458	146,183	2,275	321,619	173,161
West Senior High	(4,232)	5,627,657	5,623,425	5,631,561	(8,136)	15,942,235	10,318,810
Whaley Center	947	--	947	--	947	847,818	846,871
Retirement system employer relief	--	37,730	37,730	--	--	--	(37,730)
Total secondary schools	67,012	10,687,862	10,754,874	10,654,190	62,954	57,097,750	46,342,876
Elementary schools:							
Abbott Loop	\$ --	\$ 6,666	\$ 6,666	\$ 6,666	\$ --	\$ 3,976,717	\$ 3,970,051
Airport Heights	1,963	77,761	79,724	77,761	1,963	913,160	833,436
Alpenglow	18,690	33,027	51,717	33,027	18,690	448,089	396,372
Aquarian Charter	7,666	--	7,666	--	7,666	24,485	16,819
Aurora	(1,489)	195,333	193,844	193,843	1	1,794,355	1,600,511
Baxter	2,990	--	2,990	--	2,990	99,478	96,488
Bayshore	37	145,314	145,351	145,314	37	1,356,493	1,211,142
Bear Valley	--	11,488	11,488	11,488	--	3,225,699	3,214,211
Birchwood	(640)	1,434,904	1,434,264	1,435,404	(1,140)	4,735,560	3,301,296
Willard Bowman	(64)	25,969	25,905	25,969	(64)	632,642	606,737
Campbell	--	233	233	233	--	453,969	453,736
Chester Valley	--	--	--	--	--	4,091	4,091
Chinook	(568)	4,864	4,296	3,429	867	344,686	340,390
Chugach Optional	--	25,172	25,172	25,172	--	90,280	65,108
Chugiak	1	--	1	--	1	5,267	5,266
College Gate	--	233	233	233	--	291,879	291,646
Creekside Park	496	569	1,065	569	496	155,488	154,423
Denali Replacement	--	569	569	569	--	10,108	9,539
Eagle River	1	336,608	336,609	336,608	1	7,628,524	7,291,915
Fairview	(2,369)	569	(1,800)	569	(2,369)	31,830	33,630
Fire Lake	(1)	9,289	9,288	9,289	(1)	9,676	388
Girdwood	320	36	356	36	320	662,691	662,335
Gladys Wood	1,700	298,794	300,494	298,794	1,700	651,812	351,318
Government Hill	--	45,025	45,025	45,025	--	6,362,909	6,317,884
Homestead	--	254,038	254,038	254,038	--	10,214,506	9,960,468
Huffman	1,927	13,257	15,184	13,256	1,928	309,654	294,470
Inlet View	--	2,944	2,944	2,944	--	484,333	481,389
Kasuun	--	59,863	59,863	59,863	--	470,228	410,365

(Continued)

For the Period Ended June 30, 2019

**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	\$ --	\$ 541,726	\$ 541,726	\$ 541,726	\$ --	\$ 1,107,489	\$ 565,763
Klatt	1,200	9,736	10,936	9,736	1,200	250,295	239,359
Lake Hood	--	20,499	20,499	20,499	--	465,590	445,091
Lake Otis	2,050	--	2,050	--	2,050	9,285	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	47,269	47,725	47,269	456	121,443	73,718
Muldoon	--	200,792	200,792	200,792	--	474,458	273,666
North Star	19	154,032	154,051	154,032	19	5,759,660	5,605,609
Northern Lights	--	20,538	20,538	20,538	--	481,186	460,648
Northwood	(350)	605,340	604,990	604,990	--	1,478,600	873,610
Nunaka Valley	1,785	1,466,980	1,468,765	1,466,980	1,785	1,794,646	325,881
Ocean View	411	618	1,029	618	411	93,578	92,549
O'Malley	336	62,470	62,806	62,470	336	5,375,369	5,312,563
Orion	(614)	212,616	212,002	212,002	--	8,146,879	7,934,877
Polaris K-12	936	--	936	--	936	445,422	444,486
Ptarmigan	2,000	1,327,357	1,329,357	1,327,357	2,000	4,003,916	2,674,559
Rabbit Creek	--	38,109	38,109	38,109	--	79,009	40,900
Ravenwood	--	9,132	9,132	9,132	--	9,798	666
Rogers Park	--	4,870,752	4,870,752	4,870,752	--	7,952,048	3,081,296
Russian Jack	200	25,716	25,916	25,716	200	545,502	519,586
Sand Lake	(749)	--	(749)	--	(749)	16,092	16,841
Scenic Park	--	629	629	629	--	92,138	91,509
Spring Hill	--	17,095	17,095	17,095	--	463,515	446,420
Susitna	--	1,293	1,293	1,292	1	29,612	28,319
Taku	100	23,183	23,283	23,183	100	4,889,406	4,866,123
Trailside	1,386	24,165	25,551	24,928	623	591,441	565,890
Tudor	964	--	964	--	964	548,923	547,959
Turnagain	1	696,895	696,896	696,895	1	983,270	286,374
Ursa Major	--	42,145	42,145	42,145	--	585,915	543,770
Ursa Minor	--	--	--	--	--	(18,053)	(18,053)
William Tyson	--	42,918	42,918	42,918	--	148,415	105,497
Williwaw	3,541	--	3,541	--	3,541	3,210	(331)
Willow Crest	--	5,836,999	5,836,999	5,824,899	12,100	8,801,072	2,964,073
Wonder Park	--	569	569	569	--	659,998	659,429
Retirement system employer relief	--	68,312	68,312	--	--	--	(68,312)
Total elementary schools	<u>100,334</u>	<u>19,350,410</u>	<u>19,450,744</u>	<u>19,267,370</u>	<u>115,062</u>	<u>101,985,065</u>	<u>82,534,321</u>
Other capital outlays:							
Administration	\$ 108,006	\$ --	\$ 108,006	\$ 108,006	\$ --	\$ 767,577	\$ 659,571
District-wide Asbestos/ Life Safety	168,051	--	168,051	--	168,051	179,801	11,750
District-wide Building Life Extension	274,913	82,792	357,705	82,563	275,142	7,418,207	7,060,502
District-wide Emergency Preparation	--	--	--	--	--	289,166	289,166
District-wide Security Systems	871	141	1,012	1,011	1	12,776,153	12,775,141
District-wide Federal Impact Aid	--	--	--	--	--	52,696	52,696
District-wide Underground Storage Tank Removal	--	--	--	--	--	3,656	3,656
District-wide Electric/Switch Upgrades	4,146	740,321	744,467	740,321	4,146	6,253,458	5,508,991
District-wide Maintenance Equipment	--	--	--	--	--	11,851	11,851
Data Center	(2,772)	8,930	6,158	6,158	--	6,396	238
District-wide Mechanical Upgrades	47,801	42,140	89,941	42,140	47,801	368,171	278,230
District-wide Roof Replacement	--	--	--	--	--	21,935	21,935
Facilities/Maintenance	--	--	--	--	--	71	71
Pupil Transportation	--	--	--	--	--	300,152	300,152
Southwest Area Site Acquisition	--	--	--	--	--	2	2
Student Nutrition	594	2,354,786	2,355,380	2,354,786	594	3,186,634	831,254
Warehouse	--	--	--	--	--	14,913	14,913
Retirement system employer relief	--	11,440	11,440	--	--	--	(11,440)
Total other capital outlays	<u>601,610</u>	<u>3,240,550</u>	<u>3,842,160</u>	<u>3,334,985</u>	<u>495,735</u>	<u>31,650,839</u>	<u>27,808,679</u>
Total capital outlays	<u>\$ 768,956</u>	<u>\$ 33,278,822</u>	<u>\$ 34,047,778</u>	<u>\$ 33,256,545</u>	<u>\$ 673,751</u>	<u>\$ 190,733,654</u>	<u>\$ 156,685,876</u>



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, 2019
With Comparative Totals for
June 30, 2018

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION

	Equipment Replacement	Health Insurance	Compensated Absences	Total Internal Service Funds	
				2019	2018
Assets					
Current Assets:					
Investments	\$ 10,539,226	\$ 7,381,300	\$ 12,155,996	\$ 30,076,522	\$ 27,759,150
Accounts receivable	--	389,882	--	389,882	389,982
Total current assets	10,539,226	7,771,182	12,155,996	30,466,404	28,149,132
Non-current assets:					
Machinery and equipment	33,846,917	--	--	33,846,917	34,463,759
Accumulated depreciation	(26,008,858)	--	--	(26,008,858)	(26,298,661)
Total capital assets (net of accumulated depreciation)	7,838,059	--	--	7,838,059	8,165,098
Total assets	18,377,285	7,771,182	12,155,996	38,304,463	36,314,230
Liabilities					
Current liabilities:					
Medical claims and other payables	--	4,163,059	--	4,163,059	5,511,859
Accrued compensated absences	--	--	6,756,771	6,756,771	6,666,468
Total current liabilities	--	4,163,059	6,756,771	10,919,830	12,178,327
Non-current liabilities:					
Accrued compensated absences	--	--	4,780,283	4,780,283	5,401,350
Total non-current liabilities	--	--	4,780,283	4,780,283	5,401,350
Total liabilities	--	4,163,059	11,537,054	15,700,113	17,579,677
Net Position					
Investment in capital assets	7,838,059	--	--	7,838,059	8,165,098
Unrestricted	10,539,226	3,608,123	618,942	14,766,291	10,569,455
Total net position	\$ 18,377,285	\$ 3,608,123	\$ 618,942	\$ 22,604,350	\$ 18,734,553

For the Year Ended June 30, 2019
With Comparative Totals
For the Year Ended June 30, 2018

INTERNAL SERVICE FUNDS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

	Equipment Replacement	Health Insurance	Compensated Absences	Total Internal Service Funds	
				2019	2018
Operating revenues:					
Charges for services	\$ 1,736,974	\$ --	\$ --	\$ 1,736,974	\$ 1,714,571
Charges for health insurance services	--	36,630,712	--	36,630,712	36,962,401
Charges for accrued compensated absences	--	--	15,620,842	15,620,842	15,997,907
Total operating revenues	<u>1,736,974</u>	<u>36,630,712</u>	<u>15,620,842</u>	<u>53,988,528</u>	<u>54,674,879</u>
Operating expenses:					
Depreciation	1,736,974	--	--	1,736,974	1,714,571
Costs of services	--	2,426,527	--	2,426,527	2,493,235
Medical plan administration	--	2,678,573	--	2,678,573	2,427,168
Medical claims	--	29,469,442	--	29,469,442	32,954,158
Compensated absences expense	--	--	15,705,834	15,705,834	15,923,048
Total operating expenses	<u>1,736,974</u>	<u>34,574,542</u>	<u>15,705,834</u>	<u>52,017,350</u>	<u>55,512,180</u>
Operating gain (loss)	<u>--</u>	<u>2,056,170</u>	<u>(84,992)</u>	<u>1,971,178</u>	<u>(837,301)</u>
Non-operating revenues:					
Gain (loss) on sale of capital assets	29,830	--	--	29,830	(29,496)
Investment income	<u>408,018</u>	<u>290,520</u>	<u>668,921</u>	<u>1,367,459</u>	<u>(54,958)</u>
Total non-operating revenues	<u>437,848</u>	<u>290,520</u>	<u>668,921</u>	<u>1,397,289</u>	<u>(84,454)</u>
Total income (loss) before capital contributions and transfers	<u>437,848</u>	<u>2,346,690</u>	<u>583,929</u>	<u>3,368,467</u>	<u>(921,755)</u>
Capital contributions and transfers	<u>501,330</u>	<u>--</u>	<u>--</u>	<u>501,330</u>	<u>154,044</u>
Total capital contributions and transfers	<u>501,330</u>	<u>--</u>	<u>--</u>	<u>501,330</u>	<u>154,044</u>
Changes in net position	939,178	2,346,690	583,929	3,869,797	(767,711)
Net position at beginning 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>
Net position at end of year	<u>\$ 18,377,285</u>	<u>\$ 3,608,123</u>	<u>\$ 618,942</u>	<u>\$ 22,604,350</u>	<u>\$ 18,734,553</u>

For the Year Ended June 30, 2019
With Comparative Totals
For the Year Ended June 30, 2018

INTERNAL SERVICE FUNDS

STATEMENT OF CASH FLOWS

	Equipment Replacement	Health Insurance	Compensated Absences	Total Internal Service Funds	
				2019	2018
Cash flows from operating activities:					
Receipts from interfund activities	\$ 1,736,974	\$ 36,630,712	\$ 15,620,842	\$ 53,988,528	\$ 54,674,879
Payments for interfund services used	--	--	(16,236,598)	(16,236,598)	(14,986,767)
Payments for medical claims and other health insurance activity	--	(35,923,242)	--	(35,923,242)	(37,961,569)
Net cash flows provided by operating activities	<u>1,736,974</u>	<u>707,470</u>	<u>(615,756)</u>	<u>1,828,688</u>	<u>1,726,543</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(914,152)	--	--	(914,152)	(1,580,737)
Sale of capital assets	35,377	--	--	35,377	9,570
Net cash used in capital and financing activities	<u>(878,775)</u>	<u>--</u>	<u>--</u>	<u>(878,775)</u>	<u>(1,571,167)</u>
Cash flows from investing activities:					
Sales (Purchases) of investments	(1,266,217)	(997,990)	(53,165)	(2,317,372)	(100,418)
Interest earnings received	408,018	290,520	668,921	1,367,459	(54,958)
Net cash used in investing activities	<u>(858,199)</u>	<u>(707,470)</u>	<u>615,756</u>	<u>(949,913)</u>	<u>(155,376)</u>
Net increase in cash	--	--	--	--	--
Cash at beginning of year	--	--	--	--	--
Cash at end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating loss	\$ --	\$ 2,056,170	\$ (84,992)	\$ 1,971,178	\$ (837,301)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	1,736,974	--	--	1,736,974	1,714,571
Change in assets and liabilities					
Receivables, net	--	100	--	100	(56,250)
Accounts and other payables	--	(1,348,800)	(530,764)	(1,879,564)	905,523
Net cash provided by operating activities	<u>\$ 1,736,974</u>	<u>\$ 707,470</u>	<u>\$ (615,756)</u>	<u>\$ 1,828,688</u>	<u>\$ 1,726,543</u>
Non-cash investing, capital and financing activities:					
Contributed capital and equipment	<u>\$ 501,330</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 501,330</u>	<u>\$ 154,044</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)

Net Position							
Fiscal Year	Restricted for						Total Net Position
	Net Investment in Capital Assets	Debt Service	Authorized Construction Net of Authorized Unissued Bonds	Bond Rating	Federal Impact Aid 8003(d)	Unrestricted	
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
2018-2019	746,131,494	3,958,143	--	24,886,732	287,116	(370,031,589)	405,231,896

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

	2010	2011	As Restated 2012	2013	As Restated 2014
Program Expenses					
District-wide activities:					
General administration	\$ 31,243,745	\$ 24,167,797	\$ 29,412,334	\$ 31,000,400	\$ 27,427,601
Instruction	576,872,255	619,040,263	619,727,202	644,094,670	647,413,175
Pupil transportation	20,055,743	20,304,159	21,785,259	22,386,537	22,871,359
Operation and maintenance of plant	72,929,245	77,188,087	77,789,469	77,234,635	74,581,580
Community services	460,142	521,657	3,556,333	3,508,691	3,619,453
Food services	17,085,879	19,026,380	19,207,955	19,977,813	21,551,586
Interest expense	35,284,867	33,201,590	29,829,001	23,475,990	25,679,718
Total district-wide expenses	<u>753,931,876</u>	<u>793,449,933</u>	<u>801,307,553</u>	<u>821,678,736</u>	<u>823,144,472</u>
Program Revenues					
District-wide activities:					
Charges for services					
General administration	19,139	4,531	6,008	194,817	833,089
Instruction	1,612,977	4,004,871	1,984,242	2,632,871	1,635,123
Operation and maintenance of plant	(3,404)	--	--	--	--
Community services	658,036	770,435	734,693	830,974	--
Food services	4,469,455	3,902,383	3,354,879	2,744,845	2,425,156
Operating grants and contributions					
General administration	464,438	134,560	227,555	529,468	1,810,346
Instruction	132,107,431	161,861,300	165,895,621	171,614,178	170,720,668
Pupil transportation	19,740,997	19,796,188	21,169,073	21,722,271	22,477,906
Operation and maintenance of plant	2,363,241	1,948,927	2,304,852	2,473,163	5,373,291
Community services	37,494	9,496	14,961	1,875	33,865
Food services	12,790,612	13,795,005	14,751,122	16,987,806	16,645,062
Capital grants and contributions					
Instruction	--	46,117,714	45,937,003	52,622,060	56,815,015
Construction and facility acquisition	47,466,227	--	--	--	--
Total district-wide revenues	<u>221,726,643</u>	<u>252,345,410</u>	<u>256,380,009</u>	<u>272,354,328</u>	<u>278,769,521</u>
Net expense					
District-wide activities	<u>(532,205,233)</u>	<u>(541,104,523)</u>	<u>(544,927,544)</u>	<u>(549,324,408)</u>	<u>(544,374,951)</u>
General Revenues and Other Changes in Net Position					
Unrestricted:					
Appropriation from					
Municipality of Anchorage	232,947,582	234,759,972	237,587,445	232,606,002	233,284,280
Investment income	5,552,323	2,376,959	1,446,162	1,107,327	1,059,852
Public School Funding Program	295,483,681	310,300,774	311,645,866	325,447,016	318,661,242
Federal Impact Aid	17,952,860	23,992,347	20,166,071	20,449,408	18,251,918
Proceeds from sale of assets	--	--	--	--	--
Other	1,119,024	1,188,572	8,009,165	7,626,118	10,084,602
Total general revenues	<u>553,055,470</u>	<u>572,618,624</u>	<u>578,854,709</u>	<u>587,235,871</u>	<u>581,341,894</u>
Change in net position	20,850,237	31,514,101	33,927,165	37,911,463	36,966,943
Net position at beginning of year	593,326,200	614,176,437	642,118,388	676,045,553	434,777,244
Net position at end of the year	<u>\$ 614,176,437</u>	<u>\$ 645,690,538</u>	<u>\$ 676,045,553</u>	<u>\$ 713,957,016</u>	<u>\$ 471,744,187</u>

For the Last Ten Years

STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION

	2015	2016	2017	As Restated 2018	2019
Program Expenses					
District-wide activities:					
General administration	\$ 29,622,367	\$ 37,543,112	\$ 33,833,671	\$ 26,270,521	\$ 29,310,609
Instruction	722,027,966	685,215,939	707,221,741	578,830,520	550,766,606
Pupil transportation	22,286,749	24,381,461	25,948,005	23,514,207	23,967,107
Operation and maintenance of plant	76,267,079	85,314,793	87,007,105	71,737,781	82,658,674
Community services	483,365	617,598	626,343	408,963	420,976
Food services	23,430,716	25,655,586	26,614,714	22,332,988	22,372,152
Interest expense	24,877,042	24,037,648	23,204,597	20,309,819	18,960,992
Total district-wide expenses	<u>898,995,284</u>	<u>882,766,137</u>	<u>904,456,176</u>	<u>743,404,799</u>	<u>728,457,116</u>
Program Revenues					
District-wide activities:					
Charges for services					
General administration	1,242	3,691	988	242	5,227
Instruction	1,884,066	3,457,729	4,566,505	4,777,768	5,364,455
Operation and maintenance of plant	--	--	--	--	--
Community services	676,985	714,073	753,599	646,485	728,250
Food services	2,246,794	2,111,325	2,159,525	2,042,496	2,172,926
Operating grants and contributions					
General administration	5,133,520	1,438,059	606,472	818,348	374,400
Instruction	239,705,331	120,725,921	106,571,644	94,580,682	75,820,699
Pupil transportation	22,621,368	23,110,415	20,994,722	22,443,644	21,846,125
Operation and maintenance of plant	3,737,885	3,571,590	2,087,922	5,286,020	1,529,583
Community services	19,199	22,849	9,071	11,395	6,088
Food services	20,178,890	19,782,765	21,704,539	21,874,531	20,635,209
Capital grants and contributions					
Instruction	72,187,560	57,757,752	36,798,741	44,295,140	43,831,109
Construction and facility acquisition	--	--	--	--	--
Total district-wide revenues	<u>368,392,840</u>	<u>232,696,169</u>	<u>196,253,728</u>	<u>196,776,751</u>	<u>172,314,071</u>
Net expenses					
District-wide activities	<u>(530,602,444)</u>	<u>(650,069,968)</u>	<u>(708,202,448)</u>	<u>(546,628,048)</u>	<u>(556,143,045)</u>
General Revenues and Other Changes in Net Position					
Unrestricted:					
Appropriation from					
Municipality of Anchorage	239,576,423	239,410,965	246,003,265	248,611,584	245,575,446
Investment income	1,147,782	1,602,140	1,976,485	2,592,213	3,677,500
Public School Funding Program	327,797,266	329,831,634	330,187,510	326,734,512	326,288,682
Federal Impact Aid	22,116,652	20,337,273	19,780,064	18,406,484	21,354,961
Proceeds from sale of assets	--	--	--	22,755	65,053
Other	13,587,963	3,061,278	1,932,405	(961,613)	10,625,202
Total general revenues	<u>604,226,086</u>	<u>594,243,290</u>	<u>599,879,729</u>	<u>595,405,935</u>	<u>607,586,844</u>
Change in net position	73,623,642	(55,826,678)	(108,322,719)	48,777,887	51,443,799
Net position at beginning of year	471,744,187	545,367,829	489,541,151	305,010,210	353,788,097
Net position at end of the year	<u>\$ 545,367,829</u>	<u>\$ 489,541,151</u>	<u>\$ 381,218,432</u>	<u>\$ 353,788,097</u>	<u>\$ 405,231,896</u>

For the Last Ten Years

FUND BALANCE, GOVERNMENTAL FUNDS (1)(2)

	2010	2011	2012	As Restated 2013	2014
General Fund					
Fund balances:					
Non-spendable	\$ 11,741,766	\$ 10,812,950	\$ 12,758,325	\$ 11,376,474	\$ 5,499,745
Restricted	19,833,195	19,902,748	24,327,135	24,163,161	24,499,395
Committed	8,878,554	13,879,315	11,888,710	1,451,148	5,276,897
Assigned	60,600,998	60,074,795	57,171,842	61,448,020	48,598,520
Unassigned	25,928,239	24,798,698	23,677,394	22,779,338	38,752,839
Total General Fund	<u>\$ 126,982,752</u>	<u>\$ 129,468,506</u>	<u>\$ 129,823,406</u>	<u>\$ 121,218,141</u>	<u>\$ 122,627,396</u>
All Other Governmental Funds					
Fund balances:					
Non-spendable	\$ 780,478	\$ 763,583	\$ 1,118,708	\$ 1,485,278	\$ 1,271,700
Restricted	6,938,506	13,685,643	1,709,552	2,179,593	2,733,186
Committed	23,062,817	10,919,017	14,556,862	11,932,590	25,467,438
Assigned	6,269,224	6,967,027	5,706,555	4,993,340	5,033,401
Unassigned	(20,500)	(13,463)	(48,001)	(9,559)	(1,689,985)
Total all other government funds	<u>\$ 37,030,525</u>	<u>\$ 32,321,807</u>	<u>\$ 23,043,676</u>	<u>\$ 20,581,242</u>	<u>\$ 32,815,740</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)

	2015	2016	2017	2018	2019
General Fund					
Fund balances:					
Non-spendable	\$ 3,382,756	\$ 3,667,859	\$ 2,392,260	\$ 3,473,702	\$ 4,673,997
Restricted	24,299,392	24,789,183	25,676,010	25,407,349	25,173,848
Committed	10,046,919	12,519,248	3,843,138	517,116	5,626,542
Assigned	73,157,731	58,828,775	53,013,097	56,282,602	61,839,597
Unassigned	30,517,600	29,490,600	31,450,228	31,051,802	23,894,352
Total General Fund	<u>\$ 141,404,398</u>	<u>\$ 129,295,665</u>	<u>\$ 116,374,733</u>	<u>\$ 116,732,571</u>	<u>\$ 121,208,336</u>
All Other Governmental Funds					
Fund balances:					
Non-spendable	\$ 983,304	\$ 1,236,827	\$ 1,712,458	\$ 1,640,639	\$ 1,634,605
Restricted	3,019,088	4,020,159	--	1,401,974	3,958,143
Committed	39,895,743	55,633,395	25,890,237	23,430,473	--
Assigned	5,564,316	6,331,234	5,525,727	6,152,479	6,140,189
Unassigned	(17,852)	(673,425)	(830,839)	(394,737)	(5,141,295)
Total all other government funds	<u>\$ 49,444,599</u>	<u>\$ 66,548,190</u>	<u>\$ 32,297,583</u>	<u>\$ 32,230,828</u>	<u>\$ 6,591,642</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)**

	2010	2011	2012	2013	2014
Revenues:					
Local sources	\$ 256,186,939	\$ 253,899,166	\$ 256,897,674	\$ 247,981,607	\$ 250,705,339
State sources	428,035,882	452,943,504	483,049,363	532,696,627	532,700,403
Federal sources	90,054,656	115,379,897	94,387,908	77,455,493	76,231,876
Total revenues	774,277,477	822,222,567	834,334,945	858,133,727	859,637,618
Expenditures:					
Current:					
General administration	22,181,161	23,180,257	28,638,280	30,119,251	26,964,679
Instruction	543,875,057	579,025,698	587,388,122	606,408,747	606,791,232
Pupil transportation	20,137,537	20,239,375	22,277,229	22,809,852	22,931,732
Operation and maintenance of plant	72,256,844	76,933,872	77,442,084	76,873,647	74,658,873
Community services	445,989	508,686	3,440,259	3,507,066	3,628,420
Food services	16,694,742	18,017,232	18,615,420	19,502,420	21,297,939
Debt service:					
Refunding bond issuance cost	--	--	--	69,405	--
Bond principal	49,520,000	52,475,000	54,875,000	55,425,000	57,340,000
Bond interest	36,372,658	35,001,212	31,722,282	29,504,017	27,354,466
Capital lease principal	--	--	--	--	--
Capital lease interest	--	--	--	--	--
Fiscal agent fees	11,208	9,708	9,403	9,330	8,950
Bond issuance cost	134,674	174,096	16,213	32,522	180,923
Capital outlays	52,681,236	23,711,546	16,345,054	30,083,083	48,043,764
Total expenditures	814,311,106	829,276,682	840,769,346	874,344,340	889,200,978
Excess (deficiency) of revenues over (under) expenditures	(40,033,629)	(7,054,115)	(6,434,401)	(16,210,613)	(29,563,360)
Other financing sources (uses):					
Proceeds from sale of property and equipment	634	10,360	--	4,892	16,561
Proceeds from capital lease	--	--	--	--	--
Issuance of general obligation bonds	20,025,000	4,940,000	--	14,425,000	39,345,000
Premium on issuance of general obligation bonds	136,396	97,062	--	1,115,112	3,845,552
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	13,734	9,031,500	6,095	7,613	2,392,810
Transfers out	(1,723)	(9,407,110)	(2,494,925)	(7,613)	(2,392,810)
Total other financing sources (uses)	20,174,041	4,831,151	(2,488,830)	15,614,409	43,207,113
Net change in fund balances	\$ (19,859,588)	\$ (2,222,964)	\$ (8,923,231)	\$ (596,204)	\$ 13,643,753
Debt service as a percentage of noncapital expenditures					
	11.3%	10.9%	10.5%	10.1%	10.1%

Notes:

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

For the Last Ten Years

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

	2015	2016	2017	2018	2019
Revenues:					
Local sources	\$ 255,957,061	\$ 257,354,099	\$ 262,307,289	\$ 265,707,049	\$ 263,701,697
State sources	1,161,304,333	463,331,161	434,632,230	434,558,070	449,958,677
Federal sources	84,173,052	79,122,705	85,202,564	85,838,180	89,512,658
Total revenues	1,501,434,446	799,807,965	782,142,083	786,103,299	803,173,032
Expenditures:					
Current:					
General administration	35,074,968	29,325,141	27,101,599	36,044,730	30,136,582
Instruction	1,196,021,148	550,759,560	557,021,305	541,763,662	551,680,685
Pupil transportation	24,310,030	31,716,984	23,704,287	23,831,655	25,699,733
Operation and maintenance of plant	85,422,847	73,450,427	77,544,041	77,108,843	85,234,081
Community services	576,814	487,637	481,496	462,202	497,462
Food services	25,694,692	22,109,248	23,679,018	23,515,710	22,649,668
Debt service:					
Refunding bond issuance cost	80,973	149,156	131,362	141,879	-
Bond principal	59,290,000	58,940,000	56,445,000	56,500,000	55,080,000
Bond interest	27,385,338	25,649,885	26,374,289	24,758,330	22,057,954
Capital lease principal	--	--	--	--	85,977
Capital lease interest	--	--	--	--	39,663
Fiscal agent fees	6,547	4,425	3,050	2,900	1,950
Bond issuance cost	126,566	127,181	63,281	89,460	--
Capital outlays	81,556,784	78,840,171	58,874,536	41,849,624	33,278,822
Total expenditures	1,535,546,707	871,559,815	851,423,264	826,068,995	826,442,577
Excess (deficiency) of revenues over (under) expenditures	(34,112,261)	(71,751,850)	(69,281,181)	(39,965,696)	(23,269,545)
Other financing sources (uses):					
Proceeds from sale of property and equipment	28,563	30,822	201,680	13,310	29,676
Proceeds from capital lease	--	--	--	-	2,076,448
Issuance of general obligation bonds	59,075,000	69,038,445	20,270,000	35,660,000	--
Premium on issuance of general obligation bonds	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	2,289,924	13,136,125	9,043,823	3,883,521	4,250,855
Transfers out	(3,017,773)	(16,136,125)	(9,546,021)	(3,883,521)	(4,250,855)
Total other financing sources (uses)	69,518,122	76,746,708	22,109,642	40,256,779	2,106,124
Net change in fund balances	\$ 35,405,861	\$ 4,994,858	\$ (47,171,539)	\$ 291,083	\$ (21,163,421)
Debt service as a percentage of non-capital expenditures	6.0%	10.7%	10.5%	10.4%	9.7%

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
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
2018-2019	29,310,609	550,766,606	23,967,107	82,658,674	420,976	22,372,152	18,960,992	728,457,116

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
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
2018-2019	--	3,785,790	--	--	--	105,348	--	3,891,138

Last Ten Years

**GOVERNMENT-WIDE
REVENUES BY TYPE**

Program Revenues						
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total		
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		
2018-2019	8,270,858	120,212,104	43,831,109	172,314,071		

General Revenues						
Fiscal Year	Appropriation from Municipality of Anchorage	Investment Income	Public School Funding Program	Federal Impact Aid	Other	Total
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
2018-2019	245,575,446	3,677,500	326,288,682	21,354,961	10,690,255	607,586,844

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)
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
2018-2019	36,435,365	545,381,902	25,699,733	85,234,081	497,462	22,649,668	77,265,544	793,163,755

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>
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
2018-2019	263,487,649	448,461,418	89,068,952	801,018,019

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			
2009	\$ 19,669,462,275	\$ 8,964,468,173	\$ 28,633,930,448	\$ 2,819,418,266	\$ 31,453,348,714	7.10
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	31,714,746,885	7.28
2013	19,844,447,084	9,394,322,157	29,238,769,241	3,089,891,708	32,328,660,949	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
2018	20,835,797,232	10,519,698,864	31,355,496,096	2,879,198,051	34,234,694,147	9.17

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)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Area Wide:										
Municipality of Anchorage	0.49	0.45	0.09	(0.29)	(0.43)	(0.35)	(0.14)	0.15	0.40	0.10
Anchorage School District	7.18	7.44	7.52	7.57	7.35	7.06	6.84	6.73	6.92	7.23
Property Tax Credit	(0.57)	--	--	--	--	--	--	--	--	--
Total Areawide	7.10	7.89	7.61	7.28	6.92	6.71	6.70	6.88	7.32	7.33
Chugiak Service Area	0.97	0.96	0.97	1.00	1.00	0.95	1.00	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	3.83	3.87	3.68	4.14	4.29	3.97	4.08	4.70	5.00	5.40
Anchorage Fire Service Area	1.75	1.83	2.09	2.13	2.21	2.44	2.22	2.21	2.38	2.39
Roads & Drainage Service Area	2.77	2.13	2.46	2.78	2.60	2.36	2.31	2.43	2.22	2.66
Limited Road Service Areas	1.32	1.33	1.33	1.31	1.29	1.29	1.30	1.30	1.27	1.3
Anchorage Police Service Area	2.61	2.67	2.70	2.76	3.23	2.95	2.93	2.82	3.21	3.37
Parks & Recreation Service Area	0.70	0.66	0.62	0.62	0.60	0.59	0.54	0.55	0.53	0.65
Chugiak/Eagle River Recreational Facilities Service Area	1.05	0.91	0.90	1.00	0.95	0.97	1.03	0.98	1.01	0.97

Notes:

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

Current Year
and Nine Years Ago**PRINCIPAL PROPERTY TAXPAYERS (1)**

Taxpayer	2018			2009		
	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.	\$ 241,828,572	1	0.71 %	\$ 145,771,518	3	0.46 %
Calais Company, Inc.	205,086,000	2	0.6	152,459,210	2	0.48
ACS of Anchorage, Inc.	169,972,627	3	0.5	242,952,302	1	0.77
Galen Hospital Alaska, Inc.	146,408,668	4	0.43	124,017,508	5	0.39
Fred Meyer Stores Inc.	143,608,027	5	0.42	132,247,483	4	0.42
WEC 2000A-Alaska L.L.C.	135,917,428	6	0.40	102,089,595	8	0.32
Enstar Natural Gas Company	120,046,549	7	0.35	95,829,871	9	0.30
North Anchorage Real Estate	98,862,000	8	0.29			
Hickel Investment Company	96,519,354	9	0.28	107,421,099	7	0.34
Sisters of Providence	93,712,896	10	0.27			
B.P. Exploration (Alaska) Inc.				118,449,717	6	0.38
Anchorage Fueling & Svc. Co.				91,370,040	10	0.29
	<u>\$ 1,451,962,121</u>		4.25 %	<u>\$ 1,312,608,343</u>		4.15 %

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
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
2018	548,728,375	555,294,158	101.20	(14,575,240)	540,718,918	98.54	8,009,457	1.46

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)(6)	Debt Service Monies Available	Net Bonded Debt	Total Personal Income (in thousands)
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
2018-2019	295,365	45,937	34,234,691,147	509,168,495	3,958,143	505,210,352	18,626,603

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
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
2018-2019	2.7	1.5	1,724	1,710	10,998

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.
- (6) Gross bonded debt does not include Capital Leases that are in the Debt Service Fund.

June 30, 2019

**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	\$ 668,346,371	100 %	\$ 668,346,371
Direct: Anchorage School District	511,158,966	100	<u>511,158,966</u>
			<u><u>\$ 1,179,505,337</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 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)
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
2018-2019	55,165,977	22,097,617	1,950	77,265,544	793,163,755	9.7

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>
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
2018	295,365	63,063	18,626,603	45,937	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)

Industry	2018		2009	
	Average Annual Employment	Percentage of Total Employment	Average Annual Employment	Percentage of Total Employment
Mining and Logging	2,600	1.7 %	2,800	1.9 %
Construction	7,500	5.0	8,700	5.8
Manufacturing	2,000	1.3	1,900	1.3
Wholesale Trade	4,800	3.2	4,600	3.0
Retail Trade	17,000	11.3	17,200	11.4
Trans/Warehouse/Utilities	11,300	7.5	11,100	7.4
Information	3,400	2.3	4,100	2.7
Financial Activities	7,300	4.8	8,900	5.9
Professional And Business Services	17,500	11.6	18,600	12.3
Educational and Health Services	26,700	17.7	20,800	13.8
Leisure and Hospitality	17,400	11.5	15,600	10.3
Other Services	5,600	3.7	5,700	3.8
Federal Government	8,300	5.5	9,500	6.2
State Government (less State Education)	7,500	5.0	7,900	5.2
State Education	2,400	1.6	2,500	1.7
Local Government (less Local Education)	3,000	2.0	3,200	2.1
Local Education	6,400	4.3	7,800	5.2
	<u>150,700</u>	100.0 %	<u>150,900</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 Per Capita</u>	<u>General Expenditures per Student Capita Percentage Increase (decrease) Over Prior Year</u>
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
2018-2019	793,163,755	1.15	45,937	17,266	3.38

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
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
2018-2019	45,937	(2.16)	34,234,694,147	(4.46)	745,253

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				
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Administration	202	197	186	180	171
Principals	151	149	149	149	152
Teachers	3,353	3,386	3,318	3,342	3,302
Technical	205	209	231	230	221
Clerical and teacher aides	1,118	1,136	1,135	1,111	1,019
Maintenance/warehouse	187	188	184	181	174
Custodial	371	370	370	368	331
Drivers/attendants	111	111	112	111	112
Noon attendants	75	75	76	73	73
Food service	208	211	214	208	215
Total authorized positions	<u>5,981</u>	<u>6,032</u>	<u>5,975</u>	<u>5,953</u>	<u>5,770</u>
Employee Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Administration	169	171	176	179	186
Principals	149	149	148	142	143
Teachers	3,273	3,309	3,263	3,165	3,122
Technical	209	211	208	196	187
Clerical and teacher aides	1,003	997	1,009	993	994
Maintenance/warehouse	164	160	158	161	160
Custodial	331	332	333	334	322
Drivers/attendants	110	122	103	109	107
Noon attendants	74	73	73	76	70
Food service	220	220	231	223	227
Total authorized positions	<u>5,702</u>	<u>5,744</u>	<u>5,702</u>	<u>5,578</u>	<u>5,518</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 Office of Management & Budget.

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

Current Year & Last 10 years

<u>Education</u>	<u>Number of Teachers (2)</u>	<u>Low Salary</u>	<u>High Salary (3)</u>
Bachelor's Degree	326	\$ 50,213	\$ 63,492
Bachelor's Degree plus 18 semester credits	258	52,649	68,582
Bachelor's Degree plus 36 semester credits	314	55,084	73,673
Master's Equivalency with 54 semester credits	129	65,485	78,763
Master's Equivalency with 72 semester credits	82	67,919	82,524
Master's Equivalency with 90 semester credits	272	73,012	87,586
Master's Degree	339	55,674	75,596
Master's Degree with 54 semester credits	299	58,108	80,685
Master's Degree with 72 semester credits	251	60,545	85,776
Master's Degree with 90 semester credits	829	62,979	90,836
Doctorate Degree with 90 semester credits	36	64,751	92,611

Notes:

- (1) Information furnished through Anchorage School District internal report.
- (2) Number of teachers (by FTE) as of May 2019. 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>
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	(1.15)
2015-2016	26,555	0.95	21,201	(0.26)
2016-2017	26,546	(0.03)	21,134	(0.32)
2017-2018	26,143	0.02	20,806	(1.55)
2018-2019	25,576	(2.17)	20,361	(2.14)

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 2018-2019.

For the Last Ten Years

PUPIL TO CLASSROOM TEACHER RATIO (1)

<u>Grade Level</u>	<u>Fiscal Year</u>				
	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>
Kindergarten	20.5 to 1	20.5 to 1	20.5 to 1	20.5 to 1	20 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	24.25 to 1	24.75 to 1	24 to 1
3	24 to 1	24 to 1	24.25 to 1	24.75 to 1	24 to 1
4	27 to 1	27 to 1	27.25 to 1	26.25 to 1	26 to 1
5	27 to 1	27 to 1	27.25 to 1	26.25 to 1	26 to 1
6	27 to 1	27 to 1	27.25 to 1	26.25 to 1	26 to 1
7	25.54 to 1	25.54 to 1	26.25 to 1	27.25 to 1	27.25 to 1
8	25.54 to 1	25.54 to 1	26.25 to 1	27.25 to 1	27.25 to 1
9	27.08 to 1	27.08 to 1	27.91 to 1	29.41 to 1	29.41 to 1
10	27.08 to 1	27.08 to 1	27.91 to 1	29.41 to 1	29.41 to 1
11	27.08 to 1	27.08 to 1	27.91 to 1	29.41 to 1	29.41 to 1
12	27.08 to 1	27.08 to 1	27.91 to 1	29.41 to 1	29.41 to 1

<u>Grade Level</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
Kindergarten	20 to 1	20 to 1	21 to 1	21 to 1	21 to 1
1	21 to 1	21 to 1	22 to 1	22 to 1	22 to 1
2	24 to 1	24 to 1	25 to 1	24 to 1	24 to 1
3	24 to 1	24 to 1	25 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	27 to 1	27 to 1
7	27.25 to 1	27.25 to 1	28.25 to 1	27 to 1	27 to 1
8	27.25 to 1	27.25 to 1	28.25 to 1	27 to 1	27 to 1
9	29.41 to 1	29.41 to 1	30.5 to 1	29 to 1	30 to 1
10	29.41 to 1	29.41 to 1	30.5 to 1	29 to 1	30 to 1
11	29.41 to 1	29.41 to 1	30.5 to 1	29 to 1	30 to 1
12	29.41 to 1	29.41 to 1	30.5 to 1	29 to 1	30 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>	
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
2017-2018	3,372,794	1,600	27,179	26,143	3,827,958	1,174	22,588	20,806	3,004
2018-2019	3,399,223	1,407	26,837	25,576	3,809,123	1,103	22,564	20,361	3,130

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>
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
2018-2019	8	10	59	7	1	1	9

Notes:

(1) Information furnished from Anchorage School District's 6-year Capital Improvement Plan 2019-2025.

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
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
2018-2019	1,846,804	14,608	117,156	41,315	153,044	--	21,496	2,194,423

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
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
2018-2019	713,503	2,209,449	110,702	10,103

Pupil transportation statistics (1):

Fiscal Year	Number of Routes			
	Regular to and from schools		Special Education to and from school	
	District	Contracted	District	Contracted
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
2018-2019	47	87	29	71

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
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
2018-2019	57,382,231	(6) 33,536,809 (5)	4,910,906	1,690,385	31,109,214 (2)	128,629,545
Compound Annual Growth Rate	2.5%	0.2%	2.6%	4.7%	-8.6%	-2.0%

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
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
2018-2019	1,777,502	1,825,276	1,638,218	2,867,396	499,199

Fiscal Year	Highland Tech Charter School	PAIDEIA Cooperative Charter School	Rilke Schule Charter School	STrEaM Academy	Winterberry Charter School
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
2018-2019	142,274	--	1,220,235	439,698	375,664

Fiscal Year	Grand Total
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
2018-2019	10,785,462

June 30, 2019

SCHEDULE OF INSURANCE IN FORCE

Carrier/Coverage	Policy Number	Limits	Expiration Date
Safety National General Liability Automobile Liability Educational Liability	682827301 SED6675416 682827303 XPE4060653	\$5,000,000 Occurrence \$5,000,000 Aggregate per policy year, except for auto SIR - \$1,500,000	6/30/2020
Hallmark 2nd Excess Liability	77PEF190086	\$5,000,000 Occurrence \$9,000,000 Aggregate	6/30/2020
Gemini Insurance Co. (Berkley National) 3rd Excess Liability	CEX0960269502	\$5,000,000 Occurrence \$5,000,000 Aggregate	6/30/2020
Navigator's Specialty Ins. Co. 4th Excess Liability	SF19EXC7472681C	\$25,000,000 Occurrence \$25,000,000 Aggregate	6/30/2020
Safety National Insurance Excess Workers Compensation & Employers Liability	SP4060589	Statutory Limits Part 1 \$1,000,000 Part II \$50,000,000 Cap SIR \$1,000,000	6/30/2020
Chubb Insurance Travel Accident Insurance Teachers, Board Members	ADD N04966144	\$500,000 Class I & II Principal Sum \$5,000,000 Aggregate, per Occurrence	6/30/2020
ACE American Insurance Co. Catastrophic Student Athlete	SDAN0420512151993	\$1,000,000 Each Occurrence \$25,000 Deductible	6/30/2020
Hiscox Ins. Co. Crime Insurance	UC21272021119	\$1,000,000 Bond Limit \$25,000 Deductible	6/30/2020
ACE American Ins. Co. Foreign Liability	PHFD38442855007	\$1,000,000 per Occurrence \$2,000,000 Aggregate Limit	6/30/2020
Lloyds of London/Beazley Cyber Liability Insurance	W15E52190601	\$1,000,000	6/30/2020
Hartford Accident & Indemnity Treasurer Bond/Elisa Vakalis	AK5100507	\$50,000	4/15/2020
Nautilus Insurance CO. Storage Tank Liability	CST2001999-20	\$1,000,000 Each Incident \$1,000,000 Aggregate	3/23/2020
FM Global Insurance Company Property Insurance excluding Quake	1054702	\$1,000,000 Limit	6/30/2020
Travelers Property & Casualty	QT6603H548555TIL19	\$500,000	6/30/2020
AIG Liability	REN OF UM06284511801	\$1,000,000	6/30/2020

