

Comprehensive Annual
Financial Report

ANCHORAGE SCHOOL DISTRICT

for the Fiscal Year Ended
June 30, 2014

Ed Graff
Superintendent

Prepared by Business Management Division

Mark A. Foster, Chief Financial Officer

Susan Jolin, Executive Director, Finance



A Component Unit of the Municipality of Anchorage
Anchorage, Alaska

Non Discrimination Statement

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

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

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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

November 17, 2014

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, 2014, 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, 2014. 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 Eric Croft, President
Kameron Perez-Verdia, Vice President
Kathleen Plunkett, Clerk

Bettye Davis, Treasurer
Tam Agosti-Gisler

V Pat Higgins
Natasha von Imhof

Superintendent Ed Graff

DISTRICT PROFILE

The Anchorage School District (district) was established by the Home Rule Charter of the Municipality of Anchorage (municipality) on September 16, 1975. The most recent State of Alaska Department of Labor estimate of population in the Anchorage School District was 301,134 (August 2014) – an increase of 1 percent over the prior year. The district primarily serves 47,929 students from 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 eight charter schools which have been approved by the school board and the State Board of Education. Charter schools are primarily funded through the State of Alaska Public School Funding formula. Each charter school in the district is guided by an Academic Policy Committee, whose purpose is to “supervise the academic operation of a charter school” (AS 14.03.290). Charter schools remain under the purview of the superintendent and governance of the school board.

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

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

Additional information regarding the district, its programs, services, facilities, events and other statistics can be found on the district's website at www.asdk12.org.

LOCAL ECONOMY

Alaska has been substantially insulated from the economic downturn that struck the continental U.S. in 2008 – while unemployment in the U.S. rose to 10 percent in 2009 and has migrated back down toward 6.1 percent (August 2014) this fall, the Alaska unemployment rate is currently at 6.8 percent (August 2014).

The district serves the state’s largest city, Anchorage, which contains approximately 41 percent of Alaska’s population. The most recently reported per capita income for the Municipality of Anchorage was \$52,360 compared to \$49,436 for Alaska and \$43,735 for the U.S. (2012). The average unemployment rate in Anchorage has declined from 7.4 percent in fiscal year 2009-2010 to 5.3 percent (August 2014).

In fiscal year 2013-2014 the Municipal Assembly authorized the collection of a 7.04 mill rate on property to support Anchorage School District investments in education, including debt reimbursement for bonds to pay for capital projects. The total estimated taxable value of Municipal property grew 1.88 percent from 2013 to 2014.

LONG-TERM FINANCIAL PLANNING

The district saw an increase in the base student allocation to \$5,830 up \$150 from the previous four years’ allocation of \$5,680—when the base student allocation in the State of Alaska Public School Foundation Funding formula remained frozen at \$5,680 per adjusted average daily membership. In addition, the Alaska legislature included \$12.8 million in operating grants outside of the Public School Foundation Funding formula.

At the same time the legislature approved funding increases for fiscal year 2014-2015, it also set funding levels for fiscal years 2015-2016 and 2016-2017 to include \$50 increases to the Base Student Allocation in each year, as well as operating grants of \$9.6 million in fiscal year 2015-2016 and \$5.9 million in fiscal year 2016-2017. The decline in operating grants offsets any revenue generated by the increases in the base student allocation. The district is faced with flat funding for fiscal years 2015-2016 and 2016-2017 and is projecting a loss of approximately \$7.0 million in fiscal year 2017-2018 when the operating grants expire.

Flat or declining funding for the next three years coupled with extraordinary inflation being experienced in health care and workers’ compensation costs and normal inflation in salaries and other benefits, utilities, and other purchased services and supplies, has left the district with a projected shortfall of \$22.5 million in each of fiscal years 2015-2016 and 2016-2017 and a shortfall of \$29.5 million in fiscal year 2017-2018. The combined fiscal gap over the next three years of \$74.5 million may result in the elimination of 720 positions to 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 723 students (1.5 percent) from the prior fiscal year to 47,770 for fiscal year

2013-2014. Projections for fiscal years 2014-2015 and 2015-2016, anticipate increases in enrollment to 47,879 and 47,866 respectively.

FACILITIES

Under Alaska law, the district cannot legally hold title to real property, therefore, all constructed or purchased school facilities are owned by the Municipality of Anchorage. The Municipality has delegated the construction management of school projects to the district. Renovations were completed four years ago at two of the district's newest renovated schools, Chester Valley Elementary and Sand Lake Elementary. The average age of district facilities is 34.5 years, there are 8 facilities which are 60 years or older.

Currently, the district is working on construction that will renovate Girdwood K-8 school and is in the design stages for a renovation of Airport Heights Elementary school. The district identifies capital needs in part by using a Facility Condition Index (FCI), which is a comparison of the relative condition of a facility to others. The FCI is a ratio of the five-year costs to correct capital needs divided by the replacement cost of the facility.

RELEVANT FINANCIAL POLICIES

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

MAJOR CORE ACAMEDIC INITIATIVES

The district has adopted the Common Core State Standards (CCSS) and has continued the curriculum re-alignment process to ensure effective implementation of the new higher standards. The CCSS are a set of rigorous, evidenced-based standards that are clear, consistent and aligned with college and career expectations.

The district implementation of a new K-6 math curriculum called *Go Math!*, and a 7-8 math curriculum called *Big Ideas* will continue for a second year. Both math programs are based on the CCSS. The transition and implementation to a curriculum based on higher standards will continue to involve professional development and collaboration for teachers, as well as education and communication with parents.

The district has taken on a new STEM initiative, and will be developing and revising science curriculum for grades K-9. The purpose of this STEM science revision is to increase the alignment of ASD STEM materials with 21st Century scientific understanding and content, and with the Common Core State Standards. Once developed, the new curriculum and related teacher training will increase K-9 students' participation in and understanding of STEM content, skills and processes that reflect current research and standards in the field, and their ability to apply reading, writing and mathematics skills in science.

The district continues to realign and differentiate instructional practices using the Response to Instruction (RTI) model to ensure every student receives high quality instruction based on their individual needs through continuous instruction, screening, intervention and monitoring.

The district has also implemented the Danielson Frameworks for teaching as a means of developing, focusing, evaluating and improving the effectiveness of teachers.

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, 2013.

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, 2013.

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

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

ACKNOWLEDGEMENTS

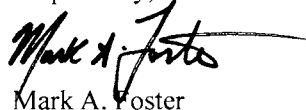
The preparation of this report could not be accomplished without the efficient and dedicated services of the entire finance and budget staff, independent auditors and other administrative staff. We would like to express our appreciation to all staff members who assisted and contributed to its preparation.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

Respectfully submitted,



Ed Graff
Superintendent

Prepared by,



Mark A. Foster
Chief Financial Officer

The Anchorage School Board



Eric Croft
President



Kameron Perez-Verdia
Vice President



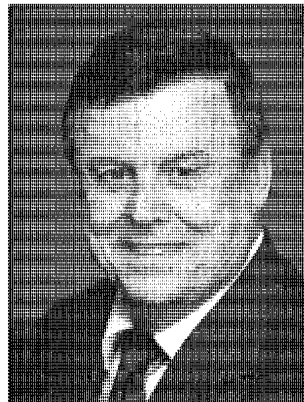
Kathleen Plunkett
Clerk



Bettye Davis
Treasurer



Tam Agosti-Gisler



Pat Higgins

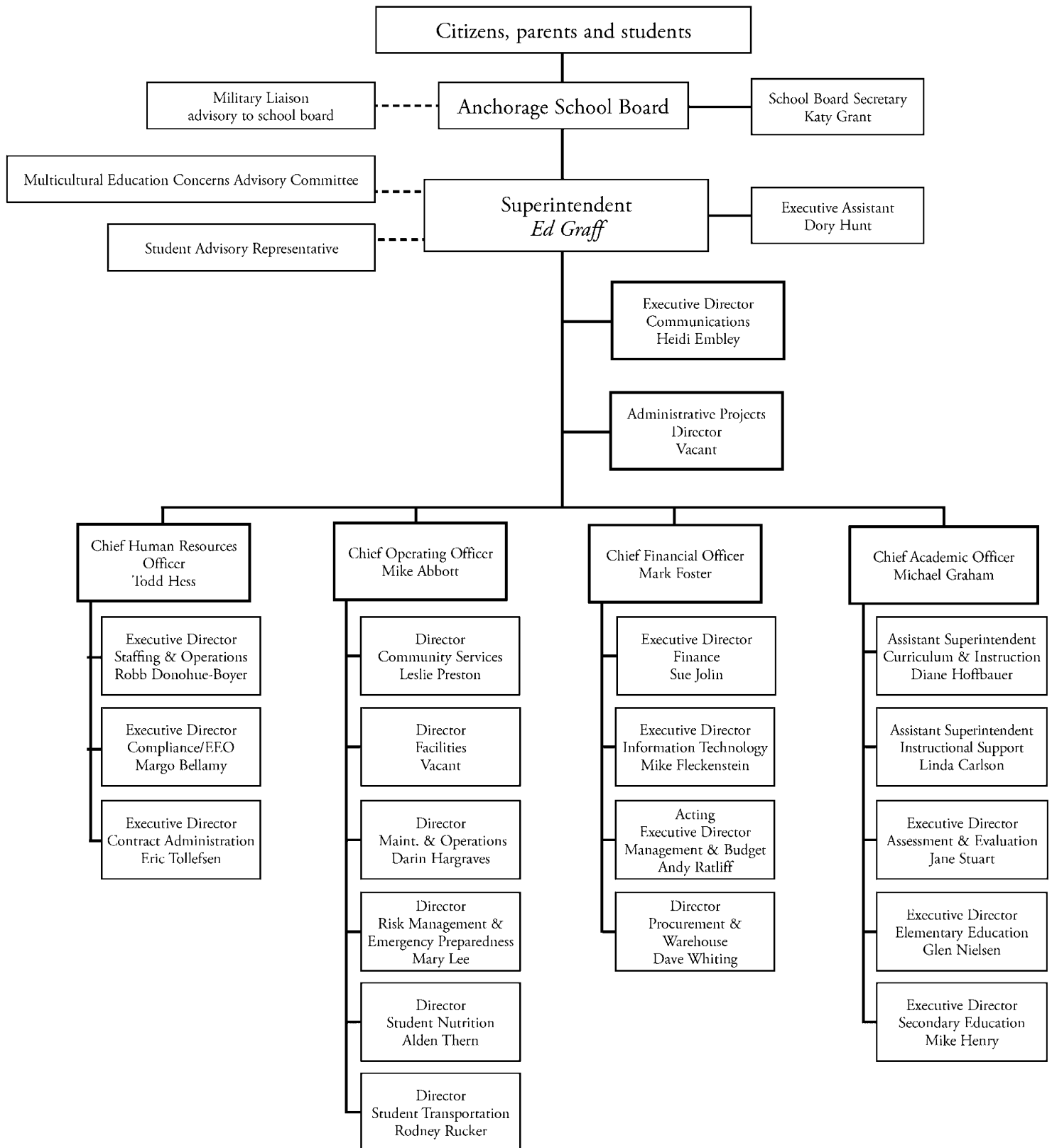


Natasha Von Imhof

The Anchorage School Board is the governing body of the Anchorage School District and is composed of seven members. The board meets twice a month. Work sessions begin at 2:30 p.m., regular meeting—early sessions at 4 p.m., executive sessions at 5:30 p.m. and regular meeting—late sessions at 6:30 p.m. The meetings are held in the board room of the ASD Education Center located at 5530 E. Northern Lights Boulevard. In addition, special meetings and work sessions are scheduled throughout the year. Regular meetings may be watched live on ASD-TV or cable channel 14 and are also available on-demand online after the meetings are over.

ANCHORAGE SCHOOL DISTRICT ORGANIZATIONAL CHART

OCTOBER 2014





Government Finance Officers Association

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

Presented to

**Anchorage School District
Alaska**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

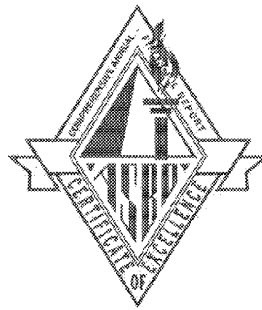
Association of School Business Officials International



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

Anchorage School District
*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2013*

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



Terrie S. Simmons, RSBA, CSBO
President

John D. Musso, CAE, RSBA
Executive Director

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CAER



Financial Section

Financial Section



Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Anchorage School District (the District), Alaska, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements.

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Anchorage School District, Alaska, as of June 30, 2014, 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.

Emphasis of Matter

As discussed in Note 10 to the financial statements, in 2014, Anchorage School District established the Compensated Absences Internal Service Fund to account for such activity. Accordingly, combined beginning fund balances for governmental funds were restated \$10,471,495 from \$152,270,878 to \$141,799,383.

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, 2013, 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 and budgetary comparison information* on pages 3 through 14 and 59 through 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Governmental Auditing Standards*, we have also issued our report dated November 17, 2014 on our consideration of the Anchorage School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Anchorage School District's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
November 17, 2014

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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v-viii of this report. Professional standards require the inclusion of certain comparative information in the Management's Discussion and Analysis (MD&A).

Financial Highlights

Net Position

The net position of the district was \$750.9 million consisting of \$613 million in net investment in capital assets, \$110.7 million in unrestricted and \$27.2 million in restricted net position. The \$110.7 million in unrestricted net position may be used to meet the district's ongoing obligations.

The district's net position increased by \$37 million which represents an overall change in net position (revenues exceeding expenses) of the governmental activities of \$37 million. The increase in net position are reflected as increases in current assets and capital assets of \$23 million and \$7.4 million, respectively, as well as a reduction in net long term debt of \$16.2 million; which were offset by increases in liabilities and deferred inflows of \$9.6 million.

Revenues and Expenses

There was no substantive change in total government-wide program and general revenues from the prior year, revenues remained flat at \$860 million.

Total government-wide expenses were relatively flat, changing from \$822 million to \$823 million, or 0.18 percent. Reductions in General Administration and Operations and Maintenance were offset by increases in Instruction, Food Service and Interest Expense for a total year over year increase of \$1 million.

Fund Balance

At the close of the fiscal year, the district's governmental funds reported a combined ending fund balance of \$155.5 million, which includes:

- \$6.8 million in inventory and prepaid items.
- \$27.2 million in restricted funds associated with the bond rating, debt service requirements, and Federal Impact Aid Section 8003(d).
- \$84.3 million in committed and assigned funds associated with service, supplies and material encumbrances, authorized construction, pupil transportation, student activities, and food service.
- \$37 million of unassigned funds that are available for spending at the district's discretion which represents 5.7 percent of the total annual general fund expenditures.
- The district is maintaining a level of unrestricted fund balance in the General Fund of 9.7 percent, which is within the School Board adopted policy range of 8 to 10 percent of General Fund expenditures, (10 percent being the maximum allowed by the state).

Major contributors to the overall increase in fund balance of \$13.6 million were due to proceeds from bond sales in the Capital Projects Fund in excess of current year capital outlays along with revenues and other financing sources over expenditures and other financing uses in the General and Debt Service

Funds. These increases were offset by expenditures in excess of revenues in the non-major governmental funds.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

Fund financial statements – a fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The district, like other state and

local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the district can be divided into two categories: governmental funds and proprietary funds.

Governmental funds – governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements; therefore, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The district maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Grants Special Revenue Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds. Data from the other three governmental funds—Food Service, Student Activities and Pupil Transportation Special Revenue Funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual fund schedules elsewhere in this report.

The district adopts an annual appropriated budget for its General Fund, Grants and Food Service Special Revenue Funds and Debt Service Funds. Budgetary comparison schedules have been provided for the General Fund and Grants Special Revenue Fund. The combining and individual statements and schedules also include budgetary information for the Food Service, Pupil Transportation Special Revenue Funds and Debt Service Fund to demonstrate compliance with this budget.

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

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

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

Notes to the basic financial statements – the notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-56 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 57-62 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 63-111 of this report. Detailed information on the district's Internal Service Funds can also be found on pages 113-115.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the district, assets and deferred outflow exceeded liabilities and deferred inflow by \$750,923,959 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	
	2013-2014	2012-2013
ASSETS		
Current and other assets	\$ 347,768,740	\$ 324,908,921
Capital assets	<u>1,191,242,303</u>	<u>1,183,829,318</u>
Total assets	<u>1,539,011,043</u>	<u>1,508,738,239</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refundings	1,268,018	1,110,076
LIABILITIES		
Bonds payable, net of premium/discount	591,551,332	607,754,177
Other liabilities	<u>78,015,558</u>	<u>70,677,287</u>
Total liabilities	<u>669,566,890</u>	<u>678,431,464</u>
DEFERRED INFLOWS OF RESOURCES		
Tax appropriations	119,788,212	117,459,835
NET POSITION		
Invested in capital assets	612,993,191	575,380,172
Restricted	27,232,581	26,342,754
Unrestricted	<u>110,698,187</u>	<u>112,234,090</u>
Total net assets	<u>\$ 750,923,959</u>	<u>\$ 713,957,016</u>

By far the largest portion of the district's total assets reflects its investment in capital assets; e.g., land, building, machinery and equipment, less any related debt used to acquire those assets that is still outstanding. The district uses these capital assets to provide services to students and citizens; consequently, these assets are not available for future spending. The district's net position invested in capital assets was \$612,993,191. 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 \$110,698,187 of net position may be used to meet the district's ongoing obligations.

Table 2 highlights the district's revenues and expenses for the fiscal year 2013-2014. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method of accounting. Revenue is further divided into two major components: program revenues and general revenues. Program revenues are defined as charges for services, operating and capital grants and contributions. General revenues include taxes and non-categorical entitlements such as the Alaska Public School Funding Program. Expenses are shown in programs including general administration, instruction,

pupil transportation, operation and maintenance of plant, community service, food services and interest expense.

The net increase in program revenues are mainly attributable to increases in retirement system relief on behalf revenues, state capital grant revenues offset by reductions in charges for services. The net decrease in general revenues are mainly attributable to reductions in Federal Impact Aid revenue and the Alaska Public School Funding Program. The decrease in the Alaska School Funding Program of \$6,785,774 from the prior year is attributable to a decline in enrollment. These reductions were offset by slight increases in local tax appropriation, medicaid reimbursement and investment earnings.

Government-wide expenses were \$823,144,472 a 0.18 percent increase from the prior year. Reductions were made in the general administration and operations and maintenance, which were offset by increases in instruction, food services and interest expense.

Table 2 – Program Revenues and Expenses

	Governmental Activities	
	2013-2014	2012-2013
Revenues:		
Program revenues:		
Charges for services and sales	\$ 4,893,368	\$ 6,403,507
Operating grants and contributions	213,075,640	213,328,761
Capital grants and contributions	60,800,513	52,622,060
General revenues:		
Appropriation from		
Municipality of Anchorage	233,284,280	232,606,002
Investment income	1,059,852	1,107,327
Public school funding program	318,661,242	325,447,016
Federal impact aid	18,251,918	20,449,408
Other	10,084,602	7,628,118
Total revenues	<u>\$ 860,111,415</u>	<u>\$ 859,592,199</u>
Program expenses:		
General administration	\$ 27,427,601	\$ 31,000,400
Instruction	647,413,175	644,094,670
Pupil transportation	22,871,359	22,386,537
Operation and maintenance of plant	74,581,580	77,234,635
Community service	3,619,453	3,508,691
Food services	21,551,586	19,977,813
Interest expense	25,679,718	23,475,990
Total expenses	<u>823,144,472</u>	<u>821,678,736</u>
Increase in net assets	36,966,943	37,911,463
Net asset beginning of year	713,957,016	676,045,553
Net assets ending	<u>\$ 750,923,959</u>	<u>\$ 713,957,016</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 2013-2014	Program Revenues 2013-2014	Net Cost of Services 2013-2014
General administration	\$ 27,427,601	\$ 1,816,446	\$ 25,611,155
Instruction	647,413,175	229,170,806	418,242,369
Pupil transportation	22,871,359	22,477,906	393,453
Operation and maintenance of plant	74,581,580	5,373,291	69,208,289
Community service	3,619,453	860,854	2,758,599
Food service	21,551,586	19,070,218	2,481,368
Interest expense	25,679,718	--	25,679,718
Total expenses	<u>\$ 823,144,472</u>	<u>\$ 278,769,521</u>	<u>\$ 544,374,951</u>

Financial Analysis of the Government's Funds

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

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

The overall governmental funds fund balance increased by \$13,643,753 for the year ended June 30, 2014. This is attributable to increases in the fund balances within the General, Debt Service, and Capital Projects Funds of \$15,125,930 which were offset by decreases in the Non-Major Governmental Funds fund balances of \$1,482,177.

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 \$38,752,839 while total fund balance was \$122,627,396. Total fund balance increased by \$1,409,255 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 \$92,628,256 or 14.18 percent of expenditures. In addition, the level of unrestricted fund balance to expenditures as calculated on a state basis was 9.7 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 99.4 percent of budgeted revenues. While actual expenditures on the budgetary basis were 97.9 percent of budgeted expenditures. Actual expenditures for general administration and instructional related purchased services, salaries, benefits and the retirement system incremental increase were lower than anticipated.

The General Fund expenditure budget for the year ended June 30, 2014 was \$554,899,154, a decrease of \$23,095,598 from the prior year budget of \$577,994,752.

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 \$50,986,033, a decrease of 0.55 percent from the prior year amount of \$51,269,742.

Debt Service Fund

The Debt Service Fund has a total fund balance of \$2,733,186 all of which is restricted for payment of debt service. The district projected higher than actual principal and interest payments; due to the timing of the current year bond sale the district was not required to principal and interest payment for the current year sale; thereby resulting in an overall positive budget variance of \$553,593.

Capital Projects Fund

The Capital Projects Fund closed the fiscal year with \$48,224,687 in expenditures. Proceeds from the current year general obligation bond sale and funds from state legislative grants primarily financed the activity for the year. Revenues were in excess of current year expenditures, which resulted in an increase to the total fund balance on June 30, 2014 of \$13,163,082 from \$11,934,607 (as restated).

Capital Assets and Debt Administration

Capital assets – the district's investment in capital assets for its governmental activities as of June 30, 2014 amounts to \$1,191,242,303 (net of accumulated depreciation). This investment in capital assets includes land, land improvement, buildings, equipment and vehicles, and construction in progress. The total decrease in the district's investment in capital assets for the current year net of related debt was 0.6 percent.

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

Service High School Renovations
Girdwood Elementary Construction
Airport Heights Elementary Construction
West High/Romig Middle Schools Renovation

The following table shows ending balances of capital assets (net of accumulated depreciation) invested in various categories. The district recognized a total increase of \$7,412,985 in capital assets net of accumulated depreciation in part due to completed construction projects.

Table 4 – Capital Assets as of June 30, 2014 (Net of Depreciation)

	<u>Governmental Activities</u>	
	<u>2013-2014</u>	<u>2012-2013</u>
Land	\$ 42,357,063	\$ 42,357,063
Land improvements	21,938,680	21,486,431
Buildings, equipment and vehicles	1,125,995,276	1,118,727,990
Construction in progress	951,284	1,257,834
Totals	<u>\$ 1,191,242,303</u>	<u>\$ 1,183,829,318</u>

Long-term debt – as of June 30, 2014 the district had outstanding general obligation bonds totaling \$580,485,000. This entire amount of \$580,485,000 comprises debt backed by the full faith and credit of the municipality. Over the fiscal year, the district paid \$57,340,000 in principal. More detailed information about the district's long-term debt liabilities is presented in Note 3, Changes in Long-Term Debt, in the basic financial statements.

Table 5 – Outstanding Debt, as of June 30, 2014

	<u>Governmental Activities</u>		<u>Maturity</u>
	<u>2013-2014</u>	<u>2012-2013</u>	
General obligation bonds	<u>\$ 580,485,000</u>	<u>\$ 598,480,000</u>	2034

As of June 30, 2014, the district's available authorized but unissued general obligation school bonds amounted to \$138,532,000.

Outstanding debt on general obligation bonds of the municipality, including the district, is reflected in the municipality's Comprehensive Annual Financial Report for their fiscal year ended December 31, 2013.

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

The district submitted its fiscal year 2014-2015 budget to the Anchorage Assembly on March 3, 2014; the assembly failed to approve the budget within 30 days of receipt; therefore, on April 2, 2014 the Anchorage School District budget as submitted was adopted pursuant to municipal code section 6.10.080(c). The budget as submitted which provided local funding of \$233,776,423 and an upper limit of \$929,373,248. This was amended to \$239,576,423 in local funding and an upper limit of \$966,330,769 with AO 2014-59 based on increases in state and federal funding, which resulted in an increase in the local contribution allowable pursuant to the State of Alaska's Foundation Formula of \$5,800,000 for school district funding.

Revisions passed by the Alaska Legislature and the governor made a number of changes to state revenues including increases in the state foundation funding program and increases in operating and capital grants for schools. These changes will have an anticipated \$19,852,385 (excluding PERS/TRS on-behalf allocation) effect on district funding for fiscal year 2014-2015. A summary of the legislation is provided as follows:

- House Bill 278 – increases base student allocation by \$150 to \$5,830 and is anticipated to provide \$11,131,000 in funding through the State of Alaska Foundation Formula.
- House Bill 278 – changes the charter school correspondence factor from 80 percent to 90 percent, which will result in an additional \$500,625.
- House Bill 278 – provides operating grants outside of the foundation formula of \$12,807,120, this is offset by a removal of \$7,500,000 of incremental funding netting an additional \$5,307,120.
- Senate Bill 119 – decreases the amount of capital grants by \$607,000.

In addition to increases provided by the state, the district will be participating in the Community Eligibility Program for student nutrition activity and anticipates receiving receiving \$2,270,136 as well as \$407,000 in additional federal grants than originally proposed.

A major driving force of the district's financial outlook is student enrollment. The district initially anticipated an overall increase in enrollment of 0.2 percent in fiscal year 2014-2015. Maturing of the Anchorage population coupled with an overall decline in birth rates has generally resulted in a gradual decline in student enrollment which has been mitigated by increased regional in-migration from outlying communities and immigration from other countries.

This year the district's enrollment at the end of September was 47,929 students which was 99 fewer students than 2013-2014. This preliminary enrollment data is below projected enrollment by approximately 0.65 percent, which represents a net reduction in State Public School Foundation Formula funding (state funding plus local municipal property taxes which are capped by the state formula) of roughly \$0.8 million.

On the expense side, excessive workers' compensation and medical cost inflation continues to drive the cost of group medical coverage at a rate of 4 to 5 times the rate of general inflation. Management will continue to monitor and manage group medical plan cost and value to ensure that employees receive good quality benefits at a reasonable price as part of a competitive total compensation package that enables the district to attract and retain quality employees.

Purchased services, supplies, materials and equipment continue to experience price increases. As the Alaska and Anchorage unemployment rates drop and employment markets have less spare capacity, we anticipate upward pressure on prices across many services and supplies in our local market.

The local heating and electrical markets, primarily supplied by local natural gas reserves in the Cook Inlet, appears likely to continue to experience price increases in excess of general inflation. The district budget for fiscal year 2014-2015 includes \$9.6 million for electricity across district facilities. The management team continues to monitor the energy price outlook and energy efficiency investment opportunities and pursue cost effective investments to improve energy efficiency. The district continues to replace heating/ventilation systems with new more efficient systems. In addition, the district continues to replace florescent lighting with new high efficiency LED lighting systems.

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

The district has three indirect cost recovery rates, one that applies to most operating grants and pass-through funding (which includes charter schools) and two indirect rates for capital grants, aka “pro-rate”, based on the total dollar amount and type of project.² 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 includes an allocation from cost centers that include 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 2014-2015 is 4.83 percent.

The state allows an indirect rate of up to 8 percent for capital grants for fiscal year 2014-2015. The district generally charges the full 8 percent for design, planning, and building life extension projects, while large capital renewals, renovations, additions and replacement projects are typically charged 5 percent.

Requests for Information

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

² In some cases the indirect costs may be waived or prohibited by the district, grantors or other agencies.

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Basic Financial Statements

June 30, 2014
With Comparative Totals for
June 30, 2013

STATEMENT OF NET POSITION

	Governmental Activities	
	2014	2013
Assets		
Current assets:		
Cash and investments	\$ 183,922,960	\$ 163,993,164
Cash and investments with paying agent	13,361,130	6,594,080
Accounts receivable, net of allowances	4,303,516	3,755,873
Interest receivable	8,155	55,353
Due from other governments	138,870,963	137,358,302
Prepaid items	3,378,152	9,116,045
Inventory, at weighted average cost	3,923,864	4,036,104
Non-current assets:		
Capital assets:		
Non-depreciable:		
Land	42,357,063	42,357,063
Construction in progress	951,284	1,257,834
Depreciable:		
Land improvements	63,578,613	61,142,706
Buildings and equipment	1,632,515,700	1,593,666,137
Pupil transportation equipment	10,263,597	9,941,389
Accumulated depreciation	(558,423,954)	(524,535,811)
Capital assets, net of accumulated depreciation	1,191,242,303	1,183,829,318
Total assets	1,539,011,043	1,508,738,239
Deferred outflows of resources		
Deferred charges on refunding loss	1,268,018	1,110,076
Liabilities		
Current liabilities:		
Accounts payable	3,400,415	5,834,876
Contracts payable	7,359,638	6,643,430
Medical claims payable, including IBNR	8,154,089	7,041,335
Interest payable	8,836,355	8,489,639
Accrued salaries and related items:		
Wages and salaries payable	2,613,209	2,246,834
Payroll taxes, other accrued and withheld items	10,851,299	12,347,395
Accrued compensated absences	5,702,208	3,928,200
Workers' compensation payable	5,568,503	5,621,000
Bonds payable	59,290,000	57,340,000
Unearned revenue	12,462,417	2,196,267
Non-current liabilities:		
Accrued compensated absences	5,159,410	6,543,295
Workers' compensation payable	7,908,015	9,785,016
Bonds payable, net	532,261,332	550,414,177
Total liabilities	669,566,890	678,431,464
Deferred inflows of resources		
General property tax receipts	100,106,500	97,050,636
Debt service tax receipts	19,681,712	20,409,199
Total deferred inflows of resources	119,788,212	117,459,835
Net Position		
Net investment in capital assets	612,993,191	575,380,172
Restricted for:		
Bond rating	23,957,642	23,550,356
Debt service	2,733,186	2,179,593
Federal Impact Aid 8003(d)	541,753	612,805
Unrestricted	110,698,187	112,234,090
Total net position	\$ 750,923,959	\$ 713,957,016

See accompanying notes to basic financial statements

For the Year Ended June 30, 2014

STATEMENT OF ACTIVITIES

		Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
	Expenses				
<u>Functions/Programs</u>					
District-wide activities					
General administration	\$ (27,427,601)	\$ 6,100	\$ 1,810,346	\$ --	\$ (25,611,155)
Instruction	(647,413,175)	1,635,123	166,735,170	60,800,513	(418,242,369)
Pupil transportation	(22,871,359)	--	22,477,906	--	(393,453)
Operation and maintenance of plant	(74,581,580)	--	5,373,291	--	(69,208,289)
Community services	(3,619,453)	826,989	33,865	--	(2,758,599)
Food services	(21,551,586)	2,425,156	16,645,062	--	(2,481,368)
Interest expense	(25,679,718)	--	--	--	(25,679,718)
Total district-wide activities	<u>\$ (823,144,472)</u>	<u>\$ 4,893,368</u>	<u>\$ 213,075,640</u>	<u>\$ 60,800,513</u>	<u>\$ (544,374,951)</u>
General revenues:					
Unrestricted:					
Appropriation from Municipality of Anchorage					233,284,280
Investment income					1,059,852
Public School Funding Program					318,661,242
Federal Impact Aid					18,251,918
Other					10,084,602
Total general revenues					<u>581,341,894</u>
Change in net position					36,966,943
Net position at beginning of year, as restated					<u>713,957,016</u>
Net position at end of the year					<u>\$ 750,923,959</u>

See accompanying notes to basic financial statements

June 30, 2014
With Comparative Totals for
June 30, 2013

BALANCE SHEET - GOVERNMENTAL FUNDS

						Totals	
	General	Grants Special Revenue	Debt Service	Capital Projects	Non-Major Governmental	2014	As Restated 2013
Assets							
Cash and investments	\$ 141,881,195	\$ --	\$ --	\$ 16,525,088	\$ 3,083,677	\$ 161,489,960	\$ 139,253,031
Cash with paying agent	--	--	13,339,493	21,637	--	13,361,130	6,594,080
Accounts receivable (net of any allowances for uncollectables)	2,096,039	20,268	--	51,943	37,400	2,205,650	1,723,608
Interest receivable	--	--	--	6,041	2,113	8,154	55,353
Due from other funds	24,002,611	--	--	23,171,399	2,624,847	49,798,857	27,436,491
Due from other governments	100,946,592	16,037,841	20,124,692	2,479,040	122,890	139,711,055	138,198,393
Prepaid items	3,327,638	25,674	--	251	5,065	3,358,628	9,116,046
Inventory	2,172,107	--	--	--	1,751,757	3,923,864	4,036,104
Total assets	<u>\$ 274,426,182</u>	<u>\$ 16,083,783</u>	<u>\$ 33,464,185</u>	<u>\$ 42,255,399</u>	<u>\$ 7,627,749</u>	<u>\$ 373,857,298</u>	<u>\$ 326,413,106</u>
Liabilities							
Accounts payable	\$ 2,203,990	\$ 374,377	\$ --	\$ 498,114	\$ 111,434	\$ 3,187,915	\$ 5,812,621
Contracts payable	--	--	--	7,359,638	--	7,359,638	6,643,430
Medical claims and other contracts payable	1,490,997	--	--	--	--	1,490,997	--
Due to other funds	36,657,864	12,105,247	11,049,287	--	848,077	60,660,475	37,907,987
Accrued salaries and related items	11,339,201	1,816,854	--	83,086	225,367	13,464,508	14,593,583
Unearned revenue	234	1,787,305	--	9,216,872	1,458,006	12,462,417	2,196,267
Total liabilities	<u>51,692,286</u>	<u>16,083,783</u>	<u>11,049,287</u>	<u>17,157,710</u>	<u>2,642,884</u>	<u>98,625,950</u>	<u>67,153,888</u>
Deferred inflows of resources							
General property tax appropriation	100,106,500	--	--	--	--	100,106,500	97,050,636
Debt service tax appropriation	--	--	19,681,712	--	--	19,681,712	20,409,199
Total deferred inflows of resources	<u>100,106,500</u>	<u>--</u>	<u>19,681,712</u>	<u>--</u>	<u>--</u>	<u>119,788,212</u>	<u>117,459,835</u>
Fund balances:							
Non-spendable	5,499,745	25,674	--	251	1,245,775	6,771,445	12,861,752
Restricted	24,499,395	--	2,733,186	--	--	27,232,581	26,342,754
Committed	5,276,897	--	--	25,097,438	370,000	30,744,335	13,383,738
Assigned	48,598,520	--	--	--	5,033,401	53,631,921	66,441,360
Unassigned	38,752,839	(25,674)	--	--	(1,664,311)	37,062,854	22,769,779
Total fund balances	<u>122,627,396</u>	<u>--</u>	<u>2,733,186</u>	<u>25,097,689</u>	<u>4,984,865</u>	<u>155,443,136</u>	<u>141,799,383</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 274,426,182</u>	<u>\$ 16,083,783</u>	<u>\$ 33,464,185</u>	<u>\$ 42,255,399</u>	<u>\$ 7,627,749</u>	<u>\$ 373,857,298</u>	<u>\$ 326,413,106</u>

See accompanying notes to basic financial statements

June 30, 2014
With Comparative Totals for
June 30, 2013

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

	2014	As Restated 2013
Total governmental fund balances	\$ 155,443,136	\$ 141,799,383
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	1,184,366,980	1,178,400,117
Other long-term liabilities not due and payable in the current period, and therefore not reported in the funds:		
Workers' compensation payable	(13,476,518)	(15,406,016)
General obligation debt	(580,485,000)	(598,480,000)
Accrued interest on general obligation debt	(8,836,355)	(8,489,639)
Unamortized loss/(gain) on refunding bonds	1,268,018	1,110,076
Unamortized general obligation bond premium	(11,066,332)	(9,274,176)
Internal service fund net position	23,710,030	24,297,271
Total reconciling items	595,480,823	572,157,633
Net position of governmental activities	\$ 750,923,959	\$ 713,957,016

See accompanying notes to basic financial statements

For the Year Ended June 30, 2014
With Comparative Totals
For the Year Ended June 30, 2013

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

	General	Grants Special Revenue	Debt Service	Capital Projects	Non-Major Governmental Funds	Totals	
						2014	As Restated 2013
Revenues:							
Local sources	\$ 198,940,509	\$ 498,386	\$ 40,818,397	\$ 113,662	\$ 10,334,385	\$ 250,705,339	\$ 247,981,607
State sources	438,611,438	9,877,171	44,173,619	16,473,761	23,564,414	532,700,403	532,696,627
Federal sources	19,593,385	40,610,476	255,358	169,429	15,603,228	76,231,876	77,455,493
Total revenues	657,145,332	50,986,033	85,247,374	16,756,852	49,502,027	859,637,618	858,133,727
Expenditures:							
Current:							
General administration	26,964,679	--	--	--	--	26,964,679	30,119,251
Instruction	548,117,491	50,986,033	--	--	7,687,708	606,791,232	606,408,747
Pupil transportation	--	--	--	--	22,931,732	22,931,732	22,809,852
Operation and maintenance of plant	74,658,873	--	--	--	--	74,658,873	76,873,647
Community services	3,628,420	--	--	--	--	3,628,420	3,507,066
Food services	--	--	--	--	21,297,939	21,297,939	19,502,420
Debt service:							
Refunding bond issuance cost	--	--	--	--	--	--	69,405
Principal	--	--	57,340,000	--	--	57,340,000	55,425,000
Interest	--	--	27,354,466	--	--	27,354,466	29,504,017
Fiscal agent fees	--	--	8,950	--	--	8,950	9,330
Bond issuance cost	--	--	--	180,923	--	180,923	32,522
Capital outlays	--	--	--	48,043,764	--	48,043,764	30,083,083
Total expenditures	653,369,463	50,986,033	84,703,416	48,224,687	51,917,379	889,200,978	874,344,340
Excess (deficiency) of revenues over (under) expenditures	3,775,869	--	543,958	(31,467,835)	(2,415,352)	(29,563,360)	(16,210,613)
Other financing sources (uses):							
Proceeds from sale of property and equipment	16,561	--	--	--	--	16,561	4,892
Issuance of general obligation bonds	--	--	--	39,345,000	--	39,345,000	14,425,000
Premium on issuance of general obligation bonds	--	--	--	3,845,552	--	3,845,552	1,115,112
Issuance of refunding bonds	--	--	--	--	--	--	24,080,000
Premium on issuance of general refunding bonds	--	--	--	--	--	--	1,139,945
Payments to refunding escrow	--	--	--	--	--	--	(25,150,540)
Transfers in	--	--	9,635	1,450,000	933,175	2,392,810	713,533
Transfers out	(2,383,175)	--	--	(9,635)	--	(2,392,810)	(713,533)
Total other financing sources (uses)	(2,366,614)	--	9,635	44,630,917	933,175	43,207,113	15,614,409
Net change in fund balances	1,409,255	--	553,593	13,163,082	(1,482,177)	13,643,753	(596,204)
Fund balances at beginning of year, as restated	121,218,141	--	2,179,593	11,934,607	6,467,042	141,799,383	142,395,587
Fund balances at end of year	\$ 122,627,396	\$ --	\$ 2,733,186	\$ 25,097,689	\$ 4,984,865	\$ 155,443,136	\$ 141,799,383

See accompanying notes to basic financial statements

For the Year Ended June 30, 2014
 With Comparative Totals
 For the Year Ended June 30, 2013

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

	2014	2013
Net change in fund balances - total governmental funds (page 19)	\$ 13,643,753	\$ (596,204)
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	48,217,443	32,003,962
Current depreciation expense	(37,426,133)	(36,708,803)
Loss on disposal of assets	(4,563,206)	(1,224,938)
Net adjustment for change in fund balance, total government funds to arrive at changes in net assets of governmental activities	6,228,104	(5,929,779)
The issuance of long-term debt on bonds provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unearned and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term and related items.		
Issuance of general obligation bonds	(39,345,000)	(14,425,000)
Premium on issuance of general obligation bonds	(3,845,552)	(1,115,112)
Issuance of refunding general obligation bonds	--	(24,080,000)
Payment to escrow agent for refunding	--	25,150,540
Premium on issuance of refunding general obligation bonds	--	(1,139,945)
Principal payments on general obligation bonds and refunded bonds	57,340,000	55,425,000
Net change in refunding loss	157,942	(1,363,610)
Net change in general obligation bonds premium	1,792,156	4,650,300
Accrued interest	(346,716)	1,028,078
Expenses and revenues that do not require the use of current financial resources are reported in the Statement of Activities, but they are not recorded as expenditures or revenues in the governmental funds:		
Accrued compensated absences	--	(59,763)
Workers' compensation payable	1,929,498	503,803
Change in net position - Internal Service Funds	(587,242)	(136,845)
Total reconciling items	23,323,190	38,507,667
Change in net position of governmental activities (page 16)	\$ 36,966,943	\$ 37,911,463

June 30, 2014
With Comparative Totals for
June 30, 2013

INTERNAL SERVICE FUNDS
STATEMENT OF NET POSITION

	Governmental Activities	
	2014	As Restated 2013
Assets		
Current Assets:		
Investments	\$ 22,452,523	\$ 24,740,132
Accounts receivable	1,257,777	1,192,170
Due from general fund	<u>10,861,618</u>	<u>10,471,495</u>
Total current assets	<u>34,571,918</u>	<u>36,403,797</u>
Non-current assets:		
Machinery and equipment	29,618,369	26,958,716
Accumulated depreciation	<u>(22,743,048)</u>	<u>(21,529,515)</u>
Capital assets (net of accumulated depreciation)	<u>6,875,321</u>	<u>5,429,201</u>
Total assets	<u>41,447,239</u>	<u>41,832,998</u>
Liabilities		
Current liabilities:		
Medical claims and other payables	4,377,862	4,566,502
Accrued compensated absences	<u>5,702,208</u>	<u>3,928,200</u>
Total current liabilities	10,080,070	8,494,702
Non-current liabilities		
Other contractual obligations payable	2,497,730	2,497,730
Accrued compensated absences	<u>5,159,410</u>	<u>6,543,295</u>
Total non-current liabilities	<u>7,657,140</u>	<u>9,041,025</u>
Total liabilities	<u>17,737,210</u>	<u>17,535,727</u>
Net Position		
Net investment in capital assets	6,875,321	5,429,201
Unrestricted	<u>16,834,708</u>	<u>18,868,070</u>
Total net position	<u>\$ 23,710,029</u>	<u>\$ 24,297,271</u>

See accompanying notes to basic financial statements

For the Year Ended June 30, 2014
With Comparative Totals
For the Year Ended June 30, 2013

INTERNAL SERVICE FUNDS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

	Governmental Activities	
	2014	As Restated 2013
Operating revenues:		
Charges for services	\$ 1,281,803	\$ 949,256
Charges for health insurance services	33,152,418	34,643,429
Charges for accrued compensated absences	12,275,732	11,815,233
Total operating revenues	46,709,953	47,407,918
Operating expenses:		
Depreciation	1,281,803	1,192,966
Costs of services	135,841	115,493
Medical plan administration	2,700,378	2,685,073
Medical claims	31,606,302	32,930,154
Other costs	--	27,772
Compensated absences expense	12,275,732	11,815,233
Total operating expenses	48,000,056	48,766,691
Operating (loss)	(1,290,103)	(1,358,773)
Non-operating revenues:		
Gain on sale of capital assets	4,677	49,363
Insurance proceeds	24,258	17,126
Investment income	332,525	105,467
Total non-operating revenues	361,460	171,956
Total loss before capital contributions and transfers	(928,643)	(1,186,817)
Capital contributions	341,401	1,049,972
Transfers in - General Fund	--	--
Total capital contributions and transfers	341,401	1,049,972
Changes in net position	(587,242)	(136,845)
Net position at beginning of year	24,297,271	24,434,116
Net position at end of year	\$ 23,710,029	\$ 24,297,271

For the Year Ended June 30, 2014
With Comparative Totals
For the Year Ended June 30, 2013

INTERNAL SERVICE FUNDS

STATEMENT OF CASH FLOWS

	Governmental Activities	
	2014	2013
Cash flows from operating activities:		
Receipts from interfund activities	\$ 46,710,962	\$ 46,223,404
Payments for interfund services used	--	(27,772)
Payments for medical claims and other health insurance activity	(46,823,320)	(49,223,295)
Net cash flows provided by operating activities	(112,358)	(3,027,663)
Cash flows from non-capital financing activities:		
Increase in due from other funds	(390,123)	(59,763)
Net cash flows provided by non-capital and related financing activities	(390,123)	(59,763)
Cash flow from capital and related financing activities:		
Acquisition of capital assets	(2,174,023)	(826,291)
Sale of capital assets	32,112	37,620
Insurance proceeds	24,258	17,126
Net cash used in capital and related financing activities	(2,117,653)	(771,545)
Cash flows from investing activities:		
Sale of investments	2,287,609	3,753,504
Interest earnings received	332,525	105,467
Net cash provided by investing activities	2,620,134	3,858,971
Net increase in cash	--	--
Cash at beginning of year	--	--
Cash at end of year	\$ --	\$ --
Reconciliation of operating income to net cash used by operating activities:		
Operating loss	\$ (1,290,103)	\$ (1,358,773)
Adjustments to reconcile operating income to net cash used by operating activities		
Depreciation expense	1,281,803	1,192,966
Compensated absences expense	390,123	59,763
Change in assets and liabilities		
Receivables, net	(94,436)	(1,158,632)
Accounts and other payables	(789,868)	(1,762,987)
Net cash used by operating activities	\$ (502,481)	\$ (3,027,663)
Non-cash investing, capital, and financing activities:		
Contributed capital and equipment	\$ 341,401	\$ 1,049,972

See accompanying notes to basic financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Basis of Presentation

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

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

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

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

C. Fund Accounting

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

Governmental Funds

The district reports major governmental funds based on quantitative criteria:

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

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

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

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

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

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

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

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

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

Proprietary Funds

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

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

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

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

D. Basis of Accounting/Measurement Focus

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

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

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

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

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

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

E. Assets, Liabilities and Fund Equity

Cash and Investments

A central treasury is used to account for all cash and investments, except for the decentralized Student Activities Funds that have investments with independent banking institutions. Investments in the decentralized portion of the Student Activities Funds are not subject to school board policy and are

handled by the principals of each secondary school who have full discretionary authority over the management of investments.

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

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

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

The district is also authorized to secure investments through the Municipality of Anchorage either by trading in the open market or participating in the Municipal Investment Pool. The Municipal Investment Pool is not registered with the Securities and Exchange Commission. The fair value of the pool is the same as the value of pool shares. As of June 30, 2014, the district holds equity total of \$152,458,884, about 23.98% of the total investment pool. The Anchorage Municipal Code 6.50.030 functions as the regulation oversight of the investment pool. According to AMC 6.50.030, the Municipality is authorized to purchase investments which meet the following rating and issuer requirements:

1. Obligations issued or guaranteed by the U.S. Government, U.S. agencies or U.S. government-sponsored corporations and agencies.
2. Corporate debt securities that are guaranteed by the U.S. government or the Federal Deposit Insurance Corporation (FDIC) as to principal and interest.
3. Taxable and tax-exempt municipal securities having a long term rating of at least "A-" by a nationally recognized rating agency or a taxable or tax-exempt municipal security having a short term rating of at least "A-1" by S&P, "P-1" by Moody's or "F-1" by Fitch.
4. Debt securities issued and guaranteed by the International Bank for Reconstruction and Development (IBRD) and rated "AAA" by a nationally recognized rating agency.
5. Commercial paper rated at least "A-1" by S&P, "P-1" by Moody's or "F-1" by Fitch.
6. Bank debt obligations, including unsecured certificates of deposit, notes, time deposits and bankers' acceptance (with maturities of not more than 365 days), and deposits with any bank, short-term obligations of which are rated at least "A-1" by S&P, "P-1" by Moody's or "F-1" by Fitch and is either:
 - a. Incorporated under the laws of the United States of America, or any state thereof, and subject to supervision and examination by federal or state banking authorities; or

- b. Issued through a foreign bank with a branch or agency licensed under the laws of the United States of America, or any state thereof, or under the laws of a country with a Moody's sovereign rating for bank deposits of "Aaa", or an S&P sovereign rating of "AAA", or a Fitch national rating of "AAA", and subject to supervision and examination by federal or state banking authorities.
- 7. Repurchase agreements secured by obligations of the U.S. government, U.S. agencies or U.S. government-sponsored corporations and agencies.
- 8. Dollar denominated corporate debt instruments rated "BBB-" or better by S&P's Rating Service (investment grade) or the equivalent by another nationally recognized rating agency.
- 9. Dollar denominated corporate debt instruments rated below "BBB-" by S&P's Rating Service or the equivalent by another nationally recognized rating agency, including emerging market.
- 10. Dollar denominated debt instruments of foreign governments rated "BBB" or better by S&P's Rating Service or the equivalent by another nationally recognized rating agency.
- 11. Asset-backed securities (ABS), other than commercial paper, collateralized by credit cards, automobile loans, leases and other receivables which must have a credit rating of "AA-" or above by S&P's Rating Service or the equivalent by another nationally recognized rating agency.
- 12. Mortgage-backed securities (MBS), including generic mortgage-backed pass-through securities issued by GNMA, FHLMC, FNMA, non-agency mortgage-backed securities, collateralized mortgage obligations (CMOs), or commercial mortgage-backed securities (CMBS), which must have a credit rating of "AA-" or above by S&P's Rating Service or the equivalent by another nationally recognized rating agency.
- 13. Debt issued by the Tennessee Valley Authority.
- 14. Money market mutual funds rated "Am" or better by S&P Rating Service, or the equivalent by another nationally recognized rating agency, and consisting of any or all of the securities authorized for investment in this section of the Code.
- 15. Alaska Municipal League Investment Pool (AMLIP), consistent with all other provisions of this Code.
- 16. Mutual fund investments so long as the overall nature of the fund is generally consistent with this section of the Code.
- 17. Interfund loans from a Municipal Cash Pool to a Municipal Fund.

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

Fund	Carrying Amount	Bank Balance
Insured (FDIC, NCUSIF) or collateralized by securities held by the Municipality or its agents in the Municipality's name:		
Demand deposits:		
Student Activities Special Revenue Fund	\$ 2,527,484	\$ 2,615,768
Time deposits:		
Student Activities Special Revenue Fund	242,784	242,784
Total	<u>2,770,268</u>	<u>2,858,552</u>
Collateralized with securities held by the bank's trust department in the district's name:		
Demand deposits:		
General Fund, Special Revenue Fund, and Capital Projects Fund	12,381,363	16,557,714
Grand total	<u>\$ 15,151,631</u>	<u>\$ 19,416,266</u>

The district's investments are not subject to custodial credit risk. A summary of the district's investments as of June 30, 2014 is as follows:

	Carrying Amount
Investments through Municipality:	
Certificate of deposit	849,000
Commercial paper	2,000,000
Investment premium	7,717
Accrued interest	19,523
United States Agency	13,450,000
Municipal Investment Pool	152,458,883
Investments through decentralized accounts	
Investment premium	5,729
Cash with paying agent:	
U.S. government securities	13,361,130
Total district investments	<u>\$ 182,151,982</u>

The following is a schedule of investments by fund including the equity position in the Municipal Investment Pool of the governmental fund type and proprietary fund type at June 30, 2014. All discounted notes issued by the U.S. Government agencies have implied ratings of “A-1+” by S&P, “P-1” by Moody’s or “F1+” by Fitch.

	<u>Date Acquired</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Carrying Amount</u>
General Fund				
Municipal Investment Pool				\$ 129,499,832
Capital Projects Fund				
Certificate of Deposit				
Bank of Barboda	4/4/2014	0.35%	7/7/2014	249,000
Bank of China	4/9/2014	0.25%	7/9/2014	249,000
State Bank of India Chicago	4/14/2014	0.25%	7/14/2014	249,000
Total certificate of deposit				<u>747,000</u>
Commercial paper				
Union Bank	4/2/2014	0.16%	8/29/2014	2,000,000
United States Agency				
FHLMC Discount Note	6/4/2014	1.00%	7/30/2014	1,575,000
FFCB Discount Note	6/4/2014	0.30%	8/1/2014	1,500,000
FHLB Discount Note	5/12/2014	0.06%	8/8/2014	4,400,000
FHLMC Discount Note	6/4/2014	1.00%	8/27/2014	3,075,000
FHLB Discount Note	4/2/2014	0.10%	9/2/2014	900,000
FHLMC Discount Note	6/23/2014	0.75%	9/22/2014	2,000,000
Total United States Agency				<u>13,450,000</u>
Accrued Interest				19,134
Investment premium				7,717
Municipal Investment Pool				<u>301,237</u>
Total Capital Projects Fund				<u><u>\$ 16,525,088</u></u>
Internal Service Fund				
Municipal Investment Pool				
Health Insurance Fund				\$ 13,881,289
Equipment Replacement Fund				8,571,234
Total Internal Service Funds				<u><u>\$ 22,452,523</u></u>

Special Revenue Fund

Certificate of Deposit

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

Accrued Interest 389

Investment premium 5,729

Municipal Investment Pool 205,291

Total Special Revenue Fund \$ 313,409

Cash with Paying Agent

The total amount of cash with paying agent at June 30 is \$6,594,080, which is recorded in the Capital Projects Fund and Debt Service

Due from Other Governments

The amounts due from the Municipality of Anchorage are generally for funds appropriated from local property taxes levied by Municipal Ordinance in support of the district. The amounts recorded in the General Fund and Debt Service Fund at June 30 are \$100,106,500 and \$19,681,712, respectively. In addition there is \$2,670,949 due from the municipality and State of Alaska for State of Alaska Legislative grants which are passed through the Municipality for the district.

The amounts due from the United States Government recorded in the General Fund include \$840,092 for Federal Impact Aid. The amounts due from the State of Alaska in the Special Revenue Funds include \$460,021 for 2014 reimbursements under cost reimbursable grants and \$122,890 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 \$442,980 for 2014 reimbursements under the Aid for School Construction Program. The amounts due from the United States Government in the Grants Special Revenue Fund and Capital Projects Fund includes \$15,385,911 for 2014 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 2014 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 2014, taxes were levied on May 1. Real property taxes are payable in two installments on June 15 and August 15, and personal property taxes in two installments on August 31 and October 31.

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

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

Contribution from Real and Personal Property Taxes

Amount required by the district to fund the second half of the fiscal year 2013-2014 budget:

January 1, 2014 through June 30, 2014	\$233,419,669 x 50%	=	\$116,709,835
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Amount required by the district to fund the first half of the fiscal year 2014-2015 budget:

July 1, 2014 through December 31, 2014	\$239,576,423 x 50%	=	<u>\$119,788,212</u>
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Total amount required by the district for calendar year 2014			<u>\$236,498,047</u>
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Computation of Mill Rate Required to Fund Calendar Year 2014

Total amount required by the district for calendar year 2014	\$233,598,047
--	---------------

Assessed valuation	<u>\$33,606,601,597</u>
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Mill rate assessment for schools during calendar year 2014	7.04
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The district has accrued the taxes of \$100,106,500 and \$19,681,712 for funding of the first half of the fiscal year 2014-2014 budget as of June 30, 2014 in the General Fund and Debt Service Fund, respectively. The corresponding unearned revenue has been established.

Prepaid Items

Prepaid items primarily represent utilities and supplies paid for in advance of the period to which they apply. The district prepays utility costs in order to be able to take advantage of reduced costs and an interest earning agreement with the utility. Supplies are prepaid due to the time required for transportation, as it is necessary to order certain supplies in advance in order to ensure that the supplies are available when school begins the following year. The district accounts for prepaid items under the purchase method and is reflected as non-spendable fund balance.

Inventories

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

Inventories for building and grounds maintenance use are maintained under the purchase method of inventory. The expenditures are recorded in the General Fund upon acquisition. The value of the

purchase method of inventory at June 30 is \$1,776,612 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 \$395,495 and \$1,240,710, respectively, and are equally offset as non-spendable fund balance. The value of USDA food commodities under the consumption method was \$511,047 at June 30. This amount is also reported as unearned revenue at June 30. The total non-spendable fund balance for inventory in the General Fund is \$2,172,107.

Capital Assets

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

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

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

Description	Governmental Activities Estimated 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.

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

Unearned Revenue

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

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

Long-term Obligations

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

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

Fund Balance Classifications

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

Non-spendable – This classification includes amounts associated with inventory or prepaid items. The cash outlay for these types of items have already been made and therefore the resources represented by this fund balance category cannot be spent again and deemed “not in spendable form”.

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

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

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

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

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

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

The following shows the composition of fund balance of the governmental funds as of June 30, 2014:

	General Fund	Grants Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	Totals
Non-spendable						
Inventory	\$ 2,172,107	\$ --	\$ --	\$ --	\$ 1,240,710	\$ 3,412,817
Prepaid Items	3,327,638	25,674	--	251	5,065	3,358,628
Total non-spendable	5,499,745	25,674	--	251	1,245,775	6,771,445
Restricted						
Bond rating	23,957,642	--	--	--	--	23,957,642
Debt service	--	--	2,733,186	--	--	2,733,186
Federal Impact Aid - 8003(d)	541,753	--	--	--	--	541,753
Total restricted	24,499,395	--	2,733,186	--	--	27,232,581
Committed						
Services [1]	453,598	--	--	--	--	453,598
Supplies [1]	3,070,005	--	--	--	--	3,070,005
Equipment [1]	1,753,294	--	--	--	--	1,753,294
Pupil Transportation	--	--	--	--	370,000	370,000
Authorized construction - other	--	--	--	25,097,438	--	25,097,438
Total committed	5,276,897	--	--	25,097,438	370,000	30,744,335
Assigned						
Federal Impact Aid - 8003(b)	17,599,794	--	--	--	--	17,599,794
Self-insurance	18,320,535	--	--	--	--	18,320,535
Subsequent year's expenditure	1,621,000	--	--	--	--	1,621,000
Services [1]	6,690,579	--	--	--	--	6,690,579
Supplies [1]	2,943,222	--	--	--	--	2,943,222
Equipment [1]	1,423,390	--	--	--	--	1,423,390
Pupil Transportation	--	--	--	--	68,207	68,207
Student activities	--	--	--	--	4,965,194	4,965,194
Total assigned	48,598,520	--	--	--	5,033,401	53,631,921
Unassigned	38,752,839	(25,674)	--	--	(1,664,311)	37,062,854
Total fund balance	\$ 122,627,396	\$ --	\$ 2,733,186	\$ 25,097,689	\$ 4,984,865	\$ 155,443,136

[1] All items in these categories have been encumbered as of June 30, 2014

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 \$9,635 from the Capital Projects Fund to the Debt Service Fund obtained from unused cost of issuance funds. Transfers of \$1,450,000 were made from the General Fund to the Capital Projects Fund to fund capital improvements not financed by voter approved bonds or state capital grants. Other transfers of \$713,175 and \$220,000 were made from the General Fund to the Pupil Transportation and Food Service Funds, respectively to cover costs associated with the pupil transportation and food service programs.

A summary of interfund receivables and payables as of June 30, 2014 is as follows:

	Interfund receivable	Interfund payable
Major funds		
General Fund	\$ 24,002,611	\$ 36,657,864
Grants Special Revenue Fund	--	12,105,247
Debt Service Fund	--	11,049,287
Capital Projects Fund	23,171,399	--
Non-major funds	2,624,847	848,077
Internal service funds		
Compensated Absences Fund	10,861,618	--
Total	<u>\$ 60,660,475</u>	<u>\$ 60,660,475</u>

A summary of interfund transfers for the year ended June 30, 2014 is as follows:

	Transfers In	Transfers Out
Major funds		
General Fund	--	2,383,175
Debt Service Fund	9,635	--
Capital Projects Fund	1,450,000	9,635
Non-major funds	933,175	--
Total	<u>\$ 2,392,810</u>	<u>\$ 2,392,810</u>

F. Reclassification

Certain amounts included in the prior year financial statements have been reclassified to conform to current year classification. The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the district's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

NOTE 2 – CHANGES IN CAPITAL ASSETS

The capital assets activity for the fiscal year ended June 30, 2014 is as follows:

	Balance July 1, 2013	Additions/ Transfers	Deductions/ Transfers	Balance June 30, 2014
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 42,357,063	\$ --	\$ --	\$ 42,357,063
Construction in progress	1,257,834	47,802,482	48,109,032	951,284
Total capital assets not being depreciated	43,614,897	47,802,482	48,109,032	43,308,347
Capital assets being depreciated:				
Land improvements	61,142,707	2,435,906	--	63,578,613
Buildings and equipment	1,593,666,136	48,227,273	9,377,709	1,632,515,700
Pupil transportation equipment	9,941,389	322,208	--	10,263,597
Total capital assets being depreciated	1,664,750,232	50,985,387	9,377,709	1,706,357,910
Less accumulated depreciation for:				
Land improvements	(39,656,276)	(1,983,657)	--	(41,639,933)
Buildings and equipment	(476,381,338)	(36,550,476)	(4,819,793)	(508,112,021)
Pupil transportation equipment	(8,498,197)	(173,803)	--	(8,672,000)
Total accumulated depreciation	(524,535,811)	(38,707,936)	(4,819,793)	(558,423,954)
Total capital assets, being depreciated, net	1,140,214,421	12,277,451	4,557,916	1,147,933,956
Governmental activities capital assets, net	\$ 1,183,829,318	\$ 60,079,933	\$ 52,666,948	\$ 1,191,242,303

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

Governmental activities:	Amount
General administration	\$ 743,136
Instruction	36,984,476
Pupil transportation	252,777
Operation and maintenance of plant	471,731
Community services	--
Food services	255,816
Total depreciation expense, governmental activities	\$ 38,707,936

Construction in progress, less projects completed in 2014 is comprised of the following:

	Project Authorization	Expended to June 30, 2014	Committed
Secondary schools:			
Bartlett High School Construction Academy	6,678,329	1,114,246	904,861
Begich Middle School Light T&F	1,016,646	31,513	12,663
Benson Middle School	192,256	11,801	106,148
Central Middle School Design	3,864,011	170,131	948,207
Chugiak High School Roof	3,680,654	1,823,950	199,142
Clark Middle School	132,075	952	--
Dimond High School AUX GYM	989,213	1,161,642	22,947
Eagle River High School	1,463,669	302,496	1,153,444
East High School IADT	2,064,887	1,796,065	612,060
Goldenview Middle School Stage Repair	513,328	132,623	199,245
Gruening Middle School Planning	3,801,414	576,527	392,091
Hanshew Middle School Boiler Upgrades	799,048	887,737	23,859
King Career ITCM/PA/CLK	678,898	3,378,246	130,236
Mears Middle School Lights Replacement	1,008,727	707,510	402,454
Mirror Lake Middle School Construction	26,475	535,152	--
Romig Middle School Equipment Upgrades	938,704	1,111,423	38,118
Save High School Intercom/PA	164,550	167,083	6,208
Service High School Renovations	19,374,540	10,080,133	16,860,714
South High School Engineer Academy	3,554,228	410,557	406,728
Steller Secondary School Electrical Upgrades	2,290,040	458,535	549,513
Wendler Middle School IADT & E	1,684,443	26,026	23,202
West H.S. & Romig MS CTE	23,265,227	4,060,423	3,870,824
Whaley Middle School	317,825	184	--
	78,499,187	28,944,955	26,862,664
Elementary schools:			
Abbott Loop Elem INT/BI/CI	580,186	94,241	11,240
Airport Heights Elem Construction	22,952,793	374,960	1,267,941
Airport Heights Elem B14P1	603,717	104,973	74,576
Aplenglow Elem CCTV Upgrades	28,508	27,467	--
Aurora Elem Fire Alarms Upgrades	5,350,280	793,541	3,079,927
Baxter Cameras Improvement	151,163	42,294	25,200
Bayshore Elem Doors Window Upgrades	5,529,016	27,117	59,790
Bear Valley Elem Boiler Upgrades	1,144,234	517,004	353,451
Birchwood Elem Ground Upgrades	123,232	12,454	--
Bowman Play Ground Upgrades	209,798	366,917	10,429
Campbell Elem Fire Alarms Upgrades	473,541	140,149	75,454
Chester Valley Elementary ADA	44,909	--	--
Chinook Elementary School Construction	120,826	152,607	--
Chugach Elementary School Security System	93,923	25,113	--
Chugiak Elem Doors & Windows Upgrades	402,179	67,529	284,586
College Gate Elem HVAC	1,422,901	171,845	391,353
Creekside Park Security System	221,638	1,938	3,535
Denali Elementary School	60,499	28,336	--
Eagle River Elem Renew Doors & Windows	6,570,505	733,306	214,071
Fairview Elem Security Cameras Upgrades	99,535	110,124	21,116
Fire Lake Elem Emergency	62,979	137,696	10,475
Girdwood Elem Construction	22,434,219	3,156,258	16,923,714
Gladys Wood Elem Carpet	1,746,209	674,717	376,908
Government Hill Security Cameras	175,286	59,268	3,140
Homestead Elem Int/Bell/C	148,277	30,274	34,402
Huffman Renovation	7,457,052	348,792	126,333
Inlet View Elem Planning	440,928	190,213	65,508
Kasun CCTV Upgrades	115,261	227,594	12,199
Kincaid Elementary SRTS	47,053	11,509	26,403
Klatt Elem Emergency Upgrades	363,322	175,363	23,085
Lake Hood Elem Fire Upgrades	363,730	85,227	68,385
Lake Otis Elementary School	7,452	6,520	--
Mountain View Elem Intercom Upgrades	1,436,294	594,896	97,399

Construction in progress (continued):

Mt. Iliamna Elementary School	1,851,631	276,175	368,799
Mt. Spurr Elementary School	284,993	9,373	16,241
Muldoon Elem Intercom White Board	99,419	295,817	5,100
North Star Elem Signs Reader	229,374	18,757	24,600
Northern Lights ABC Elementary School	18,713	--	--
Northwood Elem Doors and Windows	1,199,855	92,291	45,479
Nunaka Valley Elem Heat System	661,205	159,265	500,185
Ocean View Elementary School	142,174	92,346	--
O'Malley Elem Security Cameras	2,379,534	800,434	736,079
Orion Elementary School	512,168	51	--
Polaris Elementary School	640,351	113,343	68,346
Ptarmigan Elementary School	104,707	34,174	--
Rabbit Creek Elem Roof Improvement	1,600,344	933,257	145,850
Ravenwood Elem Security Cameras	110,419	196,356	53,009
Rogers Park Elementary School	32,906	--	--
Russian Jack Elementary School	97,095	--	--
Sand Lake Elementary School	230,455	207,857	10,380
Scenic Park Elem CCTV Upgrades	525,415	99,192	158,119
Spring Hill Elem Roof Upgrades	1,091,676	416,184	160,454
Susitna Elem CCTV Security	5,103,002	568,891	208,861
Taku Elementary School	39,367	14,540	--
Trailside Elem Playgrounds	133,795	133,931	4,181
Tudor Elem Playground Upgrades	1,097,638	615,735	246,315
Turnagain Elem Roof Upgrades	2,441,835	976,705	564,006
Ursa Major Elem Stair Upgrades	302,035	18,031	72,628
Ursa Minor Elem Stair Upgrades	81,945	--	--
William Tyson Elem Playfield Upgrades	776,657	37,172	56,992
Willawaw Elementary School	3,212	17,781	--
Willow Crest Elementary School	260,021	37,367	--
Wonder Park Elem Security System Upgrades	3,351,962	148,967	146,052
	<u>106,385,348</u>	<u>15,804,234</u>	<u>27,232,296</u>

Other capital projects:

District-wide Asbestos, ADA	192,364	--	--
District-wide Building Life Extension	315,761	2,406	--
District-wide CTE	1,377,798	--	--
District-wide BLE	5,950,000	--	--
District-wide Electric Upgrades	1,621,835	497,361	466,923
District-wide Emergency Prep	289,166	48,755	--
District-wide Facility Assessments	278,676	54,894	168,553
District-wide Federal Impact Aid	369,976	--	--
District-wide Library Books	(130)	--	--
District-wide Maintenance Equip	11,851	--	--
District-wide Mechanical Upgrades	605,074	--	--
District-wide Relocatables	359,679	56,374	9,193
District-wide Roof and Replacements	26,268	--	--
District-wide Safety/Security	4,972,481	2,076,378	2,622,252
District-wide Site Acquisition	1	--	--
District-wide Traffic Safety	12,485	--	--
District-wide Underground Storage Tank	245,129	--	--
Other capital projects	2,222,518	558,407	56,468
	<u>18,850,932</u>	<u>3,294,575</u>	<u>3,323,389</u>
	<u>\$ 203,735,467</u>	<u>\$ 48,043,764</u>	<u>\$ 57,418,349</u>

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

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

The following is a summary of long-term debt transactions of the district for the fiscal year ended June 30, 2014 (in thousands):

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014
General obligation bonds	\$ 598,480	\$ 39,345	\$ 57,340	\$ 580,485
Unamortized premium/discount on bonds	9,274	3,845	2,053	11,066
	<u>\$ 607,754</u>	<u>\$ 43,190</u>	<u>\$ 59,393</u>	<u>\$ 591,551</u>

Defeasance of Debt

The district has defeased certain general obligation bonds by placing the proceeds of new bonds and other available funds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for defeased bonds are not included in the district's financial statements. At June 30, 2014 the amount of general obligation bonds considered defeased is \$93,585,000.

B. Bonds Payable

Bonds payable at June 30, 2014 are comprised of the following individual issues (in thousands):

General Obligation Bonds	Amount	Due within One year
\$60,000,000 1995 series A school construction serial bonds due in annual installments of \$4,710,000 to \$5,030,000 through October 2015; interest at 5.0 percent to 6.0 percent	\$ 9,740	\$ 4,710
\$20,735,000 1998 series A school construction refunding bonds due in annual installments of \$4,880,000 to \$5,120,000 through July 2014; interest at 5.0 percent	5,120	5,120
\$126,770,000 2003 series B school construction serial bonds due in annual installments of \$5,835,000 to \$6,080,000 through September 2014; interest at 4.125 percent to 4.25 percent	6,080	6,080
\$80,735,000 2004 series B school construction refunding bonds due in annual installments of \$3,000,000 to \$27,390,000 through December 2017; interest at 3.80 percent to 5.25 percent	73,150	13,170
\$86,240,000 2004 series D school construction serial bonds due in annual installments of \$3,775,000 to \$4,170,000 through December 2015; interest at 5.0 percent	8,135	3,965
\$63,850,000 2005 series A school construction serial bonds due in annual installments of \$2,820,000 to \$3,050,000 through March 2016; interest at 4.0 percent to 5.0 percent	5,985	2,935
\$29,155,000 2005 series B school construction refunding bonds due in annual installments of \$55,000 to \$8,140,000 through December 2020; interest at 4.0 percent to 5.0 percent	25,405	3,560
\$14,790,000 2005 series E school construction refunding bonds due in annual installments of \$3,375,000 to \$4,110,000 through December 2018; interest at 5.0 percent	11,755	--
\$48,495,000 2006 series A school construction serial bonds due in annual installments of \$2,000,000 to \$3,640,000 through October 2026; interest at 4.0 percent to 5.0 percent	36,015	2,080
\$28,885,000 2006 series B school construction refunding bonds due in annual installments of \$5,890,000 to \$6,185,000 through October 2020; interest at 5.0 percent	12,075	--
\$51,705,000 2006 series C school construction refunding bonds due in annual installments of \$65,000 to \$9,770,000 through July 2021; interest at 4.0 percent to 5.0 percent	50,475	6,860
\$171,155,000 2007 series B school construction refunding bonds due in annual installments of \$60,000 to \$29,530,000 through September 2024; interest at 4.0 percent to 5.0 percent	169,730	65
\$63,790,000 2007 series D school construction serial bonds due in annual installments of \$2,450,000 to \$4,885,000 through August 2027; interest at 4.25 percent to 5.0 percent	50,505	2,570
\$29,840,000 2008 series B school construction serial bonds due in annual installments of \$1,105,000 to \$2,285,000 through August 2028; interest at 4.0 percent to 5.25 percent	24,730	1,155

Bonds payable (continued):

\$20,025,000 2010 series B school construction serial bonds due in annual installments of \$830,000 to \$1,345,000 through April 2030; interest at 2.0 percent to 5.91 percent	16,910	845
\$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	4,030	465
\$28,310,000 2011 series C school construction refunding bonds due in annual installments of \$1,285,000 to \$10,050,000 through August 2020; interest at 4.0 percent to 5.0 percent	8,675	--
\$14,425,000 2012 series C school construction serial bonds due in annual installments of \$615,000 to \$975,000 through August 2032; interest at 2.0 percent to 5.0 percent	13,810	555
\$24,080,000 2012 series D school construction refunding bonds due in annual installments of \$4,290,000 to \$15,265,000 through August 2015; interest at 2.0 percent to 5.0 percent	8,815	4,290
\$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	39,345	865
	<u>\$ 580,485</u>	<u>\$ 59,290</u>

The annual requirements to amortize all general obligation debt outstanding for the year ended June 30, 2014, including interest payments in the amount of \$170,901,440 are as follows (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 59,290	\$ 27,035	\$ 86,325
2016	57,165	23,932	81,097
2017	55,030	21,093	76,123
2018	52,285	18,430	70,715
2019	51,330	15,883	67,213
2020-2024	215,850	44,697	260,547
2025-2029	71,020	10,860	81,880
2030-2034	18,515	1,808	20,323
	<u>\$ 580,485</u>	<u>\$ 163,738</u>	<u>\$ 744,223</u>

C. Bonds Authorized But Unissued

For the year ended June 30, 2014, the Municipality has the following authorized but unissued general obligation bonds for schools (in thousands):

<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, 2007	none	\$ 85,000	\$ 82,615	\$ 2,385
Construction/renovation/ replacement/major maintenance	April 01, 2008	none	43,710	38,550	5,160
Construction/renovation/ replacement/major maintenance	April 01, 2011	none	17,000	14,370	2,630
Construction/renovation/ replacement/major maintenance	April 03, 2012	none	59,077	33,770	25,307
Construction/renovation/ replacement/major maintenance	April 02, 2013	none	54,825	9,060	45,765
Construction/renovation/ replacement/major maintenance	April 01, 2014	none	57,285	--	57,285
			<u>\$ 316,897</u>	<u>\$ 178,365</u>	<u>\$ 138,532</u>

D. Refunded Bonds

The district did not have any refunded bonds for the year ended June 30, 2014.

E. Compensated Absences

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

<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
\$ 10,471,495	\$ 12,275,732	\$ 11,885,609	\$ 10,861,618	\$ 5,702,208

F. Workers' Compensation Payable

General Fund, Grants Special Revenue Fund, Food Service Special Revenue Fund and Capital Projects Fund will liquidate the liability of workers' compensation. The balance of workers' compensation for the fiscal year ended June 30, 2014 is as follows:

<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
\$ 15,406,061	\$ 3,373,793	\$ 5,303,336	\$ 13,476,518	\$ 5,568,503

NOTE 4 – RETIREMENT PLANS

As of June 30, 2014, 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.

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% of active member wages,

subject to a wage floor. In addition, the legislation provides for state contributions in the event that the annually calculated and board adopted rate, which includes a provision to pay down the past-service liability, exceeds 22%. Any such additional contributions will be recognized by each employer as an on-behalf payment.

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

Teachers Retirement System (TRS)

Plan Description and Provisions

The Alaska Teachers' Retirement System is created and administered by the State of Alaska to provide benefits for teachers of the State of Alaska. Benefit and contribution provisions are established by Alaska law and may be amended only by the Alaska State Legislature. All the district's certificated employees are participants in TRS. Similar to PERS, TRS is also a tiered retirement system. Employees hired before July 1, 2006 participate in Tiers I-II, a multi-employer cost-sharing defined benefit public retirement plan. Employees hired on or after July 1, 2006 participate in Tiers III, a defined contribution retirement plan. The payroll for employees covered by TRS for the year ended June 30, 2014 was \$257,085,802 which compares to the district's total payroll of \$371,129,723.

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

Regular employees are required to contribute 6.75% of their annual covered salary (2.97% for pension and 3.78% for healthcare) for PERS and 8.65% (4.45% for pension and 4.20% for healthcare) for TRS. The funding policy provides for periodic employer contributions based on actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate sufficient assets to pay both pension and postemployment healthcare benefits when due.

For both plans the employer contribution rate is statutorily capped at 22% and 12.56% for PERS and TRS respectively, although state legislation currently provides that the State of Alaska will contribute any amount over the statutory limit such that the total contribution equals the Alaska Retirement Management Board adopted rates. The board adopted rate will generally be consistent with the actuarially determined rate, but not the same as the Governmental Accounting Standards Board (GASB) Statement 43 accounting rate.

The district's contribution rates for the year ended June 30, 2014 were determined as part of the June 30, 2011 actuarial valuation and are as follows:

	Contractual Rate	ARM Board Adopted Rate	GASB 45 Rate*
PERS			
Pension	10.64 %	18.38 %	27.94 %
Postemployment healthcare	11.36	17.30	52.55
Total contribution rate	<u>22.00 %</u>	<u>35.68 %</u>	<u>80.49 %</u>

	Contractual Rate	ARM Board Adopted Rate	GASB 45 Rate*
TRS			
Pension	6.66 %	33.73 %	50.91 %
Postemployment healthcare	5.90	19.89	61.27
Total contribution rate	<u>12.56 %</u>	<u>53.62 %</u>	<u>112.18 %</u>

*This rate uses an 8.00% pension discount rate for both PERS and TRS and a 5.41% and 5.08% healthcare discount rate for PERS and TRS respectively. Additionally, the GASB 43 rate disregards all future Medicare Part D payments.

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

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

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

Annual Pension and Postemployment Healthcare Cost – PERS

The district is required to contribute 22% of covered payroll, subject to a wage floor. In addition, the State of Alaska contributed approximately 13.68% 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 \$13,458,356 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, 2014, 2013, and 2012, 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
2014	\$ 10,537,921	\$ 11,252,651	\$ 21,790,572	\$ 21,790,572	100
2013	9,173,046	11,698,504	20,871,550	20,871,550	100
2012	10,106,897	11,112,706	21,219,603	21,219,603	100

Annual Pension and Postemployment Healthcare Cost - TRS

The district is required to contribute 12.56% of covered payroll, subject to a wage floor. In addition, the State of Alaska contributed approximately 41.06% 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 \$106,829,602 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, 2014, 2013, and 2012, 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
2014	\$ 17,593,407	\$ 15,582,922	\$ 33,176,329	\$ 33,176,329	100
2013	16,747,499	15,816,177	32,563,676	32,563,676	100
2012	20,311,619	12,212,991	32,524,610	32,524,610	100

Defined Contribution Pension Plan

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

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

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

The district and employee contributions to PERS including the HRA contribution for the year ended June 30, 2014 were \$3,667,995 and \$2,713,920 respectively. The district and employee contributions to TRS for the year ended June 30, 2014 were \$8,279,921 and \$6,259,824, respectively.

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. The district contributes two dollars (\$2.48) for each hour of compensation earned by each permanent bus driver and attendant with more than 6 years of continuous regular experience with the district, and one dollar (\$1.24) for each hour of compensation earned by each permanent bus driver and attendant with 6 or fewer years of continuous regular experience with the district. The district contributed \$303,470 in 2014 \$265,122 in 2013, and \$250,452 in 2012 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, 2014 was \$2,934,650, which compares to the district's total of \$371,129,723. 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 50 as of June 30, 2014. The cost of the retiree supplemental health benefits is recognized as expenditure when incurred. The total amount expended for the year ended June 30, 2014 is \$89,143.

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 \$1,000,000 per occurrence for school bus, auto, and general liability, \$750,000 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 \$18,320,535. 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, 2014 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 2014, 2013, and 2012 are as follows:

		Liability Balance July 1	Current Year Claims and Changes in Estimates	Claims Payment	Liability Balance June 30
2014	Health	\$ 7,041,335	\$ 32,719,056	\$ 31,606,302	\$ 8,154,089
	Unemployment	86,383	356,708	372,291	70,800
	Workers' Comp	15,406,016	3,373,838	5,303,336	13,476,518
		<u>\$ 22,533,734</u>	<u>\$ 36,449,602</u>	<u>\$ 37,281,929</u>	<u>\$ 21,701,407</u>
2013	Health	\$ 9,164,719	\$ 30,806,770	\$ 32,930,154	\$ 7,041,335
	Unemployment	58,536	522,346	494,499	86,383
	Workers' Comp	15,909,819	4,988,250	5,492,053	15,406,016
		<u>\$ 25,133,074</u>	<u>\$ 36,317,366</u>	<u>\$ 38,916,706</u>	<u>\$ 22,533,734</u>
2012	Health	\$ 8,361,004	\$ 30,362,530	\$ 29,558,815	\$ 9,164,719
	Unemployment	117,633	436,983	496,080	58,536
	Workers' Comp	16,979,488	4,417,660	5,487,329	15,909,819
		<u>\$ 25,458,125</u>	<u>\$ 35,217,173</u>	<u>\$ 35,542,224</u>	<u>\$ 25,133,074</u>

NOTE 7 – COMMITMENTS

Commitments under lease agreements for the various administration buildings provide for minimum annual rental payments of \$2,786,532. Rent expenditures for the year ended June 30, 2014 were \$6,081,498.

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, 2014 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	\$ 192,465,884
Debt Service Fund	40,818,396
Grant revenues received from the Municipality of Anchorage	
State and Federal Grants Special Revenue Fund	\$ 11,952
Charges for services:	
Operations of swimming pools	\$ (584,327)
Property tax collection	(237,000)
School resource officers	(2,897,211)
Joint property and liability insurance:	
Purchase of a single property and liability policy, which covers both the municipality and district	\$ (2,579,971)

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

NOTE 10 – RESTATEMENTS

The District established the Compensated Absences Internal Service Fund to account for employees' earned as well as used leave; as a result fund balances in the governmental funds have been restated. Retroactive restatement is required in the year of adoption and for the prior year comparative balances as well. The beginning fund balances for the governmental funds for fiscal year 2013 has been restated by \$(10,471,495).

Fund balances, beginning as previously reported	\$ 152,270,878
Change in accounting treatment adjustment	<u>(10,471,495)</u>
Fund balances, beginning, as restated	<u>\$ 141,799,383</u>

NOTE 11 – NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, but believes that that GASB Statements 68 and 71 will result in the biggest reporting change. Actual impacts have not yet been determined:

GASB 68 – Accounting and Financial Reporting for Pensions – 2014 – Effective for year-end June 30, 2015 – This statement contains certain revisions to prior GASB statements on the topics of Net Pension Liability and Pension Expense.

GASB 69 – Government Combinations and Disposals of Government Operations – 2014 – Effective for year-end June 30, 2015 – This statement contains certain disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and effects of these transactions.

GASB 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date – Effective for year-end June 30, 2015 – This statement is a companion to GASB Statement 68 and clarifies treatment of contributions made by a contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

CAER



Required Supplementary Information

Required Supplementary
Information

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

For the Year Ended June 30, 2014

	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	\$ 192,465,884	\$ --	\$ 192,465,884	\$ 192,645,942	\$ 194,176,872	\$ (1,710,988)
Reimbursement for school facilities rental	826,989	--	826,989	620,000	620,000	206,989
Nonresident tuition	21,432	--	21,432	50,000	50,000	(28,568)
Investment income	1,663,677	--	1,663,677	65,000	65,000	1,598,677
E-Rate	2,040,475	--	2,040,475	1,445,000	1,445,000	595,475
Other revenues	1,922,052	7,000,000	8,922,052	8,347,438	8,347,438	574,614
Total revenues from local sources	198,940,509	7,000,000	205,940,509	203,173,380	204,704,310	1,236,199
Revenues from state sources:						
Public school funding program	318,661,242	--	318,661,242	323,853,000	327,073,347	(8,412,105)
School improvement grant	7,473,360	--	7,473,360	7,500,000	7,500,000	(26,640)
Retirement systems employer relief	112,068,352	(112,068,352)	--	--	--	--
On-Base tuition	408,484	--	408,484	408,000	408,000	484
Total revenues from state sources	438,611,438	(112,068,352)	326,543,086	331,761,000	334,981,347	(8,438,261)
Revenues from federal sources:						
Reserve Officers Training Corps	763,088	--	763,088	723,000	723,000	40,088
Federal Impact Aid	18,141,547	--	18,141,547	15,000,000	15,050,020	3,091,527
Medicaid reimbursement	688,750	--	688,750	100,000	100,000	588,750
Total revenues from federal sources	19,593,385	--	19,593,385	15,823,000	15,873,020	3,720,365
Total revenues	657,145,332	(105,068,352)	552,076,980	550,757,380	555,558,677	(3,481,697)
Expenditures:						
Current:						
General administration	26,964,679	(1,319,210)	25,645,469	18,462,095	29,712,247	4,066,778
Instruction	548,117,491	(104,676,189)	443,441,302	454,274,528	450,378,175	6,936,873
Operation and maintenance of plant	74,658,873	(3,919,560)	70,739,313	73,821,567	71,218,065	478,752
Community services	3,628,420	(32,618)	3,595,802	3,756,057	3,590,667	(5,135)
Total expenditures	653,369,463	(109,947,577)	543,421,886	550,314,247	554,899,154	11,477,268
Excess of revenues over expenditures	3,775,869	4,879,225	8,655,094	443,133	659,523	7,995,571

See accompanying notes to required supplementary information
(Continued)

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

For the Year Ended June 30, 2014

	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	\$ 16,561	\$ --	\$ 16,561	\$ --	\$ --	\$ 16,561
Transfers out - Capital Projects Fund	(1,450,000)	--	(1,450,000)	--	--	(1,450,000)
Transfers out - Food Service Fund	(220,000)	--	(220,000)	--	(220,000)	--
Transfers out - Pupil Transportation Fund	(713,175)	--	(713,175)	(443,133)	(439,523)	(273,652)
Total other financing sources and (uses)	(2,366,614)	--	(2,366,614)	(443,133)	(659,523)	(1,707,091)
Excess of revenues and other financing sources over expenditures and other financing uses	1,409,255	\$ 4,879,225	\$ 6,288,480	\$ --	\$ --	\$ 6,288,480
Fund balance at beginning of year	121,218,141					
Fund balance at end of year	\$ 122,627,396					

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		\$ 657,145,332
Add: budgeted fund balance	\$ 7,000,000	
Deduct: retirement systems employer relief	(112,068,352)	
		(105,068,352)
Revenues reported on the basis of budgeting		552,076,980
Expenditures reported on the basis of GAAP		653,369,463
Add: current year encumbrances	\$ 10,311,540	
Deduct: retirement systems employer relief	(112,068,352)	
Deduct: expenditures on prior year's encumbrances	(8,190,765)	
		(109,947,577)
Expenditures and encumbrances reported on the basis of budgeting		543,421,886
Excess of revenues over expenditures on the basis of budgeting		\$ 8,655,094

For the Year Ended June 30, 2014

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:						
Barbara Bush Literacy Grant	\$ 1	\$ --	\$ 1	\$ --	\$ --	\$ (1)
Charter School Supplemental	19,726	--	19,726	19,802	19,802	76
Community Partners Diversity Project	975	--	975	1,325	1,325	350
Donations From Local Agencies	287,843	(10,074)	277,769	332,481	332,481	54,712
MOA Recycling	11,952	--	11,952	47,000	47,000	35,048
NoVo Foundation Social and Emotional Learning	177,889	21,198	199,087	--	--	(199,087)
Contingency	--	--	--	5,175,689	3,845,270	3,845,270
Total revenues from local grants	498,386	11,124	509,510	5,576,297	4,245,878	3,736,368
Revenues from state grants:						
Designated Legislative Grants						
Senate Bill 18	605,414	131,870	737,284	2,222,200	2,222,200	1,484,916
Senate Bill 46	196,478	(5,631)	190,847	--	--	(190,847)
Senate Bill 160	369,444	(178,194)	191,250	--	--	(191,250)
Senate Bill 230	158,174	(1,443)	156,731	--	--	(156,731)
Total Designated Legislative Grants	1,329,510	(53,398)	1,276,112	2,222,200	2,222,200	946,088
Alaska Railroad Summer Youth Program	18,564	--	18,564	19,000	19,000	436
Alaska State School for the the Deaf	318,969	(690)	318,279	319,000	319,000	721
Alternative Schools Health and Wellness	70,758	(1,659)	69,099	77,415	77,415	8,316
Anchorage Construction Academy	343,131	--	343,131	344,689	344,689	1,558
ANSEP Grant	31,394	--	31,394	32,000	32,000	606
Comp. Behavioral Health	386,602	--	386,602	392,620	392,620	6,018
Cultural Collaboration Project	10,715	(762)	9,953	10,045	10,045	92
Early Literacy K-3	100,624	--	100,624	105,222	105,222	4,598
Farm to School	5,533	--	5,533	9,334	9,334	3,801
McLaughlin Equipment and Supplies Funds	178	--	178	--	--	(178)
Pre-school Kindergarten Program	128,662	--	128,662	117,290	117,290	(11,372)
Providence Heights	127,802	--	127,802	145,000	145,000	17,198
Retirement Systems Employer Relief	6,485,946	(6,485,946)	--	--	--	--
Suicide Awareness	29,109	--	29,109	30,600	30,600	1,491
Youth in Detention	489,674	(2,987)	486,687	512,252	512,252	25,565
Total revenues from state grants	9,877,171	(6,545,442)	3,331,729	4,336,667	4,336,667	1,004,938
Revenues from federal grants:						
Access to Education for Homeless Children Program	\$ 54,642	\$ --	\$ 54,642	\$ 54,661	\$ 54,661	\$ 19
Alaska Family Directory Website	25,363	--	25,363	29,000	29,000	3,637
Alaska Mentorship Project	708,975	(109,356)	599,619	875,182	875,182	275,563
Alaska Network for Understanding History	71,401	(21,665)	49,736	--	--	(49,736)
Alaska State School for Deaf Program	28,950	--	28,950	65,000	65,000	36,050
Artist in Schools	7,535	--	7,535	7,535	7,535	--
Big Brothers Big Sisters Mentoring	33,262	--	33,262	33,354	33,354	92
Carl Perkins Vocational Education Basic	1,286,644	18,250	1,304,894	1,300,203	1,300,203	(4,691)
Community Centers Learning Program	1,749,789	(187)	1,749,602	1,902,829	1,902,829	153,227
EPA Creek Revitalization	7,298	--	7,298	--	--	(7,298)
ESEA Consolidated	650,515	--	650,515	657,774	657,774	7,259
Military Impacted Students	561,244	12,147	573,391	--	--	(573,391)
Pre-School Handicapped	419,394	(299)	419,095	419,394	419,394	299
Project Ki'l	670,543	3,651	674,194	746,161	746,161	71,967
Project MORE	451,512	--	451,512	--	--	(451,512)
Project Pugigut	753,318	(34,526)	718,792	697,528	697,528	(21,264)
Refugee Support Services	35,919	696	36,615	39,501	39,501	2,886
StarTalk - Language Culture Summer Camp	104,785	(2,066)	102,719	89,917	89,917	(12,802)

**GRANTS
SPECIAL REVENUE FUND**

For the Year Ended June 30, 2014

**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	\$ 212,369	\$ --	\$ 212,369	\$ 215,129	\$ 215,129	\$ 2,760
District-wide	11,186,575	(14,605)	11,171,970	14,968,174	14,968,174	3,796,204
Highly Qualified Program	4,614	--	4,614	10,457	10,457	5,843
McLaughlin Youth Center	98,366	--	98,366	101,787	101,787	3,421
Parent Involvement Program	221,536	(5,911)	215,625	323,392	323,392	107,767
Professional Development	216,217	--	216,217	216,217	216,217	--
School Improvement Program	130,260	--	130,260	177,770	177,770	47,510
Total Title I - No Child Left Behind	12,069,937	(20,516)	12,049,421	16,012,926	16,012,926	3,963,505
Title I - Migrant Education						
Book Program	6,599	--	6,599	6,600	6,600	1
District-wide	1,252,573	--	1,252,573	1,257,205	1,257,205	4,632
Parent Involvement	4,541	--	4,541	--	--	(4,541)
Summer Program	1,159,977	56,086	1,216,063	1,041,473	1,041,473	(174,590)
Total Title I - Migrant Education	2,423,690	56,086	2,479,776	2,305,278	2,305,278	(174,498)
Title II-A - Professional Development Program	2,147,265	103,045	2,250,310	4,100,092	4,100,092	1,849,782
Title III - English Language Acquisition	329,182	--	329,182	393,815	393,815	64,633
Title VI-B - Education of All Handicapped Children Act	13,030,272	2,374	13,032,646	15,765,816	15,765,816	2,733,170
Title VII - Indian, Native Hawaiian, and Alaska Native Education	2,989,041	(60,180)	2,928,861	2,823,022	2,823,022	(105,839)
Total revenues from federal grants	40,610,476	(52,546)	40,557,930	48,318,988	48,318,988	7,761,058
Total revenues	\$ 50,986,033	\$ (6,586,864)	\$ 44,399,169	\$ 58,231,952	\$ 56,901,533	\$ 12,502,364
Expenditures:						
Current:						
Instruction:						
Local grants	\$ 498,386	\$ 11,124	\$ 509,510	\$ 5,576,297	\$ 4,245,878	\$ 3,736,368
State grants	9,877,171	(6,545,442)	3,331,729	4,336,667	4,336,667	1,004,938
Federal grants	40,610,476	(52,546)	40,557,930	48,318,988	48,318,988	7,761,058
Total expenditures	50,986,033	(6,586,864)	44,399,169	58,231,952	56,901,533	12,502,364
Excess of revenues over expenditures	--	--	--	--	--	--
Fund balance at beginning of year	--	--	--	--	--	--
Fund balance at end of year	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

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

Revenues reported on the basis of GAAP		\$ 50,986,033
Add revenues from current year encumbrances	\$ 693,271	
Deduct retirement systems employer relief	(6,485,946)	
Deduct revenues on prior year encumbrances	(794,189)	
		(6,586,864)
Revenues reported on the basis of budgeting		44,399,169
Expenditures reported on the basis GAAP		50,986,033
Add current year encumbrances	\$ 693,271	
Deduct retirement systems employer relief	(6,485,946)	
Deduct expenditures on prior year encumbrances	(794,189)	
		(6,586,864)
Expenditures and encumbrances reported on the basis of budgeting		44,399,169
Excess of revenue over expenditures on the basis of budgeting		\$ --

See accompanying notes to required supplementary information

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 12, 2013, the Assembly approved Assembly Ordinance AO NO. 2013-39 determining and approving the district's combined budget of \$837,098,347 with \$233,419,669 in local tax appropriation for the following funds: General Fund, Grants Special Revenue Fund, Food Service Special Revenue Fund and Debt Service Fund.

On May 20, 2013 the School Board approved the revised financial plan with ASD Memorandum No. 227 (2012-2013) to account for increases in funding totaling \$24,934,194. The Assembly approved the revised financial plan increasing the upper limit from \$837,097,347 to \$862,032,541 with Assembly Ordinance NO. 2013-59 on August 6, 2013.

On October 20, 2014, the School Board approved ASD Memorandums No. 76 to make a budget adjustment within the upper limit spending authority between funds to account for grants received for the student nutrition program. This action increased the Food Service Special Revenue Fund budget \$1,330,419 to \$20,968,056 and reduced the Grants Special Revenue Fund by the same amount to a final budget of \$56,901,533.

On October 20, 2014, the School Board also approved ASD Memorandum No. 79 to create a Pupil Transportation Fund; and to make a budget transfer within the upper limit spending authority from the General Fund to the newly created Pupil Transportation Fund. This action established a budget for the Pupil Transportation Fund in the amount of \$22,463,908 and reduced the General Fund by the same amount to a final budget of \$554,899,154.

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.



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, 2014
With Comparative Totals for
June 30, 2013

BALANCE SHEET

	2014	As Restated 2013
Assets		
Cash and investments	\$ 141,881,195	\$ 129,136,098
Accounts receivable (net of any allowances for uncollectables)	2,096,039	1,302,952
Due from other funds:		
State and Federal Grants Special Revenue Fund	12,105,247	12,291,017
Student Activity Special Revenue Fund	68,086	28,044
Food Service Special Revenue Fund	779,991	--
Debt Service Fund	11,049,287	4,824,311
Due from other governments:		
Municipality of Anchorage	100,106,500	97,050,636
United States Government	840,092	840,092
Prepaid items	3,327,638	9,099,391
Inventory, at weighted average cost	2,172,107	2,277,083
Total assets	<u>\$ 274,426,182</u>	<u>\$ 256,849,624</u>
Liabilities		
Accounts payable	\$ 2,203,990	\$ 5,380,331
Medical claims and other contracts payable	1,490,997	--
Due to other funds:		
Food Service Special Revenue Fund	--	274,970
Student Activity Special Revenue Fund	2,015,009	1,938,417
Capital Projects Fund	23,171,399	7,766,479
Compensated Absences Internal Service Fund	10,861,618	10,471,495
Pupil Transportation Special Revenue Fund	609,838	313,254
Accrued salaries and related items:		
Wages and salaries payable	1,551,156	1,517,554
Payroll taxes, other accrued and withheld items	9,788,045	10,918,113
Unearned revenue	234	234
Total liabilities	<u>51,692,286</u>	<u>38,580,847</u>
Deferred inflows of resources		
General property tax appropriations	100,106,500	97,050,636
Total deferred inflows of resources	<u>100,106,500</u>	<u>97,050,636</u>
Fund balance		
Non-spendable	5,499,745	11,376,474
Restricted	24,499,395	24,163,161
Committed	5,276,897	1,451,148
Assigned	48,598,520	61,448,020
Unassigned	38,752,839	22,779,338
Total fund balance	<u>122,627,396</u>	<u>121,218,141</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 274,426,182</u>	<u>\$ 256,849,624</u>

For the Year Ended June 30, 2014
With Comparative Totals
For the Year Ended June 30, 2013

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

	2014	As Restated 2013
Revenues:		
Revenues from local sources:		
Appropriation from Municipality of Anchorage	\$ 192,465,884	\$ 192,544,224
Reimbursement for school facilities rental	826,989	830,974
Non-resident tuition	21,432	12,195
Investment income (loss)	1,663,677	(63,547)
E-Rate	2,040,475	1,943,589
Other revenues	1,922,052	2,108,582
Total revenues from local sources	198,940,509	197,376,017
Revenues from state sources:		
Public school funding program	318,661,242	325,447,015
School improvement grant	7,473,360	7,566,666
Retirement systems employer relief	112,068,352	108,792,276
On-Base tuition	408,484	408,484
Total revenues from state sources	438,611,438	442,214,441
Revenues from federal sources:		
Reserve Officers Training Corps	763,088	818,171
Federal Impact Aid	18,141,547	20,386,885
Medicaid reimbursement	688,750	--
Total revenues from federal sources	19,593,385	21,205,056
Total revenues	657,145,332	660,795,514
Expenditures:		
Current:		
General administration	26,964,679	30,119,251
Instruction	548,117,491	548,158,584
Operation and maintenance of plant	74,658,873	76,873,647
Community services	3,628,420	3,507,066
Total expenditures	653,369,463	658,658,548
Excess of revenues over expenditures	3,775,869	2,136,966
Other financing sources (uses):		
Proceeds from sale of property and equipment	16,561	2,660
Transfers out - Capital Projects Fund	(1,450,000)	--
Transfers out - Food Service Fund	(220,000)	--
Transfers out - Pupil Transportation Fund	(713,175)	(705,920)
Total other financing sources and (uses)	(2,366,614)	(703,260)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	1,409,255	1,433,706
Fund balance at beginning of year	121,218,141	119,784,435
Fund balance at end of year	\$ 122,627,396	\$ 121,218,141

For the Year Ended June 30, 2014
 With Comparative Totals
 For the Year Ended June 30, 2013

SCHEDULE OF EXPENDITURES - GAAP BASIS

	2014	As Restated 2013
Current:		
General administration:		
Anchorage School Board	\$ 627,673	\$ 640,944
Superintendent	1,115,100	1,451,367
Instruction	366,332	405,173
Support services	3,790,701	4,746,355
Planning, communications and development	946,285	952,719
Business management	3,120,825	3,600,636
Employee relations	3,262,459	3,125,254
Assessment and evaluation	1,175,418	1,094,264
Technology/management information systems	12,582,779	13,413,333
Other general administration	(22,893)	689,206
Total general administration	<u>26,964,679</u>	<u>30,119,251</u>
Instruction:		
Instructional support:		
Educational technology	2,301,828	2,810,157
Curriculum and staff development	13,716,063	16,909,029
Instructional media	1,957,379	2,832,089
Technology/management information systems	<u>1,413,688</u>	<u>1,965,208</u>
Total instructional support	19,388,958	24,516,483
Elementary education	192,940,003	183,113,817
Charter schools	18,486,682	17,550,624
Middle school education	60,827,821	60,047,704
High school education	113,114,023	110,887,774
Special education services:		
Special services	33,922,419	34,639,625
Special education	<u>86,823,537</u>	<u>95,849,915</u>
Total special education services	120,745,956	130,489,540
English language learners	14,485,724	12,952,401
Gifted education	7,030,443	7,403,271
Native education	659,526	729,948
Other instruction	<u>438,355</u>	<u>467,022</u>
Total instruction	<u>548,117,491</u>	<u>548,158,584</u>

(Continued)

For the Year Ended June 30, 2014
 With Comparative Totals
 For the Year Ended June 30, 2013

SCHEDULE OF EXPENDITURES - GAAP BASIS (Continued)

	<u>2014</u>	<u>2013</u>
Operation and maintenance of plant:		
Elementary schools	\$ 11,789,607	\$ 18,944,307
Charter schools	3,211,890	3,235,441
Middle schools	3,508,394	6,992,747
High schools	7,320,270	12,413,260
Custodial services	19,513,050	4,494,953
Facilities	22,210,999	23,150,341
Vehicle maintenance	1,499,921	1,398,043
Other operations and maintenance of plant	5,604,742	6,244,555
Total operation and maintenance of plant	<u>74,658,873</u>	<u>76,873,647</u>
Community services	<u>3,628,420</u>	<u>3,507,066</u>
Total expenditures	<u><u>\$ 653,369,463</u></u>	<u><u>\$ 658,658,548</u></u>

For the Year Ended June 30, 2014

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						
Personnel services	\$ 246,471	\$ --	\$ 246,471	\$ 243,382	\$ 246,471	\$ --
Employee benefits	107,629	(28,298)	79,331	84,363	79,748	417
Purchased services	270,152	(22,500)	247,652	357,150	265,036	17,384
Supplies and materials	3,421	--	3,421	2,720	3,829	408
Total Anchorage School Board	627,673	(50,798)	576,875	687,615	595,084	18,209
Superintendent:						
Personnel services	342,242	--	342,242	259,083	344,008	1,766
Employee benefits	252,875	(106,798)	146,077	100,044	143,873	(2,204)
Purchased services	509,823	(2)	509,821	1,106,200	594,250	84,429
Supplies and materials	10,160	590	10,750	5,380	11,010	260
Total superintendent	1,115,100	(106,210)	1,008,890	1,470,707	1,093,141	84,251
Instruction:						
Personnel services	198,789	--	198,789	209,320	202,910	4,121
Employee benefits	141,361	(66,552)	74,809	82,802	75,325	516
Purchased services	24,325	9,157	33,482	700	29,609	(3,873)
Supplies and materials	1,857	--	1,857	1,622	1,322	(535)
Total instruction	366,332	(57,395)	308,937	294,444	309,166	229
Support services:						
Personnel services	2,137,471	--	2,137,471	2,488,882	2,271,290	133,819
Employee benefits	1,510,692	(301,434)	1,209,258	1,433,191	1,338,116	128,858
Purchased services	79,097	55,336	134,433	174,505	227,036	92,603
Supplies and materials	47,050	78,850	125,900	45,372	124,462	(1,438)
Capital outlay	16,391	--	16,391	6,379	6,379	(10,012)
Total support services	3,790,701	(167,248)	3,623,453	4,148,329	3,967,283	343,830
Planning, communications and development:						
Personnel services	445,480	--	445,480	477,229	461,687	16,207
Employee benefits	327,003	(63,904)	263,099	283,972	275,757	12,658
Purchased services	148,312	71,970	220,282	243,760	225,692	5,410
Supplies and materials	22,412	--	22,412	40,420	41,997	19,585
Capital outlay	3,078	--	3,078	20,319	20,319	17,241
Total planning, communications and development	946,285	8,066	954,351	1,065,700	1,025,452	71,101
Business management:						
Personnel services	1,833,800	--	1,833,800	2,101,581	1,911,049	77,249
Employee benefits	1,244,615	(260,036)	984,579	1,183,767	1,071,970	87,391
Purchased services	16,719	4,135	20,854	22,803	29,112	8,258
Supplies and materials	25,691	(8,526)	17,165	17,221	17,256	91
Total business management	3,120,825	(264,427)	2,856,398	3,325,372	3,029,387	172,989
Employee relations:						
Personnel services	1,838,906	--	1,838,906	1,868,074	1,860,813	21,907
Employee benefits	1,273,692	(254,902)	1,018,790	1,077,003	1,053,807	35,017
Purchased services	140,210	16,206	156,416	166,750	175,014	18,598
Supplies and materials	9,651	18,228	27,879	12,200	29,200	1,321
Total employee relations	3,262,459	(220,468)	3,041,991	3,124,027	3,118,834	76,843

(continued)

For the Year Ended June 30, 2014

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	
Assessment and evaluation:						
Personnel services	\$ 680,603	\$ --	\$ 680,603	\$ 729,264	\$ 700,247	\$ 19,644
Employee benefits	469,487	(167,426)	302,061	366,940	331,263	29,202
Purchased services	10,846	1,003	11,849	53,025	38,525	26,676
Supplies and materials	14,482	(1,748)	12,734	22,935	22,935	10,201
Total assessment and evaluation	1,175,418	(168,171)	1,007,247	1,172,164	1,092,970	85,723
Technology/management information systems:						
Personnel services	5,706,399	--	5,706,399	6,392,816	5,985,189	278,790
Employee benefits	3,890,164	(797,969)	3,092,195	3,646,917	3,397,364	305,169
Purchased services	1,345,692	(309,590)	1,036,102	1,051,633	1,159,655	123,553
Supplies and materials	890,423	1,134,423	2,024,846	276,142	2,096,592	71,746
Capital outlay	750,101	(69,037)	681,064	448,924	567,183	(113,881)
Total technology/management information systems	12,582,779	(42,173)	12,540,606	11,816,432	13,205,983	665,377
Other general administration:						
Personnel services	123,946	--	123,946	(5,301,319)	173,761	49,815
Employee benefits	177,374	(20,214)	157,160	(2,888,012)	180,098	22,938
Purchased services	(2,233,390)	(138,200)	(2,371,590)	(1,566,319)	83,060	2,454,650
Supplies and materials	113	--	113	125,500	23,326	23,213
Capital outlay	--	--	--	50,000	--	--
Other	1,909,064	(91,972)	1,817,092	937,455	1,814,702	(2,390)
Total other general administration	(22,893)	(250,386)	(273,279)	(8,642,695)	2,274,947	2,548,226
Total general administration	26,964,679	(1,319,210)	25,645,469	18,462,095	29,712,247	4,066,778
Instruction:						
Educational technology:						
Personnel services	1,089,982	--	1,089,982	1,417,645	1,229,614	139,632
Employee benefits	844,879	(426,247)	418,632	489,951	454,604	35,972
Purchased services	221,951	724,866	946,817	1,159,800	962,026	15,209
Supplies and materials	18,894	(13,436)	5,458	11,983	10,200	4,742
Capital outlay	126,122	--	126,122	26,885	26,885	(99,237)
Total educational technology	2,301,828	285,183	2,587,011	3,106,264	2,683,329	96,318
Curriculum & staff development:						
Personnel services	6,059,861	--	6,059,861	6,786,848	6,350,548	290,687
Employee benefits	4,189,922	(2,093,041)	2,096,881	2,477,263	2,252,343	155,462
Purchased services	267,602	(34,126)	233,476	362,459	267,878	34,402
Supplies and materials	3,198,678	900,900	4,099,578	704,783	4,105,240	5,662
Capital outlay	--	50,000	50,000	50,000	50,000	--
Total curriculum & staff development	13,716,063	(1,176,267)	12,539,796	10,381,353	13,026,009	486,213
Instructional media:						
Personnel services	712,729	--	712,729	733,183	720,714	7,985
Employee benefits	562,612	(101,231)	461,381	463,596	462,619	1,238
Purchased services	399,199	(43,521)	355,678	395,620	396,547	40,869
Supplies and materials	281,107	(27,687)	253,420	365,387	269,747	16,327
Capital outlay	1,732	9,950	11,682	--	9,950	(1,732)
Total instructional media	1,957,379	(162,489)	1,794,890	1,957,786	1,859,577	64,687
Technology/management information systems:						
Purchased services	1,395,136	101,756	1,496,892	1,562,173	1,500,492	3,600
Supplies and materials	12,552	(12,660)	(108)	--	--	108
Capital outlay	6,000	(6,000)	--	--	--	--
Total technology/management information systems	1,413,688	83,096	1,496,784	1,562,173	1,500,492	3,708
Total instructional support	19,388,958	(970,477)	18,418,481	17,007,576	19,069,407	650,926

(continued)

For the Year Ended June 30, 2014

**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	
Elementary education:						
Personnel services	\$ 107,644,441	\$ --	\$ 107,644,441	\$ 110,072,151	\$ 108,587,491	\$ 943,050
Employee benefits	83,313,182	(40,581,615)	42,731,567	44,094,693	43,269,242	537,675
Purchased services	407,130	134,862	541,992	902,074	583,337	41,345
Supplies and materials	1,575,250	(15,643)	1,559,607	1,994,151	1,625,507	65,900
Total elementary education	192,940,003	(40,462,396)	152,477,607	157,063,069	154,065,577	1,587,970
Charter schools:						
Personnel services	9,583,357	--	9,583,357	9,065,411	9,584,491	1,134
Employee benefits	7,434,435	(3,344,035)	4,090,400	3,982,175	4,091,952	1,552
Purchased services	935,960	(58,629)	877,331	682,195	877,849	518
Supplies and materials	532,930	335,881	868,811	535,991	868,334	(477)
Total charter schools	18,486,682	(3,066,783)	15,419,899	14,265,772	15,422,626	2,727
Middle school education:						
Personnel services	33,599,396	--	33,599,396	34,691,816	34,082,256	482,860
Employee benefits	26,142,833	(12,669,715)	13,473,118	14,049,149	13,758,505	285,387
Purchased services	478,922	(36,008)	442,914	484,945	468,064	25,150
Supplies and materials	606,670	(25,753)	580,917	756,314	588,264	7,347
Total middle school education	60,827,821	(12,731,476)	48,096,345	49,982,224	48,897,089	800,744
High school education:						
Personnel services	62,201,122	--	62,201,122	60,645,141	62,212,070	10,948
Employee benefits	46,989,914	(22,698,703)	24,291,211	24,273,015	24,460,985	169,774
Purchased services	2,049,950	89,054	2,139,004	2,967,569	2,279,766	140,762
Supplies and materials	1,629,710	(140,051)	1,489,659	1,861,119	1,570,809	81,150
Capital outlay	89,337	(71,417)	17,920	--	17,695	(225)
Other	153,990	--	153,990	137,471	153,990	--
Total high school education	113,114,023	(22,821,117)	90,292,906	89,884,315	90,695,315	402,409
Special services:						
Personnel services	18,592,568	--	18,592,568	19,625,581	18,828,940	236,372
Employee benefits	14,614,091	(6,458,757)	8,155,334	9,105,421	8,496,607	341,273
Purchased services	560,040	43,325	603,365	220,807	728,142	124,777
Supplies and materials	155,720	9,577	165,297	170,438	189,107	23,810
Total special services	33,922,419	(6,405,855)	27,516,564	29,122,247	28,242,796	726,232
Special education:						
Personnel services	46,670,006	--	46,670,006	48,943,189	47,526,472	856,466
Employee benefits	38,772,087	(14,518,338)	24,253,749	27,030,281	25,526,863	1,273,114
Purchased services	1,151,046	(70,378)	1,080,668	919,433	1,368,045	287,377
Supplies and materials	230,398	14,557	244,955	318,406	267,556	22,601
Total special education	86,823,537	(14,574,159)	72,249,378	77,211,309	74,688,936	2,439,558
Total special education services	120,745,956	(20,980,014)	99,765,942	106,333,556	102,931,732	3,165,790
English language learners:						
Personnel services	7,676,547	--	7,676,547	7,907,833	7,734,822	58,275
Employee benefits	6,732,835	(2,140,560)	4,592,275	4,946,180	4,739,580	147,305
Purchased services	30,045	(5,807)	24,238	48,475	49,015	24,777
Supplies and materials	46,297	125,014	171,311	21,300	171,453	142
Total english language learners	14,485,724	(2,021,353)	12,464,371	12,923,788	12,694,870	230,499
Gifted program:						
Personnel services	3,857,015	--	3,857,015	3,712,500	3,712,500	(144,515)
Employee benefits	3,011,336	(1,512,907)	1,498,429	1,555,892	1,521,908	23,479
Purchased services	26,390	11,469	37,859	40,691	40,699	2,840
Supplies and materials	135,702	(49,745)	85,957	93,877	92,140	6,183
Total gifted program	7,030,443	(1,551,183)	5,479,260	5,402,960	5,367,247	(112,013)

(continued)

For the Year Ended June 30, 2014

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	
Native education:						
Personnel services	\$ 345,409	\$ --	\$ 345,409	\$ 343,610	\$ 343,610	\$ (1,799)
Employee benefits	313,932	(49,604)	264,328	317,400	293,347	29,019
Purchased services	185	--	185	500	500	315
Total native education	659,526	(49,604)	609,922	661,510	637,457	27,535
Other instruction:						
Personnel services	346,211	--	346,211	612,159	456,815	110,604
Employee benefits	92,144	(21,786)	70,358	137,599	140,040	69,682
Total other instruction	438,355	(21,786)	416,569	749,758	596,855	180,286
Total instruction	548,117,491	(104,676,189)	443,441,302	454,274,528	450,378,175	6,936,873
Operations and Maintenance of plant:						
Elementary education:						
Personnel services	2,379,064	--	2,379,064	2,292,010	2,292,010	(87,054)
Employee benefits	2,120,340	(335,472)	1,784,868	1,773,113	1,773,298	(11,570)
Purchased services	7,270,195	3,359	7,273,554	8,112,336	7,443,886	170,332
Supplies and materials	20,008	14	20,022	23,960	26,995	6,973
Total elementary education	11,789,607	(332,099)	11,457,508	12,201,419	11,536,189	78,681
Charter schools:						
Personnel services	130,936	--	130,936	118,580	130,938	2
Employee benefits	109,121	(17,575)	91,546	88,902	91,552	6
Purchased services	2,955,709	(233,334)	2,722,375	2,790,189	2,722,068	(307)
Supplies and materials	16,124	(12,649)	3,475	3,000	3,476	1
Total charter schools	3,211,890	(263,558)	2,948,332	3,000,671	2,948,034	(298)
Middle school education:						
Personnel services	440,314	--	440,314	448,548	443,536	3,222
Employee benefits	377,654	(63,030)	314,624	312,888	312,888	(1,736)
Purchased services	2,670,086	1,351	2,671,437	3,068,932	2,713,982	42,545
Supplies and materials	20,340	135	20,475	24,875	25,812	5,337
Total middle school education	3,508,394	(61,544)	3,446,850	3,855,243	3,496,218	49,368
High school education:						
Personnel services	575,882	--	575,882	536,368	548,272	(27,610)
Employee benefits	463,560	(78,599)	384,961	376,216	380,501	(4,460)
Purchased services	6,252,949	31,383	6,284,332	6,896,901	6,360,750	76,418
Supplies and materials	27,879	(1,546)	26,333	33,225	33,703	7,370
Total high school education	7,320,270	(48,762)	7,271,508	7,842,710	7,323,226	51,718
Custodial services:						
Personnel services	9,787,261	--	9,787,261	9,698,688	9,711,998	(75,263)
Employee benefits	8,915,888	(1,384,809)	7,531,079	7,606,248	7,570,578	39,499
Purchased services	146,838	13,508	160,346	191,898	181,898	21,552
Supplies and materials	637,023	(10,699)	626,324	620,982	630,982	4,658
Capital outlay	26,040	--	26,040	24,369	24,369	(1,671)
Total custodial services	19,513,050	(1,382,000)	18,131,050	18,142,185	18,119,825	(11,225)
Facilities:						
Personnel services	9,294,593	--	9,294,593	10,119,773	9,616,530	321,937
Employee benefits	7,065,228	(1,311,196)	5,754,032	6,211,407	5,993,624	239,592
Purchased services	2,981,211	(266,219)	2,714,992	2,866,199	2,744,125	29,133
Supplies and materials	2,520,687	(107,149)	2,413,538	2,127,380	2,216,954	(196,584)
Capital outlay	349,280	(6,559)	342,721	287,322	287,322	(55,399)
Total facilities	22,210,999	(1,691,123)	20,519,876	21,612,081	20,858,555	338,679

(continued)

For the Year Ended June 30, 2014

**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	
Vehicle maintenance:						
Personnel services	\$ 528,567	\$ --	\$ 528,567	\$ 527,060	\$ 527,060	\$ (1,507)
Employee benefits	394,682	(75,904)	318,778	318,185	318,185	(593)
Purchased services	83,697	--	83,697	87,203	86,923	3,226
Supplies and materials	484,427	(3,188)	481,239	493,010	481,967	728
Capital outlay	8,548	--	8,548	--	8,548	--
Total vehicle maintenance	1,499,921	(79,092)	1,420,829	1,425,458	1,422,683	1,854
Other operations and maintenance of plant:						
Personnel services	510,864	--	510,864	466,435	460,596	(50,268)
Employee benefits	357,852	(66,231)	291,621	289,762	287,746	(3,875)
Purchased services	3,918,326	7,696	3,926,022	4,184,464	3,963,586	37,564
Supplies and materials	9,184	(2,847)	6,337	6,841	7,109	772
Other	808,516	--	808,516	794,298	794,298	(14,218)
Total other operations and maintenance of plant	5,604,742	(61,382)	5,543,360	5,741,800	5,513,335	(30,025)
Total operations and maintenance of plant	74,658,873	(3,919,560)	70,739,313	73,821,567	71,218,065	478,752
Community services:						
Community services:						--
Personnel services	251,622	--	251,622	245,132	245,132	(6,490)
Employee benefits	177,176	(33,865)	143,311	142,375	142,375	(936)
Purchased services	50,568	860	51,428	53,050	52,928	1,500
Supplies and materials	14,843	387	15,230	15,500	15,232	2
Other	3,134,211	--	3,134,211	3,300,000	3,135,000	789
Total community services	3,628,420	(32,618)	3,595,802	3,756,057	3,590,667	(5,135)
Total expenditures	\$ 653,369,463	\$ (109,947,577)	\$ 543,421,886	\$ 550,314,247	\$ 554,899,154	\$ 11,477,268

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

For the Year Ended June 30, 2014

	Personnel Services	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other	Total
Current:							
General administration:							
Anchorage School Board	\$ 246,471	\$ 107,629	\$ 270,152	\$ 3,421	\$ --	\$ --	\$ 627,673
Superintendent	342,242	252,875	509,823	10,160	--	--	1,115,100
Instruction	198,789	141,361	24,325	1,857	--	--	366,332
Support services	2,137,471	1,510,692	79,097	47,050	16,391	--	3,790,701
Planning, communications and development	445,480	327,003	148,312	22,412	3,078	--	946,285
Business management	1,833,800	1,244,615	16,719	25,691	--	--	3,120,825
Employee relations	1,838,906	1,273,692	140,210	9,651	--	--	3,262,459
Assessment and evaluation	680,603	469,487	10,846	14,482	--	--	1,175,418
Technology/management information systems	5,706,399	3,890,164	1,345,692	890,423	750,101	--	12,582,779
Other general administration	123,946	177,374	(2,233,390)	113	--	1,909,064	(22,893)
Total general administration	13,554,107	9,394,892	311,786	1,025,260	769,570	1,909,064	26,964,679
Instruction:							
Instructional support:							
Educational technology	1,089,982	844,879	221,951	18,894	126,122	--	2,301,828
Curriculum and staff development	6,059,861	4,189,922	267,602	3,198,678	--	--	13,716,063
Instructional media	712,729	562,612	399,199	281,107	1,732	--	1,957,379
Technology/management information systems	--	--	1,395,136	12,552	6,000	--	1,413,688
Total instructional support	7,862,572	5,597,413	2,283,888	3,511,231	133,854	--	19,388,958
Elementary education	107,644,441	83,313,182	407,130	1,575,250	--	--	192,940,003
Charter schools	9,583,357	7,434,435	935,960	532,930	--	--	18,486,682
Middle school education	33,599,396	26,142,833	478,922	606,670	--	--	60,827,821
High school education	62,201,122	46,989,914	2,049,950	1,629,710	89,337	153,990	113,114,023
Special education services:							
Special services	18,592,568	14,614,091	560,040	155,720	--	--	33,922,419
Special education	46,670,006	38,772,087	1,151,046	230,398	--	--	86,823,537
Total special education services	65,262,574	53,386,178	1,711,086	386,118	--	--	120,745,956
English language learners	7,676,547	6,732,835	30,045	46,297	--	--	14,485,724
Gifted education	3,857,015	3,011,336	26,390	135,702	--	--	7,030,443
Native education	345,409	313,932	185	--	--	--	659,526
Other instruction	346,211	92,144	--	--	--	--	438,355
Total instruction	298,378,644	233,014,202	7,923,556	8,423,908	223,191	153,990	548,117,491
Pupil transportation							
Operation and maintenance of plant:							
Elementary schools	2,379,064	2,120,340	7,270,195	20,008	--	--	11,789,607
Charter schools	130,936	109,121	2,955,709	16,124	--	--	3,211,890
Middle schools	440,314	377,654	2,670,086	20,340	--	--	3,508,394
High schools	575,882	463,560	6,252,949	27,879	--	--	7,320,270
Custodial services	9,787,261	8,915,888	146,838	637,023	26,040	--	19,513,050
Facilities	9,294,593	7,065,228	2,981,211	2,520,687	349,280	--	22,210,999
Vehicle maintenance	528,567	394,682	83,697	484,427	8,548	--	1,499,921
Other operations and maintenance of plant:	510,864	357,852	3,918,326	9,184	--	808,516	5,604,742
Total operation and maintenance of plant	23,647,481	19,804,325	26,279,011	3,735,672	383,868	808,516	74,658,873
Community services	251,622	177,176	50,568	14,843	--	3,134,211	3,628,420
Total expenditures	\$ 335,831,854	\$ 262,390,595	\$ 34,564,921	\$ 13,199,683	\$ 1,376,629	\$ 6,005,781	\$ 653,369,463



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, 2014
With Comparative Totals for
June 30, 2013

BALANCE SHEET

	<u>2014</u>	<u>2013</u>
Assets		
Accounts receivable	\$ 20,268	\$ 351,398
Due from other governments:		
Municipality of Anchorage	202,213	27,624
State of Alaska	460,021	841,747
United States Government	15,375,607	14,217,034
Prepaid items	25,674	9,559
Total assets	<u>\$ 16,083,783</u>	<u>\$ 15,447,362</u>
Liabilities		
Accounts payable	\$ 374,377	\$ 184,635
Due to General Fund	12,105,247	12,291,017
Accrued salaries and related items:		
Wages and salaries payable	921,577	582,614
Payroll taxes, other accrued and withheld items	895,277	1,158,611
Unearned revenues	1,787,305	1,230,485
Total liabilities	<u>16,083,783</u>	<u>15,447,362</u>
Fund balance		
Non-spendable	25,674	9,559
Unassigned	<u>(25,674)</u>	<u>(9,559)</u>
Total fund balance	<u>--</u>	<u>--</u>
 Total liabilities and fund balance	 <u>\$ 16,083,783</u>	 <u>\$ 15,447,362</u>

For the Year Ended June 30, 2014
With Comparative Totals
For the Year Ended June 30, 2013

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

	2014	2013
Revenues:		
Revenues from local grants:		
Barbara Bush Literacy Grant	\$ 1	\$ --
Charter School Supplemental Grants	19,726	--
Clark Community Health Center	--	1,387
Community Partners Diversity	975	1,875
Donations From Local Agencies	287,843	232,331
MOA Recycling	11,952	79,201
NoVo Foundation Social and Emotional Learning	177,889	175,278
Total revenues from local grants	498,386	490,072
Revenues from state grants:		
Designated Legislative Grants		
Senate Bill 18	605,414	--
Senate Bill 46	196,478	449,528
Senate Bill 160	369,444	1,170,345
Senate Bill 221	--	39,822
Senate Bill 230	158,174	88,212
Total Designated Legislative Grants	1,329,510	1,747,907
Alaska Railroad Summer Youth Program	18,564	17,963
Alaska Science and Technology Program	--	309
Alaska State School for Deaf	318,969	307,536
Alternative Schools Health and Wellness	70,758	143,493
Anchorage Construction Academy	343,131	536,522
ANSEP Grant	31,394	--
Comprehensive Behavioral Health	386,602	392,887
Cultural Collaboration Project	10,715	9,893
Early Literacy K-3	100,624	--
Farm to School	5,533	942
McLaughlin Equipment & Supplies Funds	178	--
Nutritional AK Foods	--	77,287
Pre-School Kindergarten Program	128,662	170,297
Providence Heights	127,802	141,885
Retirement Systems Employer Relief	6,485,946	6,600,351
Suicide Awareness	29,109	--
Youth in Detention	489,674	537,619
Total revenues from state grants	9,877,171	10,684,891
Revenues from federal grants:		
Access to Education for Homeless Children Program	54,642	41,300
Alaska Family Directory Website	25,363	28,987
Alaska ICE	--	29,537
Alaska Mentorship Project	708,975	482,452
Alaska Network for Understanding History	71,401	286,481
Alaska State School for the Deaf	28,950	59,189
Artist in School	7,535	4,044
Big Brothers Big Sisters Mentoring	33,262	11,744
Carl Perkins Vocational Education	1,286,644	966,588
Community Centers Learning Program	1,749,789	1,790,746
Education Jobs Fund	--	213,393
EPA Creek Revitalization	7,298	19,153
ESEA Consolidated	650,515	--
Foreign Language Assistance Program	--	178,143
Military Impacted Students	561,244	649,903
Pre-School Handicapped	419,394	406,351

(Continued)

For the Year Ended June 30, 2014
With Comparative Totals
For the Year Ended June 30, 2013

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

	2014	2013
Presidential Award Program	\$ --	\$ 1
Project Impact	--	148,737
Project Ki'l	670,543	720,638
Project LEAP	--	2,039
Project MORE	451,512	380,464
Project Puqigtut	753,318	516,922
Refugee Support Services	35,919	22,078
Safe Routes to Schools	--	2,590
School Health Program	--	25,897
Second Order Prevention Project	--	109,328
StarTalk - Language Culture Summer Camp	104,785	92,321
Teaching American History Program	--	19,684
Teaching With Primary sources Program	--	3,828
Title I - No Child Left Behind Act		
Delinquent and At-Risk Youth Program	212,369	174,122
District-wide	11,186,575	8,152,697
Highly Qualified Program	4,614	4,378
McLaughlin Youth Center	98,366	128,304
Parent Involvement Program	221,536	203,443
Professional Development	216,217	1,743,300
School Improvement Program	130,260	186,428
Supplemental Education Services	--	1,194,371
Total Title I - No Child Left Behind Act	12,069,937	11,787,043
Title I - Migrant Education		
Book Program	6,599	7,249
District-wide	1,252,573	1,284,610
Parent Involvement Program	4,541	2,528
Summer Program	1,159,977	856,968
Total Title I - Migrant Education	2,423,690	2,151,355
Title II A - Professional Development Program	2,147,265	3,205,795
Title III - English Language Acquisition	329,182	401,416
Title VI B - Education of All Handicapped Children	13,030,272	11,811,326
Title VII - Indian, Native Hawaiian, and Alaska Native Education	2,989,041	2,812,723
USDA - Fresh Fruit and Vegetable Program	--	683,167
We Can	--	1,029
Work Investment Act School Youth Program	--	28,387
Total revenues from federal grants	40,610,476	40,094,779
Total revenues	50,986,033	51,269,742
Expenditures:		
Current:		
Instruction:		
Local grants	498,386	490,072
State grants	9,877,171	10,684,891
Federal grants	40,610,476	40,094,779
Total expenditures	50,986,033	51,269,742
Excess of revenues over expenditures	--	--
Fund balance at beginning of year	--	--
Fund balance at end of year	\$ --	\$ --

For the Year Ended June 30, 2014
With Comparative Totals
For the Year Ended June 30, 2013

SCHEDULE OF EXPENDITURES - GAAP BASIS

	2014	2013
Current:		
Instruction:		
Local grants:		
Barbara Bush Literacy grant	\$ 1	\$ --
Charter School Supplemental grants	19,726	--
Clark Community Health Center	--	1,387
Community Partners Diversity	975	1,875
Donations From Local Agencies	287,843	232,331
MOA Recycling	11,952	79,201
NoVo Foundation Social and Emotional Learning	177,889	175,278
Total local grants	498,386	490,072
State grants:		
Designated Legislative Grants		
Senate Bill 18	605,414	--
Senate Bill 46	196,478	449,528
Senate Bill 160	369,444	1,170,345
Senate Bill 221	--	39,822
Senate Bill 230	158,174	88,212
Total Designated Legislative Grants	1,329,510	1,747,907
Alaska Railroad Summer Youth Program	18,564	17,963
Alaska Science and Technology Program	--	309
Alaska State School for the Deaf	318,969	307,536
Alternative Schools Health and Wellness	70,758	143,493
Anchorage Construction Academy	343,131	536,522
ANSEP	31,394	--
Comprehensive Behavioral Health	386,602	392,887
Cultural Collaboration Project	10,715	9,893
Early Literacy K-3	100,624	--
Farm to School	5,533	942
McLaughlin Equipment and Supplies Funds	178	--
Nutritional AK Foods	--	77,287
Pre-School Kindergarten Program	128,662	170,297
Providence Heights	127,802	141,885
Retirement Systems Employer Relief	6,485,946	6,600,351
Suicide Awareness	29,109	--
Youth in Detention	489,674	537,619
Total state grants	9,877,171	10,684,891
Federal grants:		
Access to Education for Homeless Children Program	54,642	41,300
Alaska Family Directory Website	25,363	28,987
Alaska ICE	--	29,537
Alaska Mentorship Project	708,975	482,452
Alaska Network for Understanding History	71,401	286,481
Alaska State School for the Deaf	28,950	59,189
Artists in School	7,535	4,044
Big Brothers Big Sisters Mentoring	33,262	11,744
Carl Perkins Vocational Education	1,286,644	966,588
Community Centers Learning Program	1,749,789	1,790,746
Education Jobs Fund	--	213,393
EPA Creek Revitalization	7,298	19,153
ESEA Consolidated	650,515	--

(Continued)

For the Year Ended June 30, 2014
With Comparative Totals
For the Year Ended June 30, 2013

SCHEDULE OF EXPENDITURES - GAAP BASIS (Continued)

	2014	2013
Foreign Language Assistance Program	\$ --	\$ 178,143
Military Impacted Students	561,244	649,903
Pre-School Handicapped	419,394	406,351
Presidential Award Program	--	1
Project Impact	--	148,737
Project Ki'l	670,543	720,638
Project Leap	--	2,039
Project MORE	451,512	380,464
Project Puqigtut	753,318	516,922
Refugee Support Services	35,919	22,078
Safe Routes to Schools	--	2,590
School Health Program	--	25,897
Second Order Prevention Project	--	109,328
StarTalk - Language Culture Summer Camp	104,785	92,321
Teaching American History Program	--	19,684
Teaching With Primary Sources Program	--	3,828
Title I - No Child Left Behind Act		
Delinquent and At-Risk Youth Program	212,369	174,122
District-wide	11,186,575	8,152,697
Highly Qualified Program	4,614	4,378
McLaughlin Youth Center	98,366	128,304
Parent Involvement Program	221,536	203,443
Professional Development	216,217	1,743,300
School Improvement Program	130,260	186,428
Supplemental Education Services	--	1,194,371
Total Title I - No Child Left Behind Act	12,069,937	11,787,043
Title I - Migrant Education		
Book Program	6,599	7,249
District-wide	1,252,573	1,284,610
Parent Involvement Program	4,541	2,528
Summer Program	1,159,977	856,968
Total Title I - Migrant Education	2,423,690	2,151,355
Title II A - Professional Development Program	2,147,265	3,205,795
Title III - English Language Acquisition	329,182	401,416
Title VI B - Education of All Handicapped Children Act	13,030,272	11,811,326
Title VII - Indian, Native Hawaiian, and Alaska Native Education	2,989,041	2,812,723
USDA - Fresh Fruit and Vegetable Program	--	683,167
We Can	--	1,029
Work Investment Act School Youth Program	--	28,387
Total federal grants	40,610,476	40,094,779
Total expenditures	\$ 50,986,033	\$ 51,269,742

For the Year Ended June 30, 2014

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:					
Barbara Bush Literacy Supplemental Grants					
Supplies and materials	\$ 1	\$ --	\$ 1	\$ --	\$ (1)
Charter School Supplemental					
Supplies and materials	19,726	--	19,726	19,802	76
Total Charter School Supplemental	19,726	--	19,726	19,802	76
Community Partners Diversity					
Purchased services	975	--	975	1,325	350
Donations From Local Agencies					
Personnel services	22,868	--	22,868	3,932	(18,936)
Employee benefits	3,061	--	3,061	874	(2,187)
Purchased services	107,771	(239)	107,532	221,830	114,298
Supplies and materials	110,549	15,761	126,310	105,345	(20,965)
Capital outlay	43,594	(25,596)	17,998	500	(17,498)
Total Donations From Local Agencies	287,843	(10,074)	277,769	332,481	54,712
MOA Recycling					
Personnel services	9,000	--	9,000	18,000	9,000
Employee benefits	2,760	--	2,760	5,570	2,810
Supplies and materials	192	--	192	23,430	23,238
Total MOA Recycling	11,952	--	11,952	47,000	35,048
NoVo Foundation Social and Emotional Learning					
Personnel services	115,497	--	115,497	15,400	(100,097)
Employee benefits	17,674	--	17,674	2,255	(15,419)
Purchased services	28,303	20,975	49,278	(17,655)	(66,933)
Supplies and materials	16,415	223	16,638	--	(16,638)
Total NoVo Foundation and Emotional Learning	177,889	21,198	199,087	--	(199,087)
Contingency	--	--	--	3,845,270	3,845,270
Total local grants	498,386	11,124	509,510	4,245,878	3,736,368
State grants:					
Designated Legislative Grants:					
Senate Bill 18					
Personnel services	9,390	--	9,390	36,568	27,178
Employee benefits	2,471	--	2,471	5,722	3,251
Purchased services	16,771	--	16,771	907,328	890,557
Supplies and materials	576,782	107,031	683,813	1,245,916	562,103
Capital Outlay	--	24,839	24,839	26,666	1,827
Total Senate Bill 18	605,414	131,870	737,284	2,222,200	1,484,916
Senate Bill 46					
Personnel services	4,477	--	4,477	--	(4,477)
Employee benefits	721	--	721	--	(721)
Purchased services	3,147	--	3,147	--	(3,147)
Supplies and materials	188,133	(5,631)	182,502	--	(182,502)
Total Senate Bill 46	196,478	(5,631)	190,847	--	(190,847)
Senate Bill 160					
Personnel services	5,472	--	5,472	--	(5,472)
Employee benefits	1,053	--	1,053	--	(1,053)
Purchased services	5,268	--	5,268	--	(5,268)
Supplies and materials	357,651	(178,194)	179,457	--	(179,457)
Total Senate bill 160	369,444	(178,194)	191,250	--	(191,250)
Senate Bill 230					
Personal Services	1,226	--	1,226	--	(1,226)
Employee Benefits	264	--	264	--	(264)
Purchased services	8,912	--	8,912	2,462	(6,450)
Supplies and materials	147,772	(1,443)	146,329	(2,462)	(148,791)
Total Senate Bill 230	158,174	(1,443)	156,731	--	(156,731)
Total Designated Legislative Grants	1,329,510	(53,398)	1,276,112	2,222,200	946,088

(Continued)

For the Year Ended June 30, 2014

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Final Budget	Variance Positive (Negative)
Alaska Railroad Summer Youth Program					
Personal Services	\$ 14,197	\$ --	\$ 14,197	\$ 14,617	\$ 420
Employee Benefits	2,124	--	2,124	2,160	36
Supplies and materials	2,243	--	2,243	2,223	(20)
Total Alaska Railroad Summer Youth Program	18,564	--	18,564	19,000	436
Alaska State School for the Deaf					
Personnel services	148,344	--	148,344	148,341	(3)
Employee benefits	59,931	--	59,931	59,935	4
Purchased services	100,015	(690)	99,325	100,045	720
Supplies and materials	10,679	--	10,679	10,679	--
Total Alaska State School for the Deaf	318,969	(690)	318,279	319,000	721
Alternative Schools Health and Wellness					
Personnel services	30,373	--	30,373	30,974	601
Employee benefits	5,105	--	5,105	5,347	242
Purchased services	15,246	--	15,246	18,151	2,905
Supplies and materials	20,034	(1,659)	18,375	22,943	4,568
Total Alternative Schools Health and Wellness	70,758	(1,659)	69,099	77,415	8,316
Anchorage Construction Academy					
Personnel services	164,134	--	164,134	164,533	399
Employee benefits	22,384	--	22,384	22,510	126
Purchased services	97,057	--	97,057	97,894	837
Supplies and materials	59,556	--	59,556	59,752	196
Total Anchorage Construction Academy	343,131	--	343,131	344,689	1,558
ANSEP Grant					
Personnel services	22,244	--	22,244	22,351	107
Employee benefits	9,150	--	9,150	9,649	499
Total ANSEP Grant	31,394	--	31,394	32,000	606
Comprehensive Behavioral Health					
Personnel services	258,739	--	258,739	263,411	4,672
Employee benefits	110,139	--	110,139	111,038	899
Purchased services	17,724	--	17,724	18,171	447
Total Comprehensive Behavioral Health	386,602	--	386,602	392,620	6,018
Cultural Collaboration Project					
Purchased services	10,715	(762)	9,953	10,045	92
Total Cultural Collaboration Project	10,715	(762)	9,953	10,045	92
Early Literacy K-3					
Purchased services	--	--	--	4,598	4,598
Supplies and materials	100,624	--	100,624	100,624	--
Total Early Literacy K-3	100,624	--	100,624	105,222	4,598
Farm to School					
Purchased services	--	--	--	3,955	3,955
Supplies and materials	5,533	--	5,533	5,379	(154)
Total Farm to School	5,533	--	5,533	9,334	3,801
McLaughlin Equipment & Supplies Funds					
Supplies and materials	178	--	178	--	(178)
Pre-School Kindergarten Program					
Personnel services	76,633	--	76,633	74,696	(1,937)
Employee benefits	36,856	--	36,856	33,918	(2,938)
Purchased services	8,139	--	8,139	8,676	537
Supplies and materials	7,034	--	7,034	--	(7,034)
Total Pre-School Kindergarten Program	128,662	--	128,662	117,290	(11,372)
Providence Heights					
Personnel services	81,960	--	81,960	87,565	5,605
Employee benefits	40,258	--	40,258	46,285	6,027
Purchased services	5,584	--	5,584	6,337	753
Supplies and materials	--	--	--	4,813	4,813
Total Providence Heights	127,802	--	127,802	145,000	17,198
Retirement Systems Employer Relief					
Employee benefits	6,485,946	(6,485,946)	--	--	--

(Continued)

For the Year Ended June 30, 2014

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Final Budget	Variance Positive (Negative)
Suicide Awareness					
Personnel services	\$ 542	\$ --	\$ 542	\$ 1,667	\$ 1,125
Employee benefits	166	--	166	406	240
Purchased services	20,601	--	20,601	20,818	217
Supplies and materials	7,800	--	7,800	7,709	(91)
Total Suicide Awareness	29,109	--	29,109	30,600	1,491
Youth in Detention					
Personnel services	329,740	--	329,740	331,409	1,669
Employee benefits	116,699	--	116,699	117,235	536
Purchased services	20,184	(227)	19,957	33,322	13,365
Supplies and materials	23,051	(2,760)	20,291	30,286	9,995
Total Youth in Detention	489,674	(2,987)	486,687	512,252	25,565
Total state grants	9,877,171	(6,545,442)	3,331,729	4,336,667	1,004,938
Federal grants:					
Access to Education for Homeless Children Program					
Personnel services	8,867	--	8,867	8,880	13
Employee benefits	951	--	951	953	2
Purchased services	42,327	--	42,327	42,328	1
Supplies and materials	2,497	--	2,497	2,500	3
Total Access to Education for Homeless Children Program	54,642	--	54,642	54,661	19
Alaska Family Directory Website					
Personnel services	16,033	--	16,033	16,033	--
Employee benefits	4,949	--	4,949	4,949	--
Purchased services	4,381	--	4,381	4,926	545
Supplies and materials	--	--	--	3,092	3,092
Total Alaska Family Directory Website	25,363	--	25,363	29,000	3,637
Alaska Mentorship Project					
Personnel Services	89,037	--	89,037	164,623	75,586
Employee benefits	35,398	--	35,398	68,261	32,863
Purchased services	575,929	(109,356)	466,573	620,000	153,427
Supplies and materials	8,611	--	8,611	22,298	13,687
Total Alaska Mentorship Project	708,975	(109,356)	599,619	875,182	275,563
Alaska Network for Understanding History					
Personnel services	13,892	--	13,892	--	(13,892)
Employee benefits	2,196	--	2,196	--	(2,196)
Purchased services	39,944	(21,665)	18,279	--	(18,279)
Supplies & materials	15,369	--	15,369	--	(15,369)
Total Alaska Network for Understanding History	71,401	(21,665)	49,736	--	(49,736)
Alaska State School for the Deaf					
Personnel services	3,000	--	3,000	10,669	7,669
Employee benefits	451	--	451	2,477	2,026
Purchased services	23,260	--	23,260	48,770	25,510
Supplies and materials	2,239	--	2,239	3,084	845
Total Alaska State School for the Deaf	28,950	--	28,950	65,000	36,050
Artist in Schools					
Personnel services	2,355	--	2,355	2,355	--
Employee benefits	204	--	204	200	(4)
Purchased services	4,458	--	4,458	4,122	(336)
Supplies and materials	518	--	518	858	340
Total Artist in Schools	7,535	--	7,535	7,535	--
Big Brothers Big Sisters Mentoring					
Personnel services	16,477	--	16,477	16,976	499
Employee benefits	13,838	--	13,838	14,456	618
Purchased services	1,212	--	1,212	1,958	746
Supplies and materials	1,735	--	1,735	(36)	(1,771)
Total BBBS Mentoring	33,262	--	33,262	33,354	92

(Continued)

For the Year Ended June 30, 2014

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Final Budget	Variance Positive (Negative)
Carl Perkins Vocational Education					
Personnel services	\$ 145,491	\$ --	\$ 145,491	\$ 145,492	\$ 1
Employee benefits	20,383	--	20,383	20,383	--
Purchased services	169,541	(5,254)	164,287	199,343	35,056
Supplies and materials	884,323	23,504	907,827	867,935	(39,892)
Capital outlay	66,906	--	66,906	67,050	144
Total Carl Perkins Vocational Education	1,286,644	18,250	1,304,894	1,300,203	(4,691)
Community Centers Learning Program					
Personnel services	1,014,936	--	1,014,936	1,099,530	84,594
Employee benefits	444,468	--	444,468	463,408	18,940
Purchased services	221,436	--	221,436	255,846	34,410
Supplies and materials	68,949	(187)	68,762	84,045	15,283
Total Community Centers Learning Program	1,749,789	(187)	1,749,602	1,902,829	153,227
EPA Creek Revitalization					
Personal services	1,140	--	1,140	--	(1,140)
Employee benefits	171	--	171	--	(171)
Purchased services	5,877	--	5,877	--	(5,877)
Supplies and materials	110	--	110	--	(110)
Total EPA Creek Revitalization	7,298	--	7,298	--	(7,298)
ESEA Consolidated					
Personal services	396,373	--	396,373	400,601	4,228
Employee benefits	210,151	--	210,151	212,221	2,070
Purchased services	38,067	--	38,067	38,982	915
Supplies and materials	5,924	--	5,924	5,970	46
Total ESEA Consolidated	650,515	--	650,515	657,774	7,259
Military Impacted Students					
Personnel services	308,108	--	308,108	--	(308,108)
Employee benefits	115,002	--	115,002	--	(115,002)
Purchased services	95,455	16,821	112,276	--	(112,276)
Supplies and materials	42,679	(4,674)	38,005	--	(38,005)
Total Military Impacted Students	561,244	12,147	573,391	--	(573,391)
Pre-School Handicapped					
Personnel services	246,642	--	246,642	244,141	(2,501)
Employee benefits	145,334	--	145,334	146,423	1,089
Purchased services	26,319	(299)	26,020	26,319	299
Supplies and materials	1,099	--	1,099	2,511	1,412
Total Pre-School Handicapped	419,394	(299)	419,095	419,394	299
Project Ki'l					
Personnel services	356,488	--	356,488	330,020	(26,468)
Employee benefits	129,645	--	129,645	139,700	10,055
Purchased services	150,010	3,050	153,060	208,691	55,631
Supplies and materials	34,400	601	35,001	67,750	32,749
Total Project Ki'l	670,543	3,651	674,194	746,161	71,967
Project MORE					
Personnel services	289,590	--	289,590	--	(289,590)
Employee benefits	72,022	--	72,022	--	(72,022)
Purchased services	10,684	--	10,684	(43,000)	(53,684)
Supplies and materials	79,216	--	79,216	43,000	(36,216)
Total Project MORE	451,512	--	451,512	--	(451,512)
Project Puqigtut					
Personnel services	405,615	--	405,615	354,799	(50,816)
Employee benefits	144,207	--	144,207	171,788	27,581
Purchased services	165,542	(28,515)	137,027	138,127	1,100
Supplies and materials	37,954	(6,011)	31,943	32,814	871
Total Project Puqigtut	753,318	(34,526)	718,792	697,528	(21,264)
Refugee Support Services					
Personnel services	25,345	--	25,345	15,294	(10,051)
Employee benefits	4,598	--	4,598	2,199	(2,399)
Purchased services	5,232	696	5,928	18,543	12,615
Supplies & materials	744	--	744	3,465	2,721
Total Refugee Support Services	35,919	696	36,615	39,501	2,886

(Continued)

For the Year Ended June 30, 2014

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Final Budget	Variance Positive (Negative)
StarTalk - Language Culture Summer Camp					
Personnel services	\$ 56,016	\$ --	\$ 56,016	\$ 53,916	\$ (2,100)
Employee benefits	8,672	--	8,672	10,597	1,925
Purchased services	18,081	(2,353)	15,728	12,872	(2,856)
Supplies and materials	22,016	287	22,303	12,532	(9,771)
Total StarTalk - Language Culture Summer Camp	104,785	(2,066)	102,719	89,917	(12,802)
Title I - No Child Left Behind Act					
Delinquent and At-Risk Youth Program					
Personnel services	148,451	--	148,451	156,056	7,605
Employee benefits	44,043	--	44,043	46,993	2,950
Purchased services	12,976	--	12,976	4,561	(8,415)
Supplies and materials	6,899	--	6,899	7,519	620
Total Delinquent and At-Risk Youth Program	212,369	--	212,369	215,129	2,760
District-wide					
Personnel services	6,086,918	--	6,086,918	7,700,248	1,613,330
Employee benefits	2,291,308	--	2,291,308	2,681,263	389,955
Purchased services	1,279,704	--	1,279,704	2,572,984	1,293,280
Supplies and materials	1,528,645	(14,605)	1,514,040	2,013,679	499,639
Total District-wide	11,186,575	(14,605)	11,171,970	14,968,174	3,796,204
Highly Qualified Program					
Personnel services	3,733	--	3,733	5,528	1,795
Employee benefits	480	--	480	830	350
Purchased services	401	--	401	4,099	3,698
Total Highly Qualified Program	4,614	--	4,614	10,457	5,843
McLaughlin Youth Center					
Personnel services	67,779	--	67,779	68,217	438
Employee benefits	24,895	--	24,895	27,753	2,858
Purchased services	4,299	--	4,299	4,448	149
Supplies and materials	1,393	--	1,393	1,369	(24)
Total McLaughlin Youth Center	98,366	--	98,366	101,787	3,421
Parent Involvement Program					
Personnel services	79,851	--	79,851	119,406	39,555
Employee benefits	14,753	--	14,753	21,083	6,330
Purchased services	38,380	--	38,380	51,754	13,374
Supplies and materials	88,552	(5,911)	82,641	131,149	48,508
Total Parent Involvement Program	221,536	(5,911)	215,625	323,392	107,767
Professional Development					
Personnel services	187,962	--	187,962	187,962	--
Employee benefits	28,255	--	28,255	28,255	--
Total Professional Development	216,217	--	216,217	216,217	--
School Improvement Program					
Personnel services	41,690	--	41,690	69,312	27,622
Employee benefits	7,303	--	7,303	10,269	2,966
Purchased services	15,693	--	15,693	17,769	2,076
Supplies and materials	65,574	--	65,574	80,420	14,846
Total School Improvement Program	130,260	--	130,260	177,770	47,510
Total Title I - No Child Left Behind Act	12,069,937	(20,516)	12,049,421	16,012,926	3,963,505
Title I - Migrant Education					
Book Program					
Supplies and materials	6,599	--	6,599	6,600	1
Total Book Program	6,599	--	6,599	6,600	1
District-wide					
Personnel services	685,981	--	685,981	680,376	(5,605)
Employee benefits	365,439	--	365,439	378,339	12,900
Purchased services	149,711	--	149,711	150,550	839
Supplies and materials	51,442	--	51,442	47,940	(3,502)
Total District-wide	1,252,573	--	1,252,573	1,257,205	4,632
Parent Involvement Program					
Purchased services	4,541	--	4,541	--	(4,541)
Total Parent Involvement Program	4,541	--	4,541	--	(4,541)

(Continued)

For the Year Ended June 30, 2014

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Final Budget	Variance Positive (Negative)
Summer Program					
Personnel services	\$ 527,597	\$ --	\$ 527,597	\$ 479,463	\$ (48,134)
Employee benefits	131,478	--	131,478	91,389	(40,089)
Purchased services	190,293	62,040	252,333	235,867	(16,466)
Supplies and materials	310,609	(5,954)	304,655	221,074	(83,581)
Capital Outlay	--	--	--	13,680	13,680
Total Summer Program	<u>1,159,977</u>	<u>56,086</u>	<u>1,216,063</u>	<u>1,041,473</u>	<u>(174,590)</u>
Total Title I - Migrant Education	<u>2,423,690</u>	<u>56,086</u>	<u>2,479,776</u>	<u>2,305,278</u>	<u>(174,498)</u>
Title II-A - Professional Development Program					
Personnel services	1,282,129	--	1,282,129	2,552,015	1,269,886
Employee benefits	390,686	--	390,686	589,136	198,450
Purchased services	471,452	103,045	574,497	778,935	204,438
Supplies and materials	2,998	--	2,998	180,006	177,008
Total Title II-A - Professional Development Program	<u>2,147,265</u>	<u>103,045</u>	<u>2,250,310</u>	<u>4,100,092</u>	<u>1,849,782</u>
Title III - English Language Acquisition					
Personnel services	227,047	--	227,047	234,992	7,945
Employee benefits	68,816	--	68,816	72,886	4,070
Purchased services	32,093	--	32,093	55,235	23,142
Supplies and materials	1,226	--	1,226	30,702	29,476
Total Title III - English Language Acquisition	<u>329,182</u>	<u>--</u>	<u>329,182</u>	<u>393,815</u>	<u>64,633</u>
Title VI-B - Education of All Handicapped Children Act					
Personnel services	7,181,016	--	7,181,016	7,582,277	401,261
Employee benefits	3,989,675	--	3,989,675	4,133,886	144,211
Purchased services	1,424,685	(3,700)	1,420,985	1,900,114	479,129
Supplies and materials	434,896	6,074	440,970	2,149,539	1,708,569
Total Title VI-B - Education of All Handicapped Children Act	<u>13,030,272</u>	<u>2,374</u>	<u>13,032,646</u>	<u>15,765,816</u>	<u>2,733,170</u>
Title VII - Indian, Native Hawaiian, and Alaska Native Education					
Personnel services	1,635,558	--	1,635,558	1,584,208	(51,350)
Employee benefits	1,081,013	--	1,081,013	1,057,793	(23,220)
Purchased services	194,821	2,630	197,451	163,767	(33,684)
Supplies and materials	77,649	(62,810)	14,839	17,254	2,415
Total Title VII - Indian, Native Hawaiian, and Alaska Native Education	<u>2,989,041</u>	<u>(60,180)</u>	<u>2,928,861</u>	<u>2,823,022</u>	<u>(105,839)</u>
Total federal grants	<u>40,610,476</u>	<u>(52,546)</u>	<u>40,557,930</u>	<u>48,318,988</u>	<u>7,761,058</u>
Total expenditures	<u>\$ 50,986,033</u>	<u>\$ (6,586,864)</u>	<u>\$ 44,399,169</u>	<u>\$ 56,901,533</u>	<u>\$ 12,502,364</u>

For the Year Ended June 30, 2014

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:						
Barbara Bush Literacy Grant	\$ --	\$ --	\$ --	\$ 1	\$ --	\$ 1
Charter School Supplementa	--	--	--	19,726	--	19,726
Community Partners Diversity	--	--	975	--	--	975
Donations from Local Agencies	22,868	3,061	107,771	110,549	43,594	287,843
MOA Recycling	9,000	2,760	--	192	--	11,952
NoVo Foundation Social	115,497	17,674	28,303	16,415	--	177,889
Total local grants	147,365	23,495	137,049	146,883	43,594	498,386
State grants:						
Designated Legislative Grants						
Senate Bill 18	9,390	2,471	16,771	576,782	--	605,414
Senate Bill 46	4,477	721	3,147	188,133	--	196,478
Senate Bill 160	5,472	1,053	5,268	357,651	--	369,444
Senate Bill 230	1,226	264	8,912	147,772	--	158,174
Total Designated Legislative Grants	20,565	4,509	34,098	1,270,338	--	1,329,510
Alaska Railroad Summer Youth Program	14,197	2,124	--	2,243	--	18,564
Alaska State School for the Deaf	148,344	59,931	100,015	10,679	--	318,969
Alternative Schools Health and Wellness	30,373	5,105	15,246	20,034	--	70,758
Anchorage Construction Academy	164,134	22,384	97,057	59,556	--	343,131
ANSEP Grant	22,244	9,150	--	--	--	31,394
Comprehensive Behavioral Health	258,739	110,139	17,724	--	--	386,602
Cultural Collaboration Project	--	--	10,715	--	--	10,715
Early Literacy K-3	--	--	--	100,624	--	100,624
Farm to School	--	--	--	5,533	--	5,533
McLaughlin Equipment & Supplies Fund	--	--	--	178	--	178
Pre-School Kindergarten Program	76,633	36,856	8,139	7,034	--	128,662
Providence Heights	81,960	40,258	5,584	--	--	127,802
Retirement Systems Employer Relief	--	6,485,946	--	--	--	6,485,946
Suicide Awareness	542	166	20,601	7,800	--	29,109
Youth in Detention	329,740	116,699	20,184	23,051	--	489,674
Total state grants	1,147,471	6,893,267	329,363	1,507,070	--	9,877,171
Federal grants:						
Access to Education for Homeless Children Program	8,867	951	42,327	2,497	--	54,642
Alaska Family Directory Website	16,033	4,949	4,381	--	--	25,363
Alaska Mentorship Project	89,037	35,398	575,929	8,611	--	708,975
Alaska Network for Understanding History	13,892	2,196	39,944	15,369	--	71,401
Alaska State School for the Deaf	3,000	451	23,260	2,239	--	28,950
Artist in Schools	2,355	204	4,458	518	--	7,535
Big Brothers Big Sisters Mentoring	16,477	13,838	1,212	1,735	--	33,262
Carl Perkins Vocational Education Basic	145,491	20,383	169,541	884,323	66,906	1,286,644
Community Centers Learning Program	1,014,936	444,468	221,436	68,949	--	1,749,789
EPA Creek Revitalization	1,140	171	5,877	110	--	7,298
ESEA Consolidated	396,373	210,151	38,067	5,924	--	650,515
Military Impacted Students	308,108	115,002	95,455	42,679	--	561,244
Pre-School Handicapped	246,642	145,334	26,319	1,099	--	419,394
Project Ki'l	356,488	129,645	150,010	34,400	--	670,543
Project MORE	289,590	72,022	10,684	79,216	--	451,512
Project Puqigtut	405,615	144,207	165,542	37,954	--	753,318
Refugee Support Services	25,345	4,598	5,232	744	--	35,919
StarTalk - Language Culture Summer Camp	56,016	8,672	18,081	22,016	--	104,785

(Continued)

For the Year Ended June 30, 2014

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 - No Child Left Behind Act						
Delinquent and At-Risk						
Youth Program	\$ 148,451	\$ 44,043	\$ 12,976	\$ 6,899	\$ --	\$ 212,369
District-wide	6,086,918	2,291,308	1,279,704	1,528,645	--	11,186,575
Highly Qualified Program	3,733	480	401	--	--	4,614
McLaughlin Youth Center	67,779	24,895	4,299	1,393	--	98,366
Parent Involvement Program	79,851	14,753	38,380	88,552	--	221,536
Professional Development	187,962	28,255	--	--	--	216,217
School Improvement Program	41,690	7,303	15,693	65,574	--	130,260
Total Title I - No Child Left Behind Act	6,616,384	2,411,037	1,351,453	1,691,063	--	12,069,937
Title I - Migrant Education						
Book Program	--	--	--	6,599	--	6,599
District-wide	685,981	365,439	149,711	51,442	--	1,252,573
Parent Involvement Program	--	--	4,541	--	--	4,541
Summer Program	527,597	131,478	190,293	310,609	--	1,159,977
Total Title I -Migrant Education	1,213,578	496,917	344,545	368,650	--	2,423,690
Title II-A - Professional Development Program	1,282,129	390,686	471,452	2,998	--	2,147,265
Title III - English Language Acquisition	227,047	68,816	32,093	1,226	--	329,182
Title VI B - Education of All Handicapped Children Act	7,181,016	3,989,675	1,424,685	434,896	--	13,030,272
Title VII - Indian, Native Hawaiian, and Alaska Native Ed.	1,635,558	1,081,013	194,821	77,649	--	2,989,041
Total federal grants	21,551,117	9,790,784	5,416,804	3,784,865	66,906	40,610,476
Total expenditures	<u>\$ 22,845,953</u>	<u>\$ 16,707,546</u>	<u>\$ 5,883,216</u>	<u>\$ 5,438,818</u>	<u>\$ 110,500</u>	<u>\$ 50,986,033</u>

June 30, 2014
With Comparative Totals for
June 30, 2013

**SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS**

COMBINING BALANCE SHEET

				Totals	
	Food Service (1)	Student Activities	Pupil Transportation	2014	As Restated 2013
Assets					
Cash and investments	\$ --	\$ 3,083,677	\$ --	\$ 3,083,677	\$ 2,894,292
Accounts receivable	25,355	12,045	--	37,400	69,258
Interest receivable	--	2,113	--	2,113	1,747
Due from General Fund	--	2,015,009	609,838	2,624,847	2,526,641
Due from State of Alaska	122,890	--	--	122,890	59,768
Prepaid items	--	5,065	--	5,065	5,079
U.S.D.A. food commodities, at U.S.D.A. allocated value	511,047	--	--	511,047	290,398
Inventory, at FIFO	1,240,710	--	--	1,240,710	1,468,623
Total assets	<u>\$ 1,900,002</u>	<u>\$ 5,117,909</u>	<u>\$ 609,838</u>	<u>\$ 7,627,749</u>	<u>\$ 7,315,806</u>
Liabilities					
Accounts payable	\$ 21,431	\$ 79,564	\$ 10,439	\$ 111,434	\$ 87,587
Due to General Fund	779,991	68,086	--	848,077	28,044
Accrued salaries and related items:					
Wages and salaries payable	43,238	--	41,258	84,496	75,759
Payroll taxes, other accrued and withheld items	20,937	--	119,934	140,871	146,418
Unearned revenue	1,458,006	--	--	1,458,006	510,956
Total liabilities	<u>2,323,603</u>	<u>147,650</u>	<u>171,631</u>	<u>2,642,884</u>	<u>848,764</u>
Fund balances					
Reserved:					
Non-spendable	1,240,710	5,065	--	1,245,775	1,473,702
Committed	--	--	370,000	370,000	--
Assigned	--	4,965,194	68,207	5,033,401	4,993,340
Unassigned	(1,664,311)	--	--	(1,664,311)	--
Total fund balances	<u>(423,601)</u>	<u>4,970,259</u>	<u>438,207</u>	<u>4,984,865</u>	<u>6,467,042</u>
Total liabilities and fund balance	<u>\$ 1,900,002</u>	<u>\$ 5,117,909</u>	<u>\$ 609,838</u>	<u>\$ 7,627,749</u>	<u>\$ 7,315,806</u>

For the Year Ended June 30, 2014
With Comparative Totals
For the Year Ended June 30, 2013

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

	Food Service	Student Activities	Pupil Transportation	Totals	
				2014	As Restated 2013
Revenues:					
Revenues from local sources	\$ 2,526,288	\$ 7,808,097	\$ --	\$ 10,334,385	\$ 10,010,658
Revenues from state sources	1,041,834	44,674	22,477,906	23,564,414	22,805,476
Revenues from federal sources	15,603,228	--	--	15,603,228	15,488,142
Total revenues	19,171,350	7,852,771	22,477,906	49,502,027	48,304,276
Expenditures:					
Current:					
Instruction	--	7,687,708	--	7,687,708	6,980,421
Food services	21,297,939	--	--	21,297,939	19,502,420
Pupil Transportation	--	--	22,931,732	22,931,732	22,809,852
Total expenditures	21,297,939	7,687,708	22,931,732	51,917,379	49,292,693
Excess of revenues over (under) expenditures	(2,126,589)	165,063	(453,826)	(2,415,352)	(988,417)
Other financing sources:					
Proceeds from sale of property and equipment	--	--	--	--	2,232
Transfers in from General Fund	220,000	--	713,175	933,175	705,920
Total other financing sources	220,000	--	713,175	933,175	708,152
Excess (deficiency) of revenues over (under) expenditures and other financing sources	(1,906,589)	165,063	259,349	(1,482,177)	(280,265)
Fund balances at beginning of year	1,482,988	4,805,196	178,858	6,467,042	6,747,307
Fund balances at end of year	\$ (423,601)	\$ 4,970,259	\$ 438,207	\$ 4,984,865	\$ 6,467,042

June 30, 2014
With Comparative Totals for
June 30, 2013

BALANCE SHEET

	2014	As Restated 2013
Assets		
Accounts receivable	\$ 25,355	\$ 52,101
Due from General Fund	--	274,970
Due from State of Alaska	122,890	59,768
U.S.D.A. food commodities, at U.S.D.A. allocated value	511,047	290,398
Inventory, at FIFO	1,240,710	1,468,623
Total assets	<u>\$ 1,900,002</u>	<u>\$ 2,145,860</u>
Liabilities		
Accounts payable	\$ 21,431	\$ 53,722
Due to General Fund	779,991	--
Accrued salaries and related items:		
Wages and salaries payable	43,238	35,532
Payroll taxes, other accrued and withheld items	20,937	62,662
Unearned revenue	1,458,006	510,956
Total liabilities	<u>2,323,603</u>	<u>662,872</u>
Fund balance		
Non-spendable	1,240,710	1,468,623
Assigned	--	14,365
Unassigned	(1,664,311)	--
Total fund balance	<u>(423,601)</u>	<u>1,482,988</u>
Total liabilities and fund balance	<u>\$ 1,900,002</u>	<u>\$ 2,145,860</u>

For the Year Ended June 30, 2014
 With Comparative Totals
 For the Year Ended June 30, 2013

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

	2014	2013
Revenues:		
Revenues from local sources:		
Lunch sales - student	\$ 1,699,282	\$ 1,777,761
Lunch sales - adult	15,577	30,978
Breakfast - student	148,385	142,910
Breakfast - adult	3,224	--
Milk program	70,476	29,476
A la carte program	473,817	751,712
Special meals	--	3,466
Other revenues	115,527	53,125
Total revenues from local sources	2,526,288	2,789,428
Revenues from state sources:		
Grants	198,427	5,200
Retirement system employer relief	843,407	811,297
Total revenues from State	1,041,834	816,497
Revenues from federal sources:		
Type A lunch program - reimbursement	10,794,057	11,066,389
Breakfast program - reimbursement	2,972,429	2,976,108
After school snack program - reimbursement	3,872	1,186
After school dinner program - reimbursement	786,542	801,682
FFVP grant - reimbursement	682,900	--
United States Department of Agriculture commodities	--	--
	363,428	642,777
Total revenues from federal sources	15,603,228	15,488,142
Total revenues	19,171,350	19,094,067
Expenditures:		
Current:		
Food services:		
General administration	2,106,092	1,557,727
Kitchens and food center	17,408,944	16,078,801
Delivery	1,782,903	1,865,892
Total expenditures	21,297,939	19,502,420
Deficiency of revenues under expenditures	(2,126,589)	(408,353)
Other financing sources:		
Proceeds from sale of property and equipment	--	2,232
Transfers in from General Fund	220,000	--
Total other financing sources	220,000	2,232
Excess (deficiency) or revenues of (under) expenditures and other financing sources (uses)	(1,906,589)	(406,121)
Fund balance at beginning of year	1,482,988	1,889,109
Fund balance at end of year	\$ (423,601)	\$ 1,482,988

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

For the Year Ended June 30, 2014

	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	\$ 1,699,282	\$ --	\$ 1,699,282	\$ 2,242,519	\$ 2,242,519	\$ (543,237)
Lunch sales - adult	15,577	--	15,577	44,348	44,348	(28,771)
Breakfast - student	148,385	--	148,385	130,358	130,358	18,027
Breakfast - adult	3,224	--	3,224	3,645	3,645	(421)
Milk program	70,476	--	70,476	76,541	76,541	(6,065)
A la carte program	473,817	--	473,817	982,015	982,015	(508,198)
Other revenues	115,527	600,000	715,527	618,522	618,522	97,005
Total revenue from local sources	2,526,288	600,000	3,126,288	4,097,948	4,097,948	(971,660)
Revenues from state sources:						
Grants	198,427	--	198,427	--	647,519	(449,092)
Retirement system employer relief	843,407	(843,407)	--	--	--	--
Total revenue from state sources	1,041,834	(843,407)	198,427	--	647,519	(449,092)
Revenues from federal sources:						
Type A lunch program - reimbursement	10,794,057	--	10,794,057	11,056,801	11,056,801	(262,744)
Breakfast program - reimbursement	2,972,429	--	2,972,429	2,626,787	2,626,787	345,642
After school snack program - reimbursement	3,872	--	3,872	965,250	--	3,872
After school dinner program - reimbursement	786,542	--	786,542	--	965,250	(178,708)
Fresh fruit and vegetable program - reimb	682,900	--	682,900	--	682,900	--
United States Department of Agriculture commodities	363,428	--	363,428	670,851	670,851	(307,423)
Total revenue from federal sources	15,603,228	--	15,603,228	15,319,689	16,002,589	(399,361)
Total revenues	19,171,350	(243,407)	18,927,943	19,417,637	20,748,056	(1,820,113)
Expenditures:						
Current:						
Food services						
General administration						
Personnel services	852,331	--	852,331	804,341	804,341	(47,990)
Employee benefits	605,072	(120,800)	484,272	462,742	462,742	(21,530)
Purchased services	615,108	(29,739)	585,369	895,016	895,016	309,647
Supplies and materials	9,665	--	9,665	27,120	27,120	17,455
Capital outlay	23,916	(23,916)	--	--	--	--
Total general administration	2,106,092	(174,455)	1,931,637	2,189,219	2,189,219	257,582
Kitchens and food center						
Personnel services	4,303,769	--	4,303,769	4,634,096	4,680,922	377,153
Employee benefits	3,791,655	(594,944)	3,196,711	3,683,235	3,683,235	486,524
Purchased services	398,336	29,713	428,049	459,295	459,295	31,246
Supplies and materials	8,828,759	7,615	8,836,374	6,733,525	8,167,118	(669,256)
Capital outlay	20,517	(20,517)	--	63,000	63,000	63,000
Other	65,908	--	65,908	7,000	77,000	11,092
Total kitchens and food center	17,408,944	(578,133)	16,830,811	15,580,151	17,130,570	299,759

(Continued)

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

For the Year Ended June 30, 2014

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Delivery:						
Personnel services	\$ 895,999	\$ --	\$ 895,999	\$ 866,315	\$ 866,315	\$ (29,684)
Employee benefits	703,214	(127,663)	575,551	579,932	579,932	4,381
Purchased services	19,528	--	19,528	11,500	11,500	(8,028)
Supplies and materials	164,162	96,758	260,920	115,520	115,520	(145,400)
Capital outlay	--	24,468	24,468	75,000	75,000	50,532
Total delivery	<u>1,782,903</u>	<u>(6,437)</u>	<u>1,776,466</u>	<u>1,648,267</u>	<u>1,648,267</u>	<u>(128,199)</u>
Total expenditures	<u>21,297,939</u>	<u>(759,025)</u>	<u>20,538,914</u>	<u>19,417,637</u>	<u>20,968,056</u>	<u>429,142</u>
Excess (deficiency) of revenues over (under) expenditures	(2,126,589)	515,618	(1,610,971)	--	(220,000)	(1,390,971)
Other financing sources:						
Transfers in from General Fund	<u>220,000</u>	<u>--</u>	<u>220,000</u>	<u>--</u>	<u>220,000</u>	<u>--</u>
Total other financing sources	<u>220,000</u>	<u>--</u>	<u>220,000</u>	<u>--</u>	<u>220,000</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	(1,906,589)	<u>\$ 515,618</u>	<u>\$ (1,390,971)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (1,390,971)</u>
Fund balance at beginning of year	<u>1,482,988</u>					
Fund balance at end of year	<u>\$ (423,601)</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		\$ 19,171,350
Add: budgeted fund balance	\$ 600,000	
Deduct: retirement system on-behalf payments	<u>(843,407)</u>	
		<u>(243,407)</u>
Revenues reported on the basis of budgeting		<u>18,927,943</u>
Expenditures reported on the basis of GAAP		21,297,939
Add: current year encumbrances	\$ 190,860	
Deduct: expenditures on prior year's encumbrances	<u>(106,478)</u>	
Deduct: retirement system incremental increase (PERS)	<u>(843,407)</u>	
Expenditures and encumbrances reported on the basis of budgeting		<u>(759,025)</u>
		<u>20,538,914</u>
Excess of revenues over expenditures on the basis of budgeting		<u>\$ (1,610,971)</u>

For the Year Ended June 30, 2014

**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	\$ 852,331	\$ 605,072	\$ 615,108	\$ 9,665	\$ 23,916	\$ --	\$ 2,106,092
Kitchens and food center	4,303,769	3,791,655	398,336	8,828,759	20,517	65,908	17,408,944
Delivery	895,999	703,214	19,528	164,162	--	--	1,782,903
	<u>\$ 6,052,099</u>	<u>\$ 5,099,941</u>	<u>\$ 1,032,972</u>	<u>\$ 9,002,586</u>	<u>\$ 44,433</u>	<u>\$ 65,908</u>	<u>\$ 21,297,939</u>

June 30, 2014
With Comparative Totals for
June 30, 2013

BALANCE SHEET - BY ACCOUNT

	Decentralized Student Activities	Centralized Student Activities	Totals	
			2014	2013
Assets				
Cash and investments	\$ 2,770,268	\$ 313,409	\$ 3,083,677	\$ 2,894,292
Accounts receivable	--	12,045	12,045	17,157
Interest receivable	--	2,113	2,113	1,747
Due from General Fund	14,904	2,000,105	2,015,009	1,938,417
Prepaid items	--	5,065	5,065	5,079
Total assets	<u>\$ 2,785,172</u>	<u>\$ 2,332,737</u>	<u>\$ 5,117,909</u>	<u>\$ 4,856,692</u>
Liabilities				
Accounts payable	\$ --	\$ 79,564	\$ 79,564	\$ 23,452
Due to General Fund	68,086	--	68,086	28,044
Total liabilities	<u>68,086</u>	<u>79,564</u>	<u>147,650</u>	<u>51,496</u>
Fund balances				
Non-spendable	--	5,065	5,065	5,079
Assigned	2,717,086	2,248,108	4,965,194	4,800,117
Total fund balances	<u>2,717,086</u>	<u>2,253,173</u>	<u>4,970,259</u>	<u>4,805,196</u>
Total liabilities and fund balances	<u>\$ 2,785,172</u>	<u>\$ 2,332,737</u>	<u>\$ 5,117,909</u>	<u>\$ 4,856,692</u>

For the Year Ended June 30, 2014
With Comparative Totals
For the Year Ended June 30, 2013

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

	Decentralized Student Activities	Centralized Student Activities	Totals	
			2014	2013
Revenues:				
Revenues from local sources:				
Other revenues	\$ 6,389,684	\$ 1,418,413	\$ 7,808,097	\$ 7,221,230
Revenues from state sources:				
Retirement systems employer relief	--	44,674	44,674	24,206
Total revenues	6,389,684	1,463,087	7,852,771	7,245,436
Expenditures:				
Current:				
Instruction:				
Student activities	6,292,119	1,395,589	7,687,708	6,980,421
Excess of revenues over expenditures	97,565	67,498	165,063	265,015
Fund balances at beginning of year	2,619,521	2,185,675	4,805,196	4,540,181
Fund balances at end of year	\$ 2,717,086	\$ 2,253,173	\$ 4,970,259	\$ 4,805,196

June 30, 2014
With Comparative Totals for
June 30, 2013

DECENTRALIZED STUDENT ACTIVITIES

BALANCE SHEET - BY DEPARTMENT

	High Schools	Middle Schools	Alternative Schools and Others	Totals	
				2014	2013
Assets					
Cash and investments	\$ 1,896,444	\$ 596,743	\$ 277,081	\$ 2,770,268	\$ 2,631,730
Due from General Fund	--	14,904	--	14,904	15,835
Total assets	<u>\$ 1,896,444</u>	<u>\$ 611,647</u>	<u>\$ 277,081</u>	<u>\$ 2,785,172</u>	<u>\$ 2,647,565</u>
Liabilities					
Due to General Fund	\$ 68,086	\$ --	\$ --	\$ 68,086	\$ 28,044
Fund balances					
Assigned	<u>1,828,358</u>	<u>611,647</u>	<u>277,081</u>	<u>2,717,086</u>	<u>2,619,521</u>
Total liabilities and fund balances	<u>\$ 1,896,444</u>	<u>\$ 611,647</u>	<u>\$ 277,081</u>	<u>\$ 2,785,172</u>	<u>\$ 2,647,565</u>

For the Year Ended June 30, 2014
With Comparative Totals
For the Year Ended June 30, 2013

DECENTRALIZED STUDENT ACTIVITIES

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

	High Schools	Middle Schools	Alternative Schools and Others	Totals	
				2014	2013
Revenues:					
Revenues from local sources:					
Other revenues	\$ 4,527,212	\$ 1,273,594	\$ 588,878	\$ 6,389,684	\$ 5,854,904
Expenditures:					
Current:					
Instruction:					
Pupil activity	4,482,883	1,241,355	567,881	6,292,119	5,773,294
Excess of revenues over expenditures	44,329	32,239	20,997	97,565	81,610
Fund balances at beginning of year	1,784,029	579,408	256,084	2,619,521	2,537,911
Fund balances at end of year	\$ 1,828,358	\$ 611,647	\$ 277,081	\$ 2,717,086	\$ 2,619,521

June 30, 2014
With Comparative Totals for
June 30, 2013

CENTRALIZED STUDENT ACTIVITIES
BALANCE SHEET - BY DEPARTMENT

	PTA Support	Student Activities	Instructional Replacement Fees	Supplemental Sources	Totals	
					2014	2013
Assets						
Cash and investments	\$ --	\$ --	\$ --	\$ 313,409	\$ 313,409	\$ 262,562
Accounts receivable	--	4,635	--	7,410	12,045	17,157
Interest receivable	--	--	--	2,113	2,113	1,747
Due from General Fund	167,819	477,101	784,305	570,880	2,000,105	1,922,582
Prepaid items	--	5,065	--	--	5,065	5,079
Total assets	<u>\$ 167,819</u>	<u>\$ 486,801</u>	<u>\$ 784,305</u>	<u>\$ 893,812</u>	<u>\$ 2,332,737</u>	<u>\$ 2,209,127</u>
Liabilities						
Accounts payable	<u>\$ 6,758</u>	<u>\$ --</u>	<u>\$ 43,259</u>	<u>\$ 29,547</u>	<u>\$ 79,564</u>	<u>\$ 23,452</u>
Fund balances						
Non-spendable	--	5,065	--	--	5,065	5,079
Assigned	<u>161,061</u>	<u>481,736</u>	<u>741,046</u>	<u>864,265</u>	<u>2,248,108</u>	<u>2,180,596</u>
Total fund balances	<u>161,061</u>	<u>486,801</u>	<u>741,046</u>	<u>864,265</u>	<u>2,253,173</u>	<u>2,185,675</u>
Total liabilities and fund balances	<u>\$ 167,819</u>	<u>\$ 486,801</u>	<u>\$ 784,305</u>	<u>\$ 893,812</u>	<u>\$ 2,332,737</u>	<u>\$ 2,209,127</u>

For the Year Ended June 30, 2014
With Comparative Totals
For the Year Ended June 30, 2013

CENTRALIZED STUDENT ACTIVITIES

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

	PTA Support	Student Activities	Instructional Replacement Fees	Supplemental Sources	Totals	
					2014	2013
Revenues:						
Revenues from local sources:						
Other revenues	\$ 147,656	\$ 584,985	\$ 320,234	\$ 365,538	\$ 1,418,413	\$ 1,366,326
Revenues from state sources:						
Retirement systems employer relief	--	--	--	44,674	44,674	24,206
Total revenues	147,656	584,985	320,234	410,212	1,463,087	1,390,532
Expenditures:						
Current:						
Instruction:						
Student activities	174,352	556,128	326,822	338,287	1,395,589	1,207,127
Excess (deficiency) of revenues over (under) expenditures	(26,696)	28,857	(6,588)	71,925	67,498	183,405
Fund balances at beginning of year	187,757	457,944	747,634	792,340	2,185,675	2,002,270
Fund balances at end of year	\$ 161,061	\$ 486,801	\$ 741,046	\$ 864,265	\$ 2,253,173	\$ 2,185,675

June 30, 2014
With Comparative Totals for
June 30, 2013

BALANCE SHEET

	<u>2014</u>	<u>2013</u>
Assets		
Due from General Fund	\$ 609,838	\$ 313,254
Total assets	<u>\$ 609,838</u>	<u>\$ 313,254</u>
Liabilities		
Accounts payable	\$ 10,439	\$ 10,413
Accrued salaries and related items:		
Wages and salaries payable	41,258	40,227
Payroll taxes, other accrued and withheld items	<u>119,934</u>	<u>83,756</u>
Total liabilities	171,631	134,396
Fund balance		
Committed	370,000	--
Assigned	<u>68,207</u>	<u>178,858</u>
Total fund balance	438,207	178,858
 Total liabilities and fund balance	 <u>\$ 609,838</u>	 <u>\$ 313,254</u>

For the Year Ended June 30, 2014
 With Comparative Totals
 For the Year Ended June 30, 2013

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

	2014	2013
Revenues:		
Revenues from state sources:		
Pupil transportation program	\$ 21,513,609	\$ 21,380,424
Transportation routes grant	360,000	--
Retirement system employer relief	604,297	584,349
Total revenues from State	22,477,906	21,964,773
Total revenues	22,477,906	21,964,773
Expenditures:		
Current:		
Pupil transportation:		
General administration	1,130,055	1,161,745
Bus operations	20,344,752	20,142,420
Operations and maintenance of plant	1,456,925	1,505,687
Total expenditures	22,931,732	22,809,852
Deficiency of revenues under expenditures	(453,826)	(845,079)
Other financing sources:		
Transfers in from General Fund	713,175	705,920
Total other financing sources	713,175	705,920
Excess (deficiency) or revenues of (under) expenditures and other financing sources (uses)	259,349	(139,159)
Fund balance at beginning of year	178,858	318,017
Fund balance at end of year	\$ 438,207	\$ 178,858

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

For the Year Ended June 30, 2014

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
Revenues from state sources:						
Pupil transportation program	\$ 21,513,609	\$ --	\$ 21,513,609	\$ 21,687,000	\$ 21,844,385	\$ (330,776)
Transportation routes grant	360,000	--	360,000	180,000	180,000	180,000
Retirement system employer relief	604,297	(604,297)	--	--	--	--
Total revenue from state sources	22,477,906	(604,297)	21,873,609	21,867,000	22,024,385	(150,776)
Total revenues	22,477,906	(604,297)	21,873,609	21,867,000	22,024,385	(150,776)
Expenditures:						
Current:						
Pupil transportation:						
General administration						
Personnel services	642,640	--	642,640	636,806	633,116	(9,524)
Employee benefits	478,859	(81,441)	397,418	403,805	402,664	5,246
Purchased services	4,831	--	4,831	--	4,831	--
Supplies and materials	3,725	--	3,725	3,240	3,240	(485)
Total general administration	1,130,055	(81,441)	1,048,614	1,043,851	1,043,851	(4,763)
Bus operations						
Personnel services	3,599,548	--	3,599,548	3,387,778	3,387,778	(211,770)
Employee benefits	3,669,038	(456,171)	3,212,867	3,101,043	3,101,043	(111,824)
Purchased services	12,027,407	(16,682)	12,010,725	12,097,837	12,008,695	(2,030)
Supplies and materials	772,773	(99,813)	672,960	768,857	800,482	127,522
Capital outlay	246,575	370,000	616,575	386,212	606,212	(10,363)
Other	29,411	--	29,411	48,000	48,000	18,589
Total bus operations	20,344,752	(202,666)	20,142,086	19,789,727	19,952,210	(189,876)
Operations and maintenance of plant						
Personnel services	526,197	--	526,197	559,845	559,845	33,648
Employee benefits	396,165	(66,685)	329,480	353,807	353,807	24,327
Purchased services	197,803	--	197,803	214,143	205,435	7,632
Supplies and materials	336,760	9,039	345,799	348,760	348,760	2,961
Total operation and maintenance of plant	1,456,925	(57,646)	1,399,279	1,476,555	1,467,847	68,568
Total expenditures	22,931,732	(341,753)	22,589,979	22,310,133	22,463,908	(126,071)
Excess (deficiency) of revenues over (under) expenditures	(453,826)	(262,544)	(716,370)	(443,133)	(439,523)	(276,847)
Other financing sources:						
Transfers in from General Fund	713,175	--	713,175	443,133	439,523	273,652
Total other financing sources	713,175	--	713,175	443,133	439,523	273,652
Excess (deficiency) of revenues over (under) expenditures and other financing sources	259,349	<u>\$ (262,544)</u>	<u>\$ (3,195)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (3,195)</u>
Fund balance at beginning of year	178,858					
Fund balance at end of year	<u>\$ 438,207</u>					

(Continued)

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

For the Year Ended June 30, 2014

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

Revenues reported on the basis of GAAP		\$ 22,477,906
Add: budgeted fund balance	\$ --	
Deduct: retirement system on-behalf payments	<u>(604,297)</u>	
		<u>(604,297)</u>
Revenues reported on the basis of budgeting		<u>21,873,609</u>
Expenditures reported on the basis of GAAP		22,931,732
Add: current year encumbrances	\$ 413,208	
Deduct: expenditures on prior year's encumbrances	<u>(150,664)</u>	
Deduct: retirement system incremental increase (PERS)	<u>(604,297)</u>	
Expenditures and encumbrances reported on the basis of budgeting		<u>(341,753)</u>
		<u>22,589,979</u>
Deficiency of revenues under expenditures on the basis of budgeting		<u>\$ (716,370)</u>

For the Year Ended June 30, 2014

**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	\$ 642,640	\$ 478,859	\$ 4,831	\$ 3,725	\$ --	\$ --	\$ 1,130,055
Bus operations	3,599,548	3,669,038	12,027,407	772,773	246,575	29,411	20,344,752
Operation and maintenance of plant	526,197	396,165	197,803	336,760	--	--	1,456,925
	<u>\$ 4,768,385</u>	<u>\$ 4,544,062</u>	<u>\$ 12,230,041</u>	<u>\$ 1,113,258</u>	<u>\$ 246,575</u>	<u>\$ 29,411</u>	<u>\$ 22,931,732</u>

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CAFR

Debt Service Fund

Debt Service Fund

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

June 30, 2014
With Comparative Totals for
June 30, 2013

BALANCE SHEET

	<u>2014</u>	<u>2013</u>
Assets		
Cash and investments with paying agent	\$ 13,339,493	\$ 6,553,286
Due from other governments:		
Municipality of Anchorage	19,681,712	20,409,199
State of Alaska	442,980	450,618
Total assets	<u>\$ 33,464,185</u>	<u>\$ 27,413,103</u>
Liabilities		
Due to General Fund	\$ 11,049,287	\$ 4,824,311
Deferred inflows of resources		
Debt service tax appropriation	19,681,712	20,409,199
Fund balance		
Restricted	<u>2,733,186</u>	<u>2,179,593</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 33,464,185</u>	<u>\$ 27,413,103</u>

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

For the Year Ended June 30, 2014

	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	\$ 40,818,396	\$ --	\$ 40,818,396	\$ 40,818,398	\$ 40,818,398	\$ (2)
Investment income	<u>1</u>	<u>--</u>	<u>1</u>	<u>--</u>	<u>--</u>	<u>1</u>
Total revenues from local sources	40,818,397	--	40,818,397	40,818,398	40,818,398	(1)
Revenues from state sources:						
Aid for school construction	<u>44,173,619</u>	<u>--</u>	<u>44,173,619</u>	<u>45,218,655</u>	<u>45,218,655</u>	<u>(1,045,036)</u>
Revenues from federal sources:						
BABS subsidy	<u>255,358</u>	<u>--</u>	<u>255,358</u>	<u>277,412</u>	<u>277,412</u>	<u>(22,054)</u>
Total revenues	<u>85,247,374</u>	<u>--</u>	<u>85,247,374</u>	<u>86,314,465</u>	<u>86,314,465</u>	<u>(1,067,091)</u>
Expenditures:						
Debt service:						
Principal	57,340,000	--	57,340,000	57,945,000	57,945,000	605,000
Interest	27,354,466	--	27,354,466	28,354,465	28,354,465	999,999
Fiscal agent fees	<u>8,950</u>	<u>--</u>	<u>8,950</u>	<u>15,000</u>	<u>15,000</u>	<u>6,050</u>
Total expenditures	<u>84,703,416</u>	<u>--</u>	<u>84,703,416</u>	<u>86,314,465</u>	<u>86,314,465</u>	<u>1,611,049</u>
Excess of revenues over expenditures	543,958	--	543,958	--	--	543,958
Other financing sources (uses):						
Transfers in - Capital Projects Fund	<u>9,635</u>	<u>--</u>	<u>9,635</u>	<u>--</u>	<u>--</u>	<u>9,635</u>
Total other financing sources	<u>9,635</u>	<u>--</u>	<u>9,635</u>	<u>--</u>	<u>--</u>	<u>9,635</u>
Excess of revenues and other financing sources (uses) over expenditures	<u>553,593</u>	<u>\$ --</u>	<u>\$ 553,593</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 553,593</u>
Restricted fund balance at beginning of year	<u>2,179,593</u>					
Restricted fund balance at end of year	<u>\$ 2,733,186</u>					



CAFR

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, 2014
With Comparative Totals for
June 30, 2013

BALANCE SHEET

	2014	2013
Assets		
Cash and investments	\$ 16,525,088	\$ 7,222,641
Cash with paying agent	21,637	40,794
Accounts receivable	51,943	--
Interest receivable	6,041	53,606
Due from General Fund	23,171,399	7,766,479
Due from other governments:		
Municipality of Anchorage	1,051,132	1,714,662
State of Alaska	1,417,604	2,421,847
United States Government	10,304	165,166
Prepaid items	251	2,017
Total assets	<u>\$ 42,255,399</u>	<u>\$ 19,387,212</u>
Liabilities		
Accounts payable	\$ 498,114	\$ 160,068
Contracts payable	7,359,638	6,643,430
Accrued salaries and related items:		
Wages and salaries payable	55,980	70,547
Payroll taxes, other accrued and withheld items	27,106	123,967
Unearned revenue	9,216,872	454,592
Total liabilities	<u>17,157,710</u>	<u>7,452,604</u>
Fund balance		
Non-spendable	251	2,017
Committed	25,097,438	11,932,591
Total fund balance	<u>25,097,689</u>	<u>11,934,608</u>
 Total liabilities and fund balance	 <u>\$ 42,255,399</u>	 <u>\$ 19,387,212</u>

For the Year Ended June 30, 2014
 With Comparative Totals
 For the Year Ended June 30, 2013

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

	2014	2013
Revenues:		
Revenues from local sources:		
Investment income	\$ 19,982	\$ 25,104
Other revenues	93,680	--
Total revenues from local sources	<u>113,662</u>	<u>25,104</u>
Revenues from state sources:		
State/Municipal grants	16,232,479	11,790,344
Retirement systems employer relief	241,282	157,868
Total revenues from state sources	<u>16,473,761</u>	<u>11,948,212</u>
Revenues from federal sources:		
Federal Impact Aid	110,371	62,525
Federal capital grants	59,058	327,579
Total revenues from federal sources	<u>169,429</u>	<u>390,104</u>
Total revenues	<u>16,756,852</u>	<u>12,363,420</u>
Expenditures:		
Bond issuance cost	180,923	32,522
Capital outlays:		
Secondary schools	29,091,054	18,023,612
Elementary schools	15,884,006	11,067,937
Other capital outlays	3,068,704	991,534
Total capital outlays	<u>48,043,764</u>	<u>30,083,083</u>
Total expenditures	<u>48,224,687</u>	<u>30,115,605</u>
Deficiency of revenues under expenditures	(31,467,835)	(17,752,185)
Other financing sources and (uses):		
Issuance of general obligation bonds	39,345,000	14,425,000
Premium on issuance of general obligation bonds	3,845,552	1,115,112
Transfers in - General Fund	1,450,000	--
Transfers out - Debt Service Fund	(9,635)	(7,613)
Total other financing sources and (uses)	<u>44,630,917</u>	<u>15,532,499</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	13,163,082	(2,219,686)
Fund balance at beginning of year	<u>11,934,607</u>	<u>14,154,293</u>
Fund balance at end of year	<u>\$ 25,097,689</u>	<u>\$ 11,934,607</u>

For the Period Ended June 30, 2014

**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	\$ --	\$ 1,114,246	\$ 1,114,246	\$ 1,094,261	\$ 19,985	\$ 7,772,590	\$ 6,658,344
Chugiak Senior High	62,169	1,823,950	1,886,119	1,885,777	342	5,566,431	3,680,312
Dimond Senior High	26,327	1,161,642	1,187,969	1,185,870	2,099	2,175,083	987,114
Eagle River Senior High	10,661	302,496	313,157	308,209	4,948	1,771,878	1,458,721
East Senior High	42,604	1,796,065	1,838,669	1,831,701	6,968	3,896,588	2,057,919
South Anchorage Senior High	6,088	410,557	416,645	412,760	3,885	3,966,988	3,550,343
Service Senior High	57,509	10,080,133	10,137,642	10,054,434	83,208	29,428,975	19,291,333
West Senior High	1,601	4,060,423	4,062,024	4,062,024	--	27,327,251	23,265,227
Central Middle School	1,160	170,131	171,291	170,730	561	4,034,741	3,863,450
Clark Middle School	--	952	952	--	952	132,075	131,123
Goldenview Middle School	4,542	132,623	137,165	134,235	2,930	647,563	510,398
Ernest Gruening Middle School	3,085	576,527	579,612	577,703	1,909	4,379,117	3,799,505
U. S. Hanshew Middle School	--	887,737	887,737	884,737	3,000	1,683,785	796,048
Jane Mears Middle School	18,792	707,510	726,302	726,302	--	1,735,029	1,008,727
Mirror Lake Middle School	1,278	535,152	536,430	536,430	--	562,905	26,475
Begich Middle School	22,224	31,513	53,737	53,409	328	1,070,055	1,016,318
Romig Middle School	18,633	1,111,423	1,130,056	1,112,055	18,001	2,050,759	920,703
Wendler Middle School	12,509	26,026	38,535	26,460	12,075	1,710,903	1,672,368
Benny Benson Secondary	--	11,801	11,801	11,801	--	204,057	192,256
Martin Luther King, Jr.							
Career Center	19,368	3,378,246	3,397,614	3,397,613	1	4,076,511	678,897
Save Alternative	2,054	167,083	169,137	169,137	--	333,687	164,550
Steller Alternative	346	458,535	458,881	452,404	6,477	2,742,444	2,283,563
Whaley Center	763	184	947	--	947	317,825	316,878
Retirement system employer relief	--	146,099	146,099	--	--	--	--
Total secondary schools	311,713	29,091,054	29,402,767	29,088,052	168,616	107,587,240	78,330,572
Elementary schools:							
Abbott Loop	--	94,241	94,241	93,555	686	673,741	579,500
Airport Heights	2,721	374,960	377,681	375,643	2,038	23,328,436	22,950,755
Alpenglow	41,675	104,973	146,648	146,648	--	750,364	603,716
Aquarian Charter	280	27,467	27,747	27,634	113	56,142	28,395
Aurora	288	793,541	793,829	793,829	--	6,144,110	5,350,281
Baxter	1,885	42,294	44,179	41,188	2,991	192,351	148,172
Bayshore	--	27,117	27,117	27,080	37	5,556,095	5,528,978
Bear Valley	--	517,004	517,004	517,004	--	1,661,238	1,144,234
Birchwood	--	12,454	12,454	11,954	500	135,187	122,733
Willard Bowman	--	366,917	366,917	367,109	(192)	576,907	209,990
Campbell	--	140,149	140,149	140,149	--	613,690	473,541
Chester Valley	10,000	--	10,000	--	10,000	44,909	34,909
Chinook	1,974	152,607	154,581	153,140	1,441	273,966	119,385
Chugach	1,590	25,113	26,703	26,703	--	120,627	93,924
Chugiak	--	67,529	67,529	54,529	13,000	456,708	389,179
College Gate	240	171,845	172,085	107,239	64,846	1,530,141	1,358,056
Creekside Park	496	1,938	2,434	--	2,434	221,638	219,204
Denali	1,590	28,336	29,926	29,926	--	90,425	60,499
Eagle River	2,150	733,306	735,456	735,456	--	7,305,962	6,570,506
Fairview	2,590	110,124	112,714	112,714	--	212,249	99,535
Kincaid	435	11,509	11,944	11,944	--	58,997	47,053
Klatt	14,072	175,363	189,435	188,235	1,200	551,557	362,122
Lake Hood	--	85,227	85,227	85,227	--	448,957	363,730
Lake Otis	--	6,520	6,520	6,520	--	13,972	7,452
Mt. View	644	594,896	595,540	595,085	455	2,031,378	1,435,838
Mt. Iliamna	54,340	276,175	330,515	274,292	56,223	2,125,923	1,795,408
Mt. Spurr	80	9,373	9,453	9,453	--	294,446	284,993
Muldoon	--	295,817	295,817	295,817	--	395,236	99,419

(Continued)

For the Period Ended June 30, 2014

**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)
North Star	\$ --	\$ 18,757	\$ 18,757	\$ 18,738	\$ 19	\$ 248,113	\$ 229,356
Northern Lights	--	--	--	--	--	18,713	18,713
Northwood	680	92,291	92,971	92,971	--	1,292,827	1,199,856
Nunaka Valley	11,676	159,265	170,941	169,156	1,785	830,360	659,419
Ocean View	1,590	92,346	93,936	93,525	411	235,698	141,762
O'Malley	1,590	800,434	802,024	801,688	336	3,181,221	2,379,197
Orion	--	51	51	51	--	512,219	512,168
Polaris K-12	563	113,343	113,906	113,906	--	754,257	640,351
Ptarmigan	2,000	34,174	36,174	34,174	2,000	138,881	102,707
Rabbit Creek	--	933,257	933,257	933,257	--	2,533,601	1,600,344
Ravenwood	13,992	196,356	210,348	210,348	--	320,766	110,418
Rogers Park	--	--	--	--	--	32,906	32,906
Russian Jack	--	--	--	--	--	97,095	97,095
Sand Lake	10,711	207,857	218,568	218,568	--	449,023	230,455
Fire Lake	10,110	137,696	147,806	147,806	--	210,785	62,979
Girdwood	320	3,156,258	3,156,578	3,096,458	60,120	25,530,677	22,374,099
Gladys Wood	34,221	674,717	708,938	704,875	4,063	2,451,084	1,742,146
Government Hill	1,590	59,268	60,858	60,858	--	236,144	175,286
Homestead	8,005	30,274	38,279	38,279	--	186,555	148,276
Huffman	--	348,792	348,792	346,822	1,970	7,803,874	7,455,082
Inlet View	3,411	190,213	193,624	193,624	--	634,553	440,929
Kasuun	7,585	227,594	235,179	235,059	120	350,320	115,141
Kennedy	--	--	--	--	--	236	236
Scenic Park	7,284	99,192	106,476	106,476	--	631,892	525,416
Spring Hill	19,605	416,184	435,789	435,789	--	1,527,466	1,091,677
Susitna	26,523	568,891	595,414	595,414	--	5,698,416	5,103,002
Taku	408	14,540	14,948	14,848	100	54,214	39,266
Trailside	3,132	133,931	137,063	137,063	--	270,857	133,794
Tudor	10,124	615,735	625,859	624,896	963	1,722,533	1,096,674
Turnagain	13,246	976,705	989,951	965,853	24,098	3,407,688	2,417,737
Ursa Major	--	18,031	18,031	18,031	--	320,066	302,035
Ursa Minor	--	--	--	--	--	81,945	81,945
William Tyson	9,838	37,172	47,010	47,010	--	823,667	776,657
Williwaw	--	17,781	17,781	17,781	--	20,993	3,212
Willow Crest	--	37,367	37,367	37,367	--	297,388	260,021
Wonder Park	4,622	148,967	153,589	150,240	3,349	3,502,203	3,348,614
Retirement system employer relief	--	79,772	79,772	--	--	--	--
Total elementary schools	339,876	15,884,006	16,223,882	15,889,004	255,106	122,274,588	106,130,478
Other capital outlays:							
Chugiak/Eagle River Site							
Acquisition	--	--	--	--	--	1	1
Administration	--	215,592	215,592	199,627	15,965	1,076,272	860,680
District-wide Asbestos/ Life Safety	168,051	--	168,051	--	168,051	192,364	24,313
District-wide Building Life Extension	369,227	2,406	371,633	13,265	358,368	329,025	(42,608)
District-wide Computers and District-wide CTE	--	--	--	81,612	(81,612)	1,459,410	1,459,410
District-wide deferred maint, Cost savings, ops.	--	--	--	--	--	5,950,000	5,950,000
District-wide Emergency Preparation	--	48,755	48,755	48,755	--	337,921	289,166
District-wide Facility Assessments	--	54,894	54,894	54,894	--	333,570	278,676
District-wide Security Systems	870	2,076,378	2,077,248	2,076,378	870	7,048,859	4,971,611
District-wide Federal Impact Aid	--	--	--	--	--	369,976	369,976

(Continued)

For the Period Ended June 30, 2014

**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)
District-wide Library Books	\$ --	\$ --	\$ --	\$ --	\$ --	\$ (130)	\$ (130)
District-wide Underground Storage Tank Removal	303	--	303	--	303	245,129	244,826
District-wide Electric/Switch Upgrades	9,836	497,361	507,197	497,361	9,836	2,119,196	1,611,999
District-wide Maintenance Equipment	--	--	--	--	--	11,851	11,851
Data Center	--	(2,772)	(2,772)	--	(2,772)	1,006,159	1,008,931
District-wide Mechanical Upgrades	47,814	--	47,814	--	47,814	605,074	557,260
Information Technology	--	--	--	--	--	(1)	(1)
District-wide Relocatables	--	56,374	56,374	56,374	--	416,054	359,680
District-wide Roof Replacement	--	--	--	--	--	26,268	26,268
District-wide Site Acquisition	--	--	--	--	--	1	1
Facilities/Maintenance	10,144	--	10,144	--	10,144	71	(10,073)
District-wide Traffic Safety	--	--	--	--	--	12,485	12,485
Vehicles Maintenance	--	--	--	--	--	1	1
Pupil Transportation	--	--	--	--	--	300,150	300,150
Southwest Area Site Acquisition	--	--	--	--	--	22,480	22,480
Student Nutrition	--	104,305	104,305	103,710	595	108,028	3,723
Warehouse	--	--	--	--	--	15,032	15,032
Retirement system employer relief	--	15,411	15,411	--	--	--	--
Total other capital outlays	606,245	3,068,704	3,674,949	3,131,976	527,562	21,985,246	18,325,708
Total capital outlays	<u>\$ 1,257,834</u>	<u>\$ 48,043,764</u>	<u>\$ 49,301,598</u>	<u>\$ 48,109,032</u>	<u>\$ 951,284</u>	<u>\$ 251,847,074</u>	<u>\$ 202,786,758</u>

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Internal Service Funds

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

Equipment Replacement Fund

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

Health Insurance Fund

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

Compensated Absences Fund

To account for employees' earned and used leave.

June 30, 2014
With Comparative Totals for
June 30, 2013

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION

	Equipment Replacement	Health Insurance	Compensated Absences	Total Internal Service Funds	
				2014	2013
Assets					
Current Assets:					
Investments	\$ 8,571,234	\$ 13,881,289	\$ --	\$ 22,452,523	\$ 24,740,132
Accounts receivable	--	1,257,777	--	1,257,777	1,192,170
Due from general fund	--	--	10,861,618	10,861,618	10,471,495
Total current assets	8,571,234	15,139,066	10,861,618	34,571,918	36,403,797
Non-current assets:					
Machinery and equipment	29,618,369	--	--	29,618,369	26,958,716
Accumulated depreciation	(22,743,048)	--	--	(22,743,048)	(21,529,515)
Total capital assets (net of accumulated depreciation)	6,875,321	--	--	6,875,321	5,429,201
Total assets	15,446,555	15,139,066	10,861,618	41,447,239	41,832,998
Liabilities					
Current liabilities:					
Medical claims and other payables	212,500	4,165,362	--	4,377,862	4,566,502
Accrued compensated absences	--	--	5,702,208	5,702,208	3,928,200
Total current liabilities	212,500	4,165,362	5,702,208	10,080,070	8,494,702
Non-current liabilities:					
Other contractual obligations payable	--	2,497,730	--	2,497,730	2,497,730
Accrued compensated absences	--	--	5,159,410	5,159,410	6,543,295
Total non-current liabilities	--	2,497,730	5,159,410	7,657,140	9,041,025
Total liabilities	212,500	6,663,092	10,861,618	17,737,210	17,535,727
Net Position					
Investment in capital assets	6,875,321	--	--	6,875,321	5,429,201
Unrestricted	8,358,734	8,475,974	--	16,834,708	18,868,070
Total net position	\$ 15,234,055	\$ 8,475,974	\$ --	\$ 23,710,029	\$ 24,297,271

For the Year Ended June 30, 2014
With Comparative Totals
For the Year Ended June 30, 2013

INTERNAL SERVICE FUNDS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

	Equipment Replacement	Health Insurance	Compensated Absences	Total Internal Service Funds	
				2014	2013
Operating revenues:					
Charges for services	\$ 1,281,803	\$ --	\$ --	\$ 1,281,803	\$ 949,256
Charges for health insurance services	--	33,152,418	--	33,152,418	34,643,429
Charges for accrued compensated absences	--	--	12,275,732	12,275,732	11,815,233
Total operating revenues	<u>1,281,803</u>	<u>33,152,418</u>	<u>12,275,732</u>	<u>46,709,953</u>	<u>47,407,918</u>
Operating expenses:					
Depreciation	1,281,803	--	--	1,281,803	1,192,966
Costs of services	--	135,841	--	135,841	115,493
Medical plan administration	--	2,700,378	--	2,700,378	2,685,073
Medical claims	--	31,606,302	--	31,606,302	32,930,154
Other costs	--	--	--	--	27,772
Compensated absences expense	--	--	12,275,732	12,275,732	11,815,233
Total operating expenses	<u>1,281,803</u>	<u>34,442,521</u>	<u>12,275,732</u>	<u>48,000,056</u>	<u>48,766,691</u>
Operating gain (loss)	<u>--</u>	<u>(1,290,103)</u>	<u>--</u>	<u>(1,290,103)</u>	<u>(1,358,773)</u>
Non-operating revenues:					
Gain on sale of capital assets	4,677	--	--	4,677	49,363
Insurance proceeds	24,258	--	--	24,258	17,126
Investment income	122,337	210,188	--	332,525	105,467
Total non-operating revenues	<u>151,272</u>	<u>210,188</u>	<u>--</u>	<u>361,460</u>	<u>171,956</u>
Total income (loss) before capital contributions and transfers	<u>151,272</u>	<u>(1,079,915)</u>	<u>--</u>	<u>(928,643)</u>	<u>(1,186,817)</u>
Capital contributions and transfers	341,401	--	--	341,401	1,049,972
Transfers in - General Fund	--	--	--	--	--
Total capital contributions and transfers	<u>341,401</u>	<u>--</u>	<u>--</u>	<u>341,401</u>	<u>1,049,972</u>
Changes in net position	492,673	(1,079,915)	--	(587,242)	(136,845)
Net position at beginning of year	<u>14,741,382</u>	<u>9,555,889</u>	<u>--</u>	<u>24,297,271</u>	<u>24,434,116</u>
Net position at end of year	<u>\$ 15,234,055</u>	<u>\$ 8,475,974</u>	<u>\$ --</u>	<u>\$ 23,710,029</u>	<u>\$ 24,297,271</u>

ANCHORAGE SCHOOL DISTRICT

For the Year Ended June 30, 2014

With Comparative Totals

For the Year Ended June 30, 2013

PROPRIETARY FUNDS

INTERNAL SERVICE FUNDS

STATEMENT OF CASH FLOWS

E-3

	Equipment Replacement	Health Insurance	Compensated Absences	Total Internal Service Funds	
				2014	2013
Cash flows from operating activities:					
Receipts from interfund activities	\$ 1,281,803	\$ 33,153,427	\$ 12,275,732	\$ 46,710,962	\$ 46,223,404
Payments for interfund services used	--	--	--	--	(27,772)
Payments for medical claims and other health insurance activity	--	(34,937,711)	(11,885,609)	(46,823,320)	(49,223,295)
Net cash flows provided by operating activities	<u>1,281,803</u>	<u>(1,784,284)</u>	<u>390,123</u>	<u>(112,358)</u>	<u>(3,027,663)</u>
Cash flows from non-capital financing activities:					
Increase in due from other funds	--	--	(390,123)	(390,123)	(59,763)
Net cash provided by financing activities	<u>--</u>	<u>--</u>	<u>(390,123)</u>	<u>(390,123)</u>	<u>(59,763)</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(2,174,023)	--	--	(2,174,023)	(826,291)
Sale of capital assets	32,112	--	--	32,112	37,620
Insurance proceeds	24,258	--	--	24,258	17,126
Net cash used in capital and financing activities	<u>(2,117,653)</u>	<u>--</u>	<u>--</u>	<u>(2,117,653)</u>	<u>(771,545)</u>
Cash flows from investing activities:					
Sales (Purchases) of investments	713,513	1,574,096	--	2,287,609	3,753,504
Interest earnings received	122,337	210,188	--	332,525	105,467
Net cash used in investing activities	<u>835,850</u>	<u>1,784,284</u>	<u>--</u>	<u>2,620,134</u>	<u>3,858,971</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	\$ --	\$ (1,290,103)	\$ --	\$ (1,290,103)	\$ (1,358,773)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	1,281,803	--	--	1,281,803	1,192,966
Change in assets and liabilities					
Receivables, net	--	(94,436)	--	(94,436)	(1,158,632)
Accounts and other payables	--	(399,745)	390,123	(9,622)	(1,703,224)
Net cash provided by operating activities	<u>\$ 1,281,803</u>	<u>\$ (1,784,284)</u>	<u>\$ 390,123</u>	<u>\$ (112,358)</u>	<u>\$ (3,027,663)</u>
Non-cash investing, capital and financing activities:					

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CAER

Statistical Section

FINANCIAL TRENDS

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

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For the Last Ten Years

STATEMENT OF NET POSITION (1)

Net Position							
Fiscal Year	Restricted for:						
	Net Investment in Capital Assets	Debt Service	Authorized Construction Net of Authorized Unissued Bonds	Bond Rating	Federal Impact Aid 8003(d)	Unrestricted	Total Net Position
2004-2005	\$ 277,868,091	\$ 12,215,951	\$ 51,706,706	\$ --	\$ --	\$ 141,606,088	\$ 483,396,836
2005-2006	401,914,125	5,799,233	11,703,334	--	--	78,079,515	497,496,207
2006-2007	446,204,268	5,141,963	--	16,415,939	--	48,552,991	516,315,161
2007-2008	459,600,531	2,709,623	20,687,437	17,503,677	--	51,775,663	552,276,931
2008-2009	478,070,820	2,046,009	--	18,600,421	--	94,608,950	593,326,200
2009-2010	488,771,145	2,051,689	4,886,817	19,292,937	--	99,173,849	614,176,437
2010-2011	506,570,859	2,136,337	11,549,306	19,484,331	418,417	105,531,288	645,690,538
2011-2012	538,847,164	1,709,552	--	23,877,539	449,596	111,161,682	676,045,533
2012-2013	575,380,172	2,179,593	--	23,550,356	612,805	112,234,090	713,957,016
2013-2014	612,993,191	2,733,186	--	23,957,642	541,753	110,698,187	750,923,959

Notes:

(1) GASB 54 implementation began in Fiscal Year 2010 - 2011.

For the Last Ten Years

STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION

	2005	2006	2007	2008	2009
Program Expenses					
District-wide activities:					
General administration	\$ 29,034,773	\$ 26,057,015	\$ 18,449,790	\$ 27,232,757	\$ 27,132,910
Instruction	401,824,901	399,389,447	439,050,663	527,232,487	538,451,870
Pupil transportation	16,390,473	17,181,490	18,002,836	20,087,773	19,580,050
Operation and maintenance of plant	53,052,468	58,608,170	66,378,934	67,567,677	72,870,520
Community services	752,319	455,625	813,222	396,467	481,852
Food services	13,778,656	14,471,253	15,518,427	16,054,390	16,855,858
Interest expense	32,823,839	37,248,152	34,012,953	36,773,707	36,393,199
Total district-wide expenses	<u>547,657,429</u>	<u>553,411,152</u>	<u>592,226,825</u>	<u>695,345,258</u>	<u>711,766,259</u>
Program Revenues					
District-wide activities:					
Charges for services					
General administration	7,292	8,473	83,209	16,770	19,604
Instruction	1,479,913	1,465,127	1,431,789	1,752,350	1,606,288
Pupil transportation	2,801	--	--	--	--
Operation and maintenance of plant	--	--	--	--	(2,553)
Community services	684,176	684,383	568,108	849,453	580,448
Non-departmental	83,125	83,147	--	--	--
Food services	5,294,513	5,250,367	4,977,713	5,081,541	4,911,270
Operating grants and contributions					
General administration	28,500	--	--	750,813	925,219
Instruction	48,258,380	48,176,314	47,202,793	139,878,408	126,529,115
Pupil transportation	17,048,940	17,317,199	17,082,693	17,249,338	18,645,611
Operation and maintenance of plant	666,671	862,668	362,868	3,097,712	3,186,546
Community services	23,198	6,866	422,052	101,188	77,725
Food services	7,670,607	8,579,320	9,246,111	10,140,621	11,627,527
Construction and facility acquisition	--	--	--	213,047	297,924
Capital grants and contributions					
Instruction	--	--	--	--	--
Construction and facility acquisition	38,057,560	38,065,413	37,976,770	41,082,316	46,810,987
Total district-wide revenues	<u>119,305,676</u>	<u>120,499,277</u>	<u>119,354,106</u>	<u>220,213,557</u>	<u>215,215,711</u>
Net expense					
District-wide activities	<u>(428,351,753)</u>	<u>(432,911,875)</u>	<u>(472,872,719)</u>	<u>(475,131,701)</u>	<u>(496,550,548)</u>
General Revenues and Other Changes in Net Position					
Unrestricted:					
Appropriation from					
Municipality of Anchorage	163,503,322	177,157,001	191,602,288	206,359,861	217,971,708
Investment income	4,693,350	6,747,140	7,862,943	8,523,023	3,148,355
Public School Funding Program	227,186,292	248,771,460	277,322,639	264,718,683	281,733,376
State Tuition Program	--	--	--	--	--
School improvement grant	--	--	--	7,890,604	--
Energy relief	--	--	--	6,656,602	--
Federal Impact Aid	14,303,124	11,804,273	13,042,523	14,150,178	15,333,815
Proceeds from sale of assets	--	--	--	--	12,982
Other	1,824,565	2,531,372	1,861,280	2,794,520	1,817,444
Special and extraordinary items	--	--	--	--	17,582,137
Total general revenues,					
special and extraordinary items	<u>411,510,653</u>	<u>447,011,246</u>	<u>491,691,673</u>	<u>511,093,471</u>	<u>537,599,817</u>
Change in net position	<u>(16,841,100)</u>	<u>14,099,371</u>	<u>18,818,954</u>	<u>35,961,770</u>	<u>41,049,269</u>
Net position at beginning of year	<u>500,237,936</u>	<u>483,396,836</u>	<u>497,496,207</u>	<u>516,315,161</u>	<u>552,276,931</u>
Net position at end of the year	<u>\$ 483,396,836</u>	<u>\$ 497,496,207</u>	<u>\$ 516,315,161</u>	<u>\$ 552,276,931</u>	<u>\$ 593,326,200</u>

For the Last Ten Years

STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION

	2010	2011	AS RESTATED 2012	2013	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
Pupil transportation	--	--	--	--	--
Operation and maintenance of plant	(3,404)	--	--	--	--
Community services	658,036	770,435	734,693	830,974	--
Non-departmental	--	--	--	--	--
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
Construction and facility acquisition	--	--	--	--	--
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 expenses					
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
State Tuition Program	--	--	--	--	--
School improvement grant	--	--	--	--	--
Energy relief	--	--	--	--	--
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
Special and extraordinary items	--	--	--	--	--
Total general revenues,					
special and extraordinary items	<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	642,118,389	676,045,554	713,957,016
Net position at end of the year	<u>\$ 614,176,437</u>	<u>\$ 645,690,538</u>	<u>\$ 676,045,554</u>	<u>\$ 713,957,017</u>	<u>\$ 750,923,959</u>

For the Last Ten Years

FUND BALANCE, GOVERNMENTAL FUNDS (1)

	2005	2006	2007	2008	2009
General Fund					
Fund balances:					
Non-spendable	\$ 4,070,362	\$ 3,794,381	\$ 5,420,392	\$ 10,192,198	\$ 12,522,607
Restricted	376,044	306,045	16,769,336	17,883,043	18,967,267
Committed	6,826,898	7,001,948	7,449,350	7,936,952	8,380,055
Assigned	44,954,471	43,222,834	47,691,577	59,224,835	55,861,747
Unassigned	21,878,326	29,350,831	34,468,976	24,442,307	23,509,451
Total General Fund	<u>\$ 78,106,101</u>	<u>\$ 83,676,039</u>	<u>\$ 111,799,631</u>	<u>\$ 119,679,335</u>	<u>\$ 119,241,127</u>
All Other Governmental Funds					
Fund balances:					
Non-spendable	\$ 742,917	\$ 801,056	\$ 1,558,594	\$ 917,461	\$ 933,685
Restricted	63,922,657	17,502,567	5,141,963	23,295,305	2,046,009
Committed	102,951,755	42,412,021	62,515,839	61,155,174	56,964,756
Assigned	4,751,145	4,451,470	3,244,663	4,495,510	4,741,443
Unassigned	(570)	(33,636)	(29,827)	(16,159)	(54,155)
Total all other government funds	<u>\$ 172,367,904</u>	<u>\$ 65,133,478</u>	<u>\$ 72,431,232</u>	<u>\$ 89,847,291</u>	<u>\$ 64,631,738</u>

Notes:

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

For the Last Ten Years

FUND BALANCE, GOVERNMENTAL FUNDS (1)(2)

	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

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

	2005	2006	2007	2008	2009
Revenues:					
Local sources	\$ 183,978,564	\$ 199,358,932	\$ 214,888,704	\$ 233,669,852	\$ 240,046,875
State sources	284,773,761	305,979,143	335,377,434	434,882,555	428,811,942
Federal sources	61,192,088	61,318,187	60,491,468	62,409,670	66,255,684
Total revenues	529,944,413	566,656,262	610,757,606	730,962,077	735,114,501
Expenditures:					
Current:					
General administration	15,875,491	16,099,634	17,637,210	21,029,531	22,987,553
Instruction	351,617,675	381,655,470	408,016,532	497,955,761	509,914,670
Pupil transportation	15,774,086	16,303,868	17,236,133	18,982,195	19,234,255
Operation and maintenance of plant	52,953,334	57,586,718	62,611,368	67,154,630	72,019,066
Community services	586,389	362,629	359,537	379,713	443,763
Food services	13,217,128	13,997,995	15,112,931	15,693,492	16,594,195
Debt service:					
Refunding bond issuance cost	--	--	--	--	--
Principal	34,760,000	39,035,000	39,870,000	44,080,000	46,630,000
Interest	34,214,001	37,525,701	35,021,935	35,884,852	37,270,931
Fiscal agent fees	9,579	13,506	11,578	11,605	10,648
Bond issuance cost	--	--	425,618	119,483	219,481
Capital outlays	120,638,291	105,820,823	45,593,411	52,526,056	61,518,088
Total expenditures	639,645,974	668,401,344	641,896,253	753,817,318	786,842,650
Deficiency of revenues over expenditures	(109,701,561)	(101,745,082)	(31,138,647)	(22,855,241)	(51,728,149)
Other financing sources (uses):					
Proceeds from sale of property and equipment	25,405	65,320	42,904	51,531	11,127
Issuance of general obligation bonds	150,090,000	--	48,495,000	63,790,000	29,840,000
Premium on issuance of general obligation bonds	7,507,226	--	1,152,350	1,335,234	395,335
Issuance of refunding bonds	109,930,938	14,790,000	251,745,000	--	--
Premium on issuance of refunding bonds	11,178,973	1,561,914	13,906,249	--	--
Payment to refunded bond escrow agent	(121,068,973)	(16,330,730)	(265,651,249)	--	--
Transfers in	6,081,461	242,978	894,501	1,298,003	342,889
Transfers out	(6,081,461)	(242,978)	(1,094,501)	(1,898,003)	(4,514,963)
Total other financing sources	157,663,569	86,504	49,490,254	64,576,765	26,074,388
Net change in fund balances	\$ 47,962,008	\$ (101,658,578)	\$ 18,351,607	\$ 41,721,524	\$ (25,653,761)
 Debt service as a percentage of noncapital expenditures	 13.3%	 13.6%	 12.6%	 11.4%	 11.6%

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)**

	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	--
Principal	49,520,000	52,475,000	54,875,000	55,425,000	57,340,000
Interest	36,372,658	35,001,212	31,722,282	29,504,017	27,354,466
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
Deficiency of revenues over 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
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	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 non-capital 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.

Last Ten Years

**GOVERNMENT-WIDE
EXPENSES BY FUNCTION**

Fiscal Year	General Administration (1)	Instruction (1)	Pupil Transportation	Operation and Maintenance of Plant	Community Services	Food Services (1)	Interest Expense (2)	Total
2004-2005	\$ 29,034,773	\$ 401,824,901	\$ 16,390,473	\$ 53,052,468	\$ 752,319	\$ 13,778,656	\$ 32,823,839	\$ 547,657,429
2005-2006	26,057,015	399,389,447	17,181,490	58,608,170	455,625	14,471,253	37,248,152	553,411,152
2006-2007	18,449,790	439,050,663	18,002,836	66,378,934	813,222	15,518,427	34,012,953	592,226,825
2007-2008	27,232,757	527,232,487	20,087,773	67,567,677	396,467	16,054,390	36,773,707	695,345,258
2008-2009	27,132,910	538,451,870	19,580,050	72,870,520	481,852	16,855,858	36,393,199	711,766,259
2009-2010	31,243,745	576,872,255	20,055,743	72,929,245	460,142	17,085,879	35,284,867	753,931,876
2010-2011	24,167,797	619,040,263	20,304,159	77,188,087	521,657	19,026,380	33,201,590	793,449,933
2011-2012	29,412,334	619,727,202	21,785,259	77,789,469	3,556,333	19,207,955	29,829,001	801,307,553
2012-2013	31,000,400	644,094,670	22,386,537	77,234,635	3,508,691	19,977,813	23,475,990	821,678,736
2013-2014	27,427,601	647,413,175	22,871,359	74,581,580	3,619,453	21,551,586	25,679,718	823,144,472

Notes:

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

Fiscal Year	General Administration	Instruction	Pupil Transportation	Operation and Maintenance of Plant	Community Services	Food Services	Interest Expense	Total
2004-2005	\$ 11,778,953	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 11,778,953
2005-2006	8448099	--	--	--	--	--	--	8,448,099
2006-2007	3342264	--	--	--	--	--	--	3,342,264
2007-2008	5485017	--	--	--	--	--	--	5,485,017
2008-2009	3988190	--	--	--	--	--	--	3,988,190
2009-2010	8652636	--	--	--	--	--	--	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

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

Last Ten Years

**GOVERNMENT-WIDE
REVENUES BY TYPE**

Program Revenues							
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total			
2004-2005	\$ 7,551,820	\$ 73,696,296	\$ 38,057,560	\$ 119,305,676			
2005-2006	7,491,497	74,942,367	38,065,413	120,499,277			
2006-2007	7,060,819	74,316,517	37,976,770	119,354,106			
2007-2008	7,700,114	171,431,127	41,082,316	220,213,557			
2008-2009	7,115,057	161,289,667	46,810,987	215,215,711			
2009-2010	6,756,203	167,633,175	47,466,227	221,855,605			
2010-2011	8,682,220	197,545,476	46,117,714	252,345,410			
2011-2012	6,079,822	204,363,184	45,937,003	256,380,009			
2012-2013	6,403,507	213,328,761	52,622,060	272,354,328			
2013-2014	4,893,368	213,075,640	60,800,513	278,769,521			

General Revenues							
Fiscal Year	Appropriation from Municipality of Anchorage	Investment Income	Public School Funding Program	State Tuition Program	Federal Impact Aid	Other	Total
2004-2005	\$ 163,503,322	\$ 4,693,350	\$ 227,186,292	\$ --	\$ 14,303,124	\$ 1,824,565	\$ 411,510,653
2005-2006	177,157,001	6,747,140	248,771,460	--	11,804,273	2,531,372	447,011,246
2006-2007	191,602,288	7,862,943	273,377,337	--	13,042,523	5,806,582	491,691,673
2007-2008	206,359,861	8,523,023	264,718,683	--	14,150,178	17,341,726	511,093,471
2008-2009	217,971,708	3,148,355	281,733,376	--	15,333,815	19,412,563	537,599,817
2009-2010	232,947,582	5,552,323	295,483,681	--	17,952,860	1,119,024	553,055,470
2010-2011	234,759,972	2,376,959	310,300,774	--	23,992,347	1,188,572	572,618,624
2011-2012	237,587,445	1,446,162	311,645,866	--	20,166,071	8,009,165	578,854,709
2012-2013	232,606,002	1,107,327	325,447,016	--	20,449,408	7,626,118	587,235,871
2013-2014	233,284,280	1,059,852	318,661,242	--	18,251,918	10,084,602	581,341,894

**GENERAL EXPENDITURES
BY FUNCTION (1)**

For the Last Ten Years

Fiscal Year	General Administration	Instruction	Pupil Transportation	Operation and Maintenance of Plant	Community Services	Food Services	Debt Service	Total (2)
2004-2005	\$ 15,875,491	\$ 351,617,675	\$ 15,774,086	\$ 52,953,334	\$ 586,389	\$ 13,217,128	\$ 68,983,580	\$ 519,007,683
2005-2006	16,099,634	381,655,470	16,303,868	57,586,718	362,629	13,997,995	76,574,207	562,580,521
2006-2007	17,637,210	408,016,532	17,236,133	62,611,368	359,537	15,112,931	74,903,513	595,877,224
2007-2008	21,029,531	497,955,761	18,982,195	67,154,630	379,713	15,693,492	79,976,458	701,171,780
2008-2009	22,987,553	509,914,670	19,234,255	72,019,066	443,763	16,594,195	83,911,579	725,105,081
2009-2010	22,181,161	543,875,057	20,137,537	72,256,844	445,989	16,694,742	85,903,866	761,495,196
2010-2011	23,180,257	579,025,698	20,239,375	76,933,872	508,686	18,017,232	87,645,259	805,550,379
2011-2012	28,638,280	587,388,122	22,277,229	77,442,084	3,440,259	18,615,420	86,606,685	824,408,079
2012-2013	30,119,251	606,408,747	22,809,852	76,873,647	3,507,066	19,502,420	85,007,752	844,228,735
2013-2014	26,964,679	606,791,232	22,931,732	74,658,873	3,628,420	21,297,939	84,703,416	840,976,291

Notes:

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

For the Last Ten Years

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>
2004-2005	\$ 180,891,401	\$ 280,960,065	\$ 60,793,473	\$ 522,644,939
2005-2006	195,905,548	304,908,978	60,711,533	561,526,059
2006-2007	211,118,561	334,381,044	60,124,838	605,624,443
2007-2008	228,551,829	434,028,791	61,864,635	724,445,255
2008-2009	237,534,125	425,548,573	65,203,075	728,285,773
2009-2010	255,230,975	425,783,030	89,594,070	770,608,075
2010-2011	254,313,179	450,344,820	113,428,143	818,086,142
2011-2012	255,891,995	478,489,890	91,487,261	825,869,146
2012-2013	247,956,503	520,748,415	77,065,389	845,770,307
2013-2014	250,591,677	516,226,642	76,062,447	842,880,766

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			
2013	\$ 19,844,447,084	\$ 9,394,322,157	\$ 29,238,769,241	\$ 3,072,941,642	\$ 32,311,710,883	6.92
2012	19,617,776,607	9,152,490,728	28,770,267,335	2,944,070,041	31,714,337,376	7.28
2011	19,734,533,714	9,095,615,110	28,830,148,824	2,766,391,727	31,596,540,551	7.61
2010	19,538,749,838	8,982,605,974	28,521,355,812	2,942,321,080	31,463,676,892	7.89
2009	19,669,462,275	8,964,468,173	28,633,930,448	2,819,418,266	31,453,348,714	7.67
2008	19,467,058,556	8,706,338,583	28,173,397,139	2,407,424,007	30,580,821,146	7.31
2007	18,938,470,451	7,771,561,687	26,710,032,138	2,559,073,381	29,269,105,519	7.02
2006	17,043,312,074	6,622,078,149	23,665,390,223	2,178,724,534	25,844,114,757	7.59
2005	14,498,860,789	5,682,627,289	20,181,488,078	1,908,057,825	22,089,545,903	8.23
2004	13,802,206,345	5,082,013,558	18,884,219,903	1,843,145,621	20,727,365,524	8.36

Notes:

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

For the Last Ten Years

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

	TAX RATES (IN MILLS)									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Area Wide:										
Municipality of Anchorage	(0.43)	(0.29)	0.09	0.45	0.49	0.37	0.23	0.46	0.64	1.10
Anchorage School District	7.35	7.57	7.52	7.44	7.18	6.94	6.79	7.13	7.59	7.26
Property Tax Credit	--	--	--	--	(0.57)	(0.51)	--	--	--	--
Total Areawide	6.92	7.28	7.61	7.89	7.1	6.8	7.02	7.59	8.23	8.36
Former City Service Area	--	--	--	--	--	--	0.02	0.02	0.01	0.02
Chugiak Service Area	1.00	1.00	0.97	0.96	0.97	0.99	1.00	0.91	1.00	0.89
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	4.29	4.14	3.68	3.87	3.83	3.03	4.00	3.97	3.47	3.47
Anchorage Fire Service Area	2.21	2.13	2.09	1.83	1.75	1.77	1.73	1.76	1.97	1.87
Roads & Drainage Service Area	2.60	2.78	2.46	2.13	2.77	2.60	2.59	2.80	2.75	2.90
Limited Road Service Areas	1.29	1.31	1.33	1.33	1.32	1.30	1.28	1.21	1.31	1.26
Anchorage Police Service Area	3.23	2.76	2.70	2.67	2.61	2.56	2.60	2.57	2.71	2.37
Parks & Recreation Service Area	0.60	0.62	0.62	0.66	0.70	0.65	0.60	0.56	0.62	0.68
Building Safety Service Area	--	--	--	--	--	--	--	--	--	--
Chugiak/Eagle River Recreational Facilities Service Area	0.95	1.00	0.90	0.09	1.05	1.08	1.11	1.13	1.17	1.18

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

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
ACS of Anchorage, Inc.	\$ 207,511,412	1	0.64 %	\$		%
G.C.I. Communications Corp.	198,174,700	2	0.61			
Calais Company, Inc.	175,827,700	3	0.54	70,930,555	4	0.34
Fred Meyer Stores Inc.	133,321,898	4	0.41	84,465,980	2	0.41
Galen Hospital Alaska, Inc.	126,388,610	5	0.39	70,997,379	3	0.34
B.P. Exploration (Alaska) Inc.	117,757,367	6	0.37	55,936,593	8	0.27
Enstar Natural Gas Company	116,768,027	7	0.36			
WEC 2000A-Alaska L.L.C.	106,353,862	8	0.33	68,643,460	6	0.33
Anchorage Fueling & Service Co.	100,015,416	9	0.32			
Sisters of Providence	94,991,560	10	0.29			
Alaska Communications				180,733,155	1	0.87
Hickel Investment Company				69,664,202	5	0.34
Federal Express Corp.				65,987,184	7	0.32
Hilton MD Finance Company				55,323,100	9	0.27
First National Bank				45,548,058	10	0.22
	<u>\$ 1,377,110,552</u>		4.26 %	<u>\$ 768,229,666</u>		3.71 %

Notes:

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

For the Last Ten Years

PROPERTY TAX 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
2004	\$ 337,190,170	\$ 325,033,543	96.4 %	\$ 12,153,158	\$ 337,186,701	100.0 %	\$ 3,469	0.0 %
2005	357,895,662	353,993,904	98.9	3,900,811	357,894,715	100.0	947	0.0
2006	398,955,490	389,483,559	97.6	9,470,545	398,954,104	100.0	1,386	0.0
2007	386,615,505	378,829,566	98.0	7,782,928	386,612,494	100.0	3,011	0.0
2008	438,158,786	430,346,262	98.2	7,656,469	438,002,731	100.0	156,055	0.0
2009	463,732,284	454,799,895	98.1	8,641,400	463,441,295	99.9	290,989	0.0
2010	475,771,921	470,361,847	98.9	5,112,192	475,474,039	99.9	297,882	0.0
2011	477,009,470	477,142,831	100.0	--	476,811,374	100.0	198,096	0.0
2012	480,422,072	480,393,854	100.0	--	478,045,741	99.5	2,376,331	0.0
2013	489,910,228	488,240,741	99.7	--	482,516,384	98.5	7,393,844	1.5

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.

For the Last Ten Years

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

Fiscal Year	Population (1)	Average Daily Membership K-12 and Special Ed (2)	Assessed Valuation (3)	Gross Bonded Debt (4)(5)	Debt Service Monies Available	Net Bonded Debt	Total Personal Income	Ratio of Total Outstanding Debt to Personal Income	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita	Net Bonded Debt Per Student
2004-2005	277,498	49,182	\$ 20,727,365,524	\$ 815,057,254	\$ 12,215,951	\$ 802,841,303	\$ 10,879,587	74.9 %	3.9 %	\$ 2,893	\$ 16,324
2005-2006	278,241	49,320	22,343,272,432	774,721,136	5,799,233	768,921,903	11,553,123	67.1	3.4	2,764	15,590
2006-2007	282,813	48,707	25,844,114,757	786,335,739	5,141,963	781,193,776	12,431,611	63.3	3.0	2,762	16,039
2007-2008	283,823	48,144	29,269,105,519	806,326,035	2,709,624	803,616,411	13,124,827	61.4	2.7	2,831	16,692
2008-2009	284,994	48,227	30,580,821,146	788,833,169	2,046,009	786,787,160	14,464,870	54.5	2.6	2,761	16,314
2009-2010	290,588	49,061	31,453,348,714	758,366,481	2,051,689	756,314,792	13,768,350	55.1	2.4	2,603	15,416
2010-2011	291,826	48,613	31,463,676,892	710,687,818	2,136,337	708,551,481	14,483,033	49.1	2.3	2,428	14,575
2011-2012	296,197	48,422	31,596,540,551	654,044,477	1,709,552	652,334,925	14,969,796	43.7	2.1	2,202	13,472
2012-2013	298,842	48,493	31,714,337,376	607,754,177	2,179,593	605,574,584	16,196,041	37.5	1.9	2,026	12,488
2013-2014	301,134	47,770	32,599,587,241	591,551,332	2,733,186	588,818,146	17,512,749	33.8	1.8	1,955	12,326

Notes:

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

June 30, 2013

**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	\$ 581,057,137	100 %	\$ 581,057,137
Direct:			
Anchorage School District	591,551,332	100	<u>591,551,332</u>
			<u><u>\$ 1,172,608,469</u></u>

Notes:

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

For the Last Ten Years

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

Fiscal Year	Principal	Interest	Fees	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service to General Expenditures (Percent)
2004-2005	\$ 34,760,000	\$ 34,214,001	\$ 9,579	\$ 68,983,580	\$ 519,007,683	13.3 %
2005-2006	39,035,000	37,525,701	13,506	76,574,207	562,580,521	13.6
2006-2007	39,870,000	35,021,935	11,578	74,903,513	595,877,224	12.6
2007-2008	44,080,000	35,884,852	11,606	79,976,458	701,171,780	11.4
2008-2009	46,630,000	37,270,931	10,648	83,911,579	725,105,081	11.6
2009-2010	49,520,000	36,372,658	11,208	85,903,866	761,495,196	11.3
2010-2011	52,475,000	35,001,212	9,708	87,485,920	805,550,379	10.9
2011-2012	54,875,000	31,722,282	9,403	86,606,685	824,408,079	10.5
2012-2013	55,425,000	29,504,017	9,330	84,938,347	844,228,735	10.1
2013-2014	57,340,000	27,354,466	8,950	84,703,416	840,976,291	10.1

Notes:

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

<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>
2004	277,498	\$ 39,206	\$ 10,879,587	49,182	6 %
2005	278,241	41,522	11,553,123	49,320	5
2006	282,813	43,957	12,431,611	48,707	6
2007	283,823	46,243	13,124,827	48,144	6
2008	284,994	50,755	14,464,870	48,227	6
2009	290,588	47,381	13,765,350	49,061	7
2010	291,826	49,629	14,483,033	48,613	7
2011	296,197	50,540	14,969,796	48,422	6
2012	298,842	51,936	15,520,658	48,493	6
2013	301,134	58,156	17,512,749	47,770	5

Notes:

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

Current Year
and Nine Years Ago

PRINCIPAL EMPLOYMENT BY INDUSTRY (1) (2)

Industry	2013		2004	
	Average Annual Employment	Percentage of Total Employment	Average Annual Employment	Percentage of Total Employment
Mining and Logging (less Oil and Gas)	200	0.1 %	100	0.1 %
Oil and Gas	3,400	2.1	1,900	1.3
Construction	8,300	5.3	9,200	6.4
Manufacturing	2,200	1.4	1,800	1.2
Wholesale Trade	4,900	3.1	4,700	3.3
Retail Trade	17,100	10.9	17,300	12
Trans/Warehouse/Utilities (less Air Transportation)	11,200	7.1	7,300	5.1
Air Transportation	--	--	3,700	2.6
Information	3,900	2.5	4,400	3.1
Financial Activities	7,600	4.8	9,000	6.2
Professional And Business Services	20,900	13.3	16,000	11.1
Educational and Health Services (less Health Care)	6,800	4.3	4,700	3.3
Health Care	18,200	11.6	13,700	9.5
Leisure and Hospitality	16,900	10.7	14,700	10.2
Other Services	6,000	3.8	5,600	3.9
Federal Government	8,700	5.5	9,700	6.7
State Government (less State Education)	8,200	5.2	7,300	5.1
State Education	2,600	1.7	2,300	1.6
Local Government (less Local Education and Tribal Government)	2,800	1.8	3,000	2
Local Education	7,500	4.8	7,400	5.1
Tribal Government	--	--	300	0.2
	<u>157,400</u>	100 %	<u>144,100</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 Over Prior Year</u>	<u>Average Daily Membership Grades K-12 and Special Education (2)</u>	<u>General Expenditures Per Student Capita</u>	<u>General Expenditures per Student Capita Percentage Increase Over Prior Year</u>
2004-2005	\$ 519,007,683	7.84 %	49,182	\$ 10,553	8.03 %
2005-2006	562,580,521	8.40	49,320	11,407	8.09
2006-2007	595,877,224	5.92	48,707	12,234	7.25
2007-2008	701,171,780	17.67	48,144	14,564	19.05
2008-2009	725,105,080	3.41	48,227	15,035	3.24
2009-2010	761,495,196	5.02	49,061	15,521	3.23
2010-2011	805,550,379	5.79	48,613	16,571	6.76
2011-2012	824,408,079	2.34	48,422	17,025	2.74
2012-2013	844,228,735	2.40	48,493	17,409	2.25
2013-2014	840,976,291	(0.39)	47,770	17,605	1.12

Notes:

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

(2) Average daily membership includes half-day kindergarten program reported at one half time.

For the Last Ten Years

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

<u>Fiscal Year</u>	<u>Average Daily Membership Grades K-12 and Special Education (1)</u>	<u>Average Daily Membership Percentage Increase (Decrease) Over Prior Year</u>	<u>Assessed Valuation (2)</u>	<u>Assessed Valuation Percentage Increase Over Prior Year</u>	<u>Assessed Valuation Support Per Student</u>
2004-2005	49,182	(0.17) %	\$ 20,727,365,524	8.63 %	\$ 421,442
2005-2006	49,320	0.28	22,343,272,432	7.80	453,027
2006-2007	48,707	(1.24)	25,844,114,757	15.67	530,604
2007-2008	48,144	(1.16)	29,269,105,519	13.25	607,949
2008-2009	48,227	0.17	30,580,821,146	4.48	634,102
2009-2010	49,061	1.73	31,453,348,714	2.85	641,107
2010-2011	48,613	(0.91)	31,463,676,892	0.03	647,228
2011-2012	48,422	(0.39)	31,596,540,551	0.42	652,524
2012-2013	48,493	0.15	31,714,337,376	0.37	653,998
2013-2014	47,770	(1.49)	32,311,710,883	1.88	676,402

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				
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Administration	157	159	145	189	190
Principals	138	144	144	149	151
Teachers	3,223	3,240	3,240	3,305	3,315
Technical	180	182	183	179	197
Clerical and teacher aides	917	1,005	1,000	1,030	1,089
Maintenance/warehouse	191	198	183	187	187
Custodial	341	354	353	361	361
Drivers/attendants	104	105	105	111	112
Noon attendants	74	74	74	74	74
Food service	190	197	200	205	207
Total authorized positions	<u>5,515</u>	<u>5,658</u>	<u>5,627</u>	<u>5,790</u>	<u>5,883</u>

Employee Category	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>

Notes:

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

Current Year

TEACHER EDUCATION AND SALARY INFORMATION(1)

Education	Number of Teachers (2)	Low Salary	High Salary(4)
Bachelor's Degree	281	\$ 47,449	\$ 61,226
Bachelor's Degree plus 18 semester credits	290	49,812	65,277
Bachelor's Degree plus 36 semester credits	328	52,175	70,218
Master's Equivalency with 54 semester credits	165	57,116	75,158
Master's Equivalency with 72 semester credits	117	59,477	78,810
Master's Equivalency with 90 semester credits	327	61,840	82,461 (3)
Master's Degree	260	52,748	72,082
Master's Degree with 54 semester credits	233	55,112	77,022
Master's Degree with 72 semester credits	208	57,473	81,963
Master's Degree with 90 semester credits	701	59,837	91,811 (3)
Doctorate Degree with 90 semester credits	16	61,558	88,336 (3)

Notes:

- (1) Information furnished through Anchorage School District internal report.
- (2) Number of teachers (by FTE) as of April 2013. Does not include all authorized positions.
- (3) Includes \$1,000 longevity bonus.
- (4) Salary amounts include salary schedule plus 6% additional for Related Services staff.

For the Last Ten Years

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

AVERAGE DAILY MEMBERSHIP

Fiscal Year	Average Daily Membership Grades K-6 (1)	Percentage Increase (Decrease) Over Prior Year Grades K-6	Average Daily Membership Grades 7-12	Percentage Increase (Decrease) Over Prior Year Grades 7-12
2003-2004	26,481	(0.80) %	22,784	(0.29) %
2004-2005	26,060	(1.59)	23,122	1.48
2005-2006	26,011	0.18	23,309	0.80
2006-2007	26,255	0.93	22,452	(3.68)
2007-2008	25,412	(3.21)	22,732	1.25
2008-2009	25,894	1.90	22,333	(1.76)
2009-2010	26,544	2.51	22,517	0.82
2010-2011	25,910	(2.39)	22,703	0.83
2011-2012	26,515	2.34	21,907	(3.51)
2012-2013	26,525	0.03	21,968	0.28
2013-2014	26,267	(0.97)	21,503	(2.12)

Notes:

- (1) Average daily membership includes half-day kindergarten program reported at one-half time.
 (2) Information furnished by state approved Foundation Report for fiscal year 2013-2014.

PUPIL TO CLASSROOM TEACHER RATIO(3)

Fiscal Year	Kindergarten (FTE)	Grade 1	Grades 2 - 3	Grades 4 - 6	Grades 7 - 12	Special Education
2004-2005	20.5 to 1	21 to 1	24 to 1	27 to 1	25.54 - 27.08 to 1	Various
2005-2006	20.75 to 1	21.25 to 1	24.25 to 1	27.25 to 1	25.79 - 27.33 to 1	Various
2006-2007	20.75 to 1	21.25 to 1	24.25 to 1	27.25 to 1	25.79 - 27.33 to 1	Various
2007-2008	20.5 to 1	21 to 1	24 to 1	27 to 1	25.54 - 27.08 to 1	Various
2008-2009	20.5 to 1	21 to 1	24 to 1	27 to 1	25.54 - 27.08 to 1	Various
2009-2010	20.5 to 1	21 to 1	24 to 1	27 to 1	25.54 - 27.08 to 1	Various
2010-2011	20.5 to 1	21 to 1	24 to 1	27 to 1	26.25 - 27.91 to 1	Various
2011-2012	20.5 to 1	21 to 1	24.25 to 1	27.25 to 1	26.25 - 27.91 to 1	Various
2012-2013	20.5 to 1	21 to 1	24.75 to 1	26.25 to 1	27.25 - 29.41 to 1	Various
2013-2014	20 to 1	21 to 1	24 to 1	26 to 1	27 - 29 to 1	Various

Notes:

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

For the Last Ten Years

FACILITY UTILIZATION AND SCHOOL BUILDINGS(1)

FACILITY UTILIZATION

<u>Fiscal Year</u>	Elementary				Secondary				Students Graduated
	Gross Square Footage	Number of Classrooms	Program Capacity	Average Daily Membership	Gross Square Footage	Number of Classrooms	Program Capacity	Average Daily Membership	
2004-2005	3,323,851	1,442	27,829	26,060	3,263,383	964	19,653	23,122	2,579
2005-2006	3,298,895	1,442	27,669	26,011	3,469,921	999	20,622	23,309	2,807
2006-2007	3,298,895	1,443	26,255	26,255	3,469,921	1,033	20,925	22,452	2,831
2007-2008	3,298,895	1,444	27,127	25,412	3,510,941	1,039	21,379	22,732	2,963
2008-2009	3,298,895	1,444	27,417	25,894	3,580,066	1,041	21,379	22,333	2,967
2009-2010	3,320,887	1,444	27,210	26,544	3,760,066	1,090	22,437	22,517	3,084
2010-2011	3,337,675	1,446	27,694	25,910	3,760,066	1,090	22,437	22,703	3,062
2011-2012	3,343,712	1,446	27,821	26,515	3,783,765	1,090	22,437	21,907	2,989
2012-2013	3,343,712	1,437	27,191	26,525	3,783,765	1,151	23,310	21,968	3,038
2013-2014	3,340,607	1,435	26,568	26,267	3,778,328	1,142	23,082	21,503	2,807

SCHOOL BUILDINGS

<u>Fiscal Year</u>	High Schools	Middle Schools	Elementary Schools	Alternative Secondary Schools	Special Education Schools	Vocational Schools	Charter Schools
2004-2005	7	9	60	5	2	1	4
2005-2006	8	9	60	6	2	1	6
2006-2007	8	9	60	6	2	1	6
2007-2008	8	9	60	6	2	1	7
2008-2009	8	10	60	6	2	1	8
2009-2010	8	10	60	6	2	1	8
2010-2011	8	10	60	6	2	1	8
2011-2012	8	10	60	6	2	1	8
2012-2013	8	10	60	7	2	1	8
2013-2014	8	10	60	7	2	1	8

Notes:

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

For the Last Ten Years

STUDENT NUTRITION LOCAL REVENUES(1)

Fiscal Year	Lunch Sales Student	Lunch Sales Adult	Breakfast Program	Milk Program	A la Carte Program	Special Meals	After School Snack Program	Other Revenues	Total
2004-2005	\$ 2,871,086	\$ 107,428	\$ 95,310	\$ 65,414	\$ 2,093,852	\$ 56,310	\$ 5,113	\$ 3,181	\$ 5,297,694
2005-2006	2,771,585	43,126	117,898	53,527	2,179,350	81,703	3,177	837	5,251,203
2006-2007	2,704,353	66,034	111,429	61,749	1,939,316	94,831	--	269	4,977,981
2007-2008	2,936,022	58,203	129,579	83,407	1,777,953	96,377	--	24,240	5,105,781
2008-2009	3,101,173	62,789	162,447	87,592	1,401,884	95,386	--	97,043	5,008,314
2009-2010	2,854,711	32,329	169,837	71,482	1,241,874	99,223	--	117,191	4,586,647
2010-2011	2,418,659	38,012	110,489	76,205	1,179,231	79,788	--	79,603	3,981,987
2011-2012	2,212,106	6,306	133,988	76,624	880,255	33,967	--	49,792	3,393,038
2012-2013	1,777,761	30,978	142,910	29,476	751,712	3,466	--	53,125	2,789,428
2013-2014	1,699,282	15,577	148,385	3,224	70,476	473,817	--	115,527	2,526,288

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
2004-2005	1,116,259	1,279,866	331,524	13,310
2005-2006	1,133,118	1,344,486	362,348	23,057
2006-2007	1,129,042	1,417,381	385,667	21,761
2007-2008	1,397,294	1,174,379	310,784	31,451
2008-2009	1,015,940	1,594,965	369,837	27,904
2009-2010	900,291	1,729,615	424,749	18,246
2010-2011	842,922	1,872,472	350,103	15,291
2011-2012	771,537	1,978,760	318,368	11,034
2012-2013	697,198	1,980,407	313,853	6,437
2013-2014	653,996	1,931,623	290,795	4,789

Pupil transportation statistics (1):

Fiscal Year	Number of Routes			
	Regular to and from schools		Special Education to and from school	
	District	Contracted	District	Contracted
2004-2005	50	99	26	63
2005-2006	50	99	26	63
2006-2007	49	95	28	63
2007-2008	53	95	28	63
2008-2009	53	95	28	63
2009-2010	51	96	28	63
2010-2011	51	91	29	68
2011-2012	51	91	29	69
2012-2013	51	91	29	69
2013-2014	51	91	29	69

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
2004-2005	\$ 24,490,575	\$ 15,354,624	\$ 2,129,986	\$ 604,139	\$ 19,201,586	\$ 61,780,910
2005-2006	28,633,260	16,000,905	2,360,002	632,641	18,221,310	65,848,118
2006-2007	30,377,068	19,111,501	2,586,220	771,668	18,042,551	70,889,008
2007-2008	36,299,128	22,467,313	2,985,731	913,298	90,100,424 (2)	152,765,894
2008-2009	40,196,860	25,221,558	3,369,982	1,008,895	86,145,444 (2)	155,942,739
2009-2010	45,849,570	32,884,058	3,904,788	1,120,094	69,895,943 (2)	153,654,453
2010-2011	51,221,082	36,712,647	4,242,853	1,276,105	66,526,816 (2)	159,979,503
2011-2012	55,796,248	37,838,928	4,787,536	1,406,654	66,648,278 (2)	166,477,644
2012-2013	58,116,015	34,929,173	5,229,978	1,490,836	93,762,731 (2)	193,528,733
2013-2014	59,293,542 (4)	31,926,745	5,182,153	1,657,997	93,972,863 (2)	192,033,300
Compound Annual Growth Rate	10.3%	8.5%	10.4%	11.9%	19.3%	13.4%

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.

ANCHORAGE SCHOOL DISTRICT

TABLE AB

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
2004-2005	\$ --	\$ 48,075	\$ --	\$ 267,869	\$ 137,097
2005-2006	--	7,418	63,942	363,648	218,612
2006-2007	--	12,362	103,381	690,528	299,635
2007-2008	--	195,779	210,032	1,058,541	507,252
2008-2009	1,475	190,340	176,307	1,061,944	495,508
2009-2010	8,509	135,549	135,865	829,651	525,700
2010-2011	118,304	139,478	125,356	445,095	636,166
2011-2012	214,694	207,036	218,037	207,422	798,198
2012-2013	243,659	217,374	212,096	115,182	855,361
2013-2014	189,432	144,015	274,091	175,926	890,631

Fiscal Year	Highland Tech Charter School	Rilke Schule Charter School	Village Charter School	Winterberry Charter School	Grand Total
2004-2005	\$ 11,724	\$ --	\$ 24,314	\$ --	\$ 489,079
2005-2006	36,641	--	--	90	690,351
2006-2007	118,008	--	--	15,187	1,239,101
2007-2008	206,258	190,819	--	91,359	2,460,040
2008-2009	112,539	29,388	--	18,770	2,086,271
2009-2010	167,071	54,612	--	15,980	1,872,937
2010-2011	168,290	4,965	--	11,911	1,649,565
2011-2012	166,763	46,831	--	7,577	1,866,558
2012-2013	24,568	582	--	47,023	1,715,845
2013-2014	49,482	31,481	--	49,123	1,804,181

June 30, 2014

SCHEDULE OF INSURANCE IN FORCE

Carrier/Coverage	Policy Number	Limits	Expiration Date
Starr Indemnity & Liability Co. GL/Auto/Educational Liability	1000005230	\$5,000,000 Each Occurrence \$10,000,000 Aggregate Self Insured Retention claim - \$1,000,000	7/1/2015
National Casualty 2nd Excess Liability	XCS0000013	\$10,000,000 Occurrence \$10,000,000 Aggregate	7/1/2015
Navigator's Specialty Ins. Co. 3rd Excess Liability	SCO0000157	\$15,000,000 Occurrence \$15,000,000 Aggregate	7/1/2015
Houston Casualty Co. 4th Excess Liability	H14XC50354-00	\$10,000,000 Occurrence \$10,000,000 Aggregate	7/1/2015
State National Ins. Company Excess Workers Compensation & Employers Liability	NDE-0858940-14	Statutory Limits Part I \$1,000,000 Part II Self Insured Retention - \$1,000,000 \$50,000,000 Cap	7/1/2015
ACE American Ins. Co. Travel Accident Insurance Teachers, Board Members	ADD N04966144	\$500,000 Class I & II Principal Sum \$5,000,000 Aggregate, per Accurance	7/1/2015
Ace/Myers-Stevens Toohey Student Accident Athlete Catastrophic Insurance	SDAN0420512151993	\$1,000,000 Each Occurrence \$25,000 Deductible	7/1/2015
Hiscox Ins. Co. Crime Insurance	UC21272021.14	\$1,000,000 Bond Limit \$25,000 Deductable	7/1/2015
ACE American Ins. Co. Foreign Liability	D38442855 002	\$1,000,000 per Occurance \$2,000,000 Aggregate Limit	7/1/2015
Lloyds of London/Beazley Illinois Insurance Co. Cyber Liability Insurance	W15E52140101	\$1,000,000	7/1/2015
FM Global Insurance Company Property Insurance excluding Quake	UW741	\$1,000,000,000 Limit	7/1/2015

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