

CAFR



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

*For the fiscal year ended June 30, 2016*

A Component Unit of the Municipality of Anchorage  
Anchorage, AK



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

Comprehensive Annual  
Financial Report

ANCHORAGE SCHOOL DISTRICT

for the Fiscal Year Ended  
June 30, 2016

Dr. Deena Paramo  
Superintendent

Prepared by Business Management Division

Jim Anderson, Chief Financial Officer

Melissa Myers  
Executive Director, Finance

James Farrington  
Treasurer

Andrew Ratliff  
Executive Director, OMB



A Component Unit of the Municipality of Anchorage  
Anchorage, Alaska

### **Non Discrimination Statement**

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

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

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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](http://www.asdk12.org)

January 11, 2017

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, 2016, 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, 2016. The independent auditor’s report can be found at the front of the financial section of this report.

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

## **DISTRICT PROFILE**

The Anchorage School District (district) was established by the Home Rule Charter of the Municipality of Anchorage (municipality) on September 16, 1975. The most recent State of Alaska Department of Labor estimate of population in the Anchorage School District was 298,908 (2015) – a decrease of 0.55 percent over the prior year. The district primarily serves 48,340 students from Kindergarten through the 12<sup>th</sup> grade.

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

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

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

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

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

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



## **LOCAL ECONOMY**

Alaska had been substantially insulated from the economic downturn that struck the continental U.S. in 2008 although the recent downturn in oil prices have put increased strain on the local economy– while unemployment in the U.S. rose to 10 percent in 2009 and has migrated back down toward 4.8 percent (October 2016) this fall, the Alaska unemployment rate is currently at 6.4 percent (October 2016).

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 6.4 percent (October 2016).

In fiscal year 2015-2016 the Municipal Assembly authorized the collection of a 6.73 mill rate on property to support Anchorage School District investments in education, including debt reimbursement for bonds to pay for capital projects. The total estimated taxable value of Municipal property grew 4.12 percent from 2015 to 2016.

## **LONG-TERM FINANCIAL PLANNING**

The district saw an increase in the FY 2016-2017 base student allocation to \$5,930 up \$50 from the previous year’s allocation of \$5,880. While the state increased the base student allocation, the State Foundation Formula was underfunded by about \$1.9 million, operating grants outside of the formula and nearly 8 percent of pupil transportation funding was eliminated. Additionally, state reimbursement for local debt retirement was reduced by 25 percent, or about \$11 million for Anchorage.

Current statutes provide for no funding increases in FY 2017-2018 as the previous funding bill, House Bill 278 (2014), has concluded its three years of incremental increases. While the state continues to grapple with sustained low oil prices and a projected \$3.5 billion budget deficit, it is unknown what changes to K-12 education might occur.

Due to the uncertainty of State funding, the district is projecting a budget shortfall of between \$10 million and \$20 million in fiscal year 2017-2018. For fiscal years 2018-2019 and 2019-2020, the district expects to contend with the same current revenue challenges as well as medical and workers’ compensation cost increases above the rate of inflation, normal inflation on salaries, benefits, services and supplies, and excise taxes imposed on the district in accordance with the Affordable Care Act. The budget shortfall over the next three years could exceed \$60 million and result in the elimination of 630 positions in order close the fiscal gap and balance the budgets.

## **ENROLLMENT**

The majority of the district’s funding is derived from the State of Alaska Public School Foundation Program, which provides formula funding based on adjusted average daily membership (ADM). The district’s ADM increased by 194 students (0.4 percent) from the prior fiscal year to 47,756 for fiscal year 2015-2016. Projections for fiscal years 2016-2017 and 2017-2018, anticipate slight decreases in enrollment to 48,340 and 48,200 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. Additions and renovations were completed this summer at Airport Heights and Aurora elementary schools, with renovation at Mountain View and Rabbit Creek Elementary schools nearing completion. The average age of district facilities is 33 years, there are 5 facilities which are 60 years or older.

Currently, the district is working on design and construction that will renovate Gladys Wood and Turnagain elementary schools, and renovate Bartlett Kitchens and King Career Center Shop areas. The district identifies capital needs in part by using a Facility Condition Index (FCI), which is a comparison of the relative condition of a facility to others. The FCI is a ratio of the five-year costs to correct capital needs divided by the replacement cost of the facility.

## **RELEVANT FINANCIAL POLICIES**

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

## **MAJOR CORE ACADEMIC INITIATIVES**

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

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

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

New Montessori and Chinese Immersion programs have been implemented for the 2016-2017 school year. The World Languages department is also implementing a district-wide language assessment to guide program development and professional development.

## **AWARDS**

The Association of School Business Officials International (ASBOI) awarded a Certificate of Excellence in Financial Reporting to the Anchorage School District, Alaska for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2015.

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, 2015.

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

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

## **ACKNOWLEDGEMENTS**

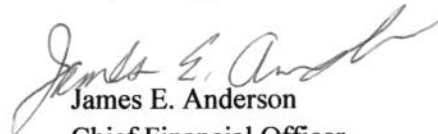
The preparation of this report could not be accomplished without the efficient and dedicated services of the entire finance and budget staff, independent auditors and other administrative staff. We would like to express our appreciation to all staff members who assisted and contributed to its preparation.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

Respectfully submitted,



Dr. Deena Paramo  
Superintendent

Prepared by,



James E. Anderson  
Chief Financial Officer

# The Anchorage School Board



Tam Agosti-Gisler  
President



Elisa Snelling  
Vice President



Starr Marsett  
Clerk



Kathleen Plunkett  
Treasurer



Bettye Davis



Pat Higgins

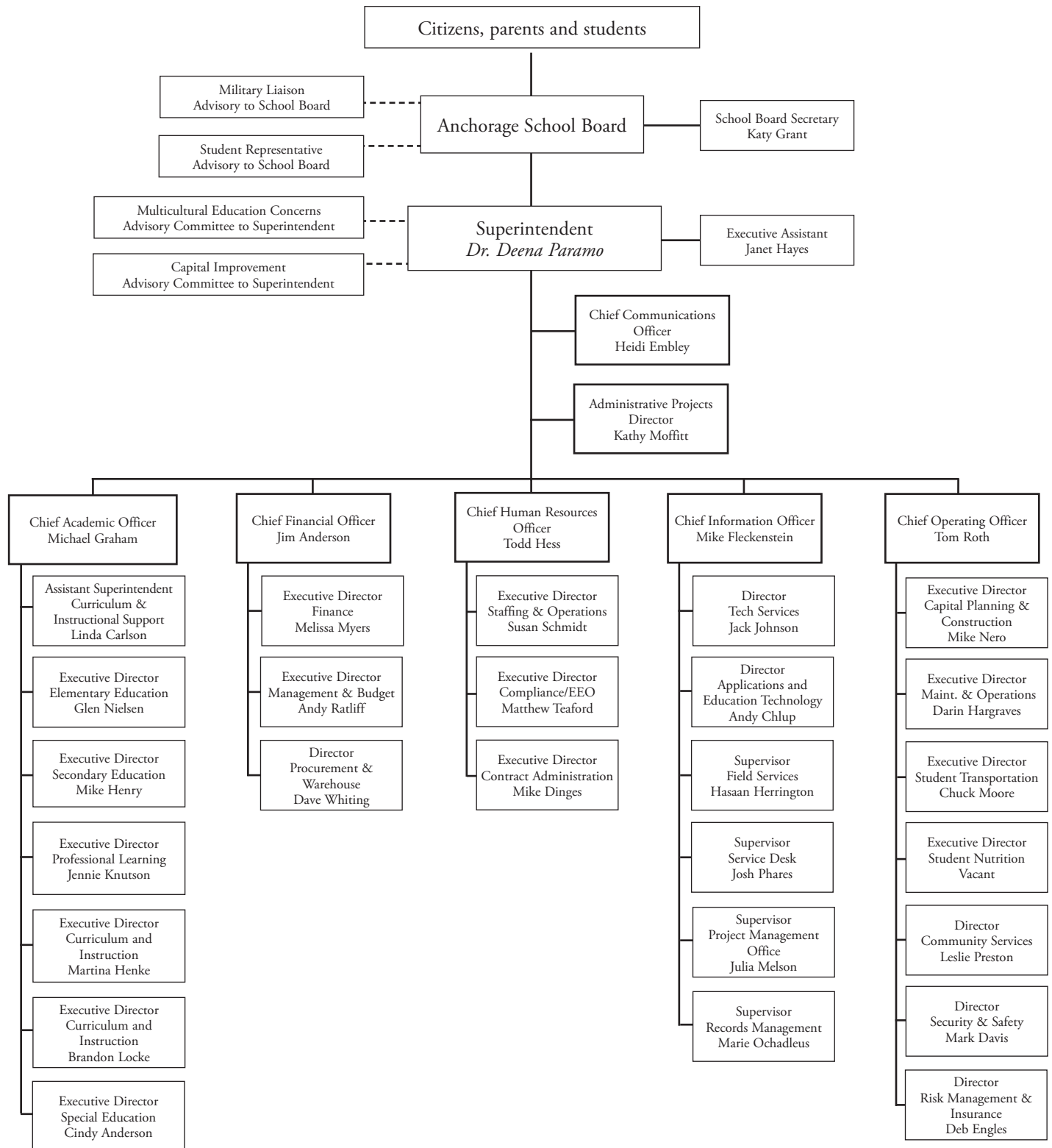


Kameron Perez-Verdia

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 4 p.m., regular meeting—executive/early sessions at 6 p.m. in conference room 150, and regular meeting—late sessions at 7 p.m. The work and regular meeting late session meetings are held in the board room of the ASD Education Center located at 5530 E. Northern Lights Boulevard. In addition, special meetings and work sessions are scheduled throughout the year. Regular meetings may be watched live on ASD-TV online and are also available on-demand online after the meetings are over.

# ANCHORAGE SCHOOL DISTRICT ORGANIZATIONAL CHART

## OCTOBER 2016





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, 2015**

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, 2015.**

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



*Brenda Burkett*

Brenda R. Burkett, CPA, CSBA, SFO  
President

*John D. Musso*

John D. Musso, CAE, RSBA  
Executive Director

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## Financial Section



## **Independent Auditor's Report**

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

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Anchorage School District (the District), Alaska, as of and for the year ended June 30, 2016, 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Other Matters***

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

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2015, from which such summarized information was derived.

#### *Required Supplementary Information*

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

#### *Other Supplementary Information*

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

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

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

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

In accordance with *Governmental Auditing Standards*, we have also issued our report dated January 11, 2017 on our consideration of the Anchorage School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Anchorage School District's internal control over financial reporting and compliance.

*BDO USA, LLP*

Anchorage, Alaska  
January 11, 2017

## 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, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v-viii of this report. Professional standards require the inclusion of certain comparative information in the Management's Discussion and Analysis (MD&A).

### Financial Highlights

#### Net Position

The district's opening net position was restated in FY 2014-2015 to reflect the change in accounting principle as the district adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. The net position of the district for FY 2015-2016 was \$489.5 million consisting of \$697.5 million in net investment in capital assets, \$28.8 million in restricted net position and a negative \$236.8 million in unrestricted net position. The negative \$236.8 million in unrestricted net position is primarily a result of recognizing the district's \$454.7 million share of the unfunded liability in the State's retirement systems.

The district's net position decreased by \$55.8 million which represents an overall change in net position (expenses exceeding revenues) of the governmental activities of \$55.8 million. The decrease in net position is reflected as increases in current assets of \$10.1 million and capital assets of \$47.3 million respectively, as well as an increase of deferred outflows of \$88.1 million and a decrease of deferred inflows of \$20 million; which were offset by an increase in liabilities of \$221.3 million.

#### Revenues and Expenses

Total government-wide program and general revenues decreased by \$145.7 million with a \$122.8 million decrease from operating grants and contributions, \$14.4 million decrease in capital grants revenue, and an decrease in general revenues in the amount of \$10 million from appropriation from the Municipality of Anchorage, investment income, Public School Funding Program, and Federal Impact Aid. The decreases were partially offset by a \$1.5 million increase in charges for services.

Ninety-seven percent of the \$122.8 million decrease in operating grants and contributions is associated with the decrease in the state pension on-behalf payments of \$119 million from the prior year. This decline was the result of a one-time appropriation approved by the legislature for FY 2014-2015 of \$3 billion into the state pension programs. The balance of the decrease is associated with state and federal grant contributions.

The decrease in general revenues of \$10 million is primarily driven by an increase in Bond Premium and Bond Refunding received which translated into a decrease in Other Revenue of \$10.5 million. Federal Impact Aid decreased by \$1.8 while there was an increase of \$2 million in the State Public School Funding Program.

Total government-wide expenses decreased from the previous fiscal year, changing from \$899.0 million to \$882.8 million, or 1.8 percent. Expenses were reduced in Instruction, and Interest Expense. Expenses were increased in General Administration, Pupil Transportation, Operation and Maintenance of Plant, Community Services and Food Services for a total year over year decrease of \$16.2 million.



### Fund Balance

At the close of the fiscal year, the district's governmental funds reported a combined ending fund balance of \$195.8 million, which includes:

- \$4.9 million in inventory and prepaid items.
- \$28.8 million in restricted funds associated with the bond rating, debt service requirements, and Federal Impact Aid Section 8003(d).
- \$133.3 million in committed and assigned funds associated with service, supplies and materials encumbrances, authorized construction, self-insurance, Federal Impact Aid Sections 8003 (b), pupil transportation, student activities, and food service.
- \$28.8 million of unassigned funds that are available for spending at the district's discretion which represents 4.8 percent of the total annual general fund expenditures.
- The district is maintaining a level of unrestricted fund balance in the General Fund of 9.65 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 \$4.99 million were proceeds from bond sales in the Capital Projects Fund exceeding current year capital outlays along with revenues and other financing sources over expenditures and other financing uses in the Debt Service Fund and Special Revenue Funds. These increases were partially offset by decreases in the General Fund due to the expenditures and other uses exceeding revenues and other sources as a result of a planned use of fund balance reserves.

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

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

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

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

**Notes to the basic financial statements** – the notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-61 of this report.

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

The combining statements referred to earlier in connection with non-major governmental funds and individual fund schedules can be found on pages 75-125 of this report. Detailed information on the district's Internal Service Funds can also be found on pages 127-129.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as one indicator of a government's financial position. In the case of the district, assets and deferred outflow exceeded liabilities and deferred inflow by \$489,541,151 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	
	2015-2016	2014-2015
ASSETS		
Current and other assets	\$ 389,007,248	\$ 378,877,497
Capital assets	1,278,129,460	1,230,895,340
Total assets	<u>1,667,136,708</u>	<u>1,609,772,837</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	104,890,233	21,904,013
Deferred charges on refundings	8,032,282	2,886,162
Total deferred outflows of resources	<u>112,922,515</u>	<u>24,790,175</u>
LIABILITIES		
Bonds payable, net of premium/discount	568,567,141	542,455,085
Net pension liability	454,712,187	259,453,534
Other liabilities	134,993,581	135,038,598
Total liabilities	<u>1,158,272,909</u>	<u>936,947,217</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	9,243,530	32,542,482
Tax appropriations	123,001,633	119,705,484
Total deferred inflows of resources	<u>132,245,163</u>	<u>152,247,966</u>
NET POSITION		
Invested in capital assets	697,497,685	658,250,945
Restricted	28,809,342	27,318,480
Unrestricted	(236,765,876)	(140,201,596)
Total net position	<u>\$ 489,541,151</u>	<u>\$ 545,367,829</u>

By far the largest portion of the district's total assets reflects its investment in capital assets; e.g., land, buildings, machinery and equipment, less any related debt used to acquire those assets that is still outstanding. The district uses these capital assets to provide services to students and citizens; consequently, these assets are not available for future spending. The district's net position invested in capital assets was \$697,497,685. Although the district's investment in its capital assets is reported net of debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves can't be used to liquidate the liabilities.

The unrestricted balance of negative \$236,765,876 of net position is the primary result of recognizing the district's share of the pension plan liability administered by the State of Alaska. The total year over year increase associated with the liability is \$88.97 million, up to \$359.1 million - the net of \$104.9 million in deferred outflows, \$9.3 million in deferred inflows and the \$454.7 million net pension liability.

Table 2 highlights the district's revenues and expenses for the fiscal year 2015-2016. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method of accounting. Revenue is further divided into two major components: program revenues and general revenues. Program revenues are defined as charges for services, operating and capital grants and contributions. General revenues include taxes and non-categorical entitlements such as the Alaska Public School Funding Program. Expenses are shown in programs including general administration, instruction, pupil transportation, operation and maintenance of plant, community service, food services and interest expense.

The net decrease in program revenues are mainly attributable to decreases in retirement system relief on-behalf revenues and capital grants and contributions revenues, partially offset by increases in charges for services. The net decrease in general revenues are mainly attributable to decreases in the other program revenues and Federal Impact Aid, partially offset by increases in the Alaska Public School Funding Program..

Government-wide expenses were \$882,766,137 a 1.8 percent decrease from the prior year. Reductions were made in instruction and interest expense which were partially offset by increases in general administration, transportation, operation and maintenance of plant and food services.

Table 2 – Program Revenues and Expenses

	Governmental Activities	
	2015-2016	2014-2015
Revenues:		
Program revenues:		
Charges for services and sales	\$ 6,286,818	\$ 4,809,087
Operating grants and contributions	168,651,599	291,396,193
Capital grants and contributions	57,757,752	72,187,560
General revenues:		
Appropriation from		
Municipality of Anchorage	239,410,965	239,576,423
Investment income	1,602,140	1,147,782
Public school funding program	329,831,634	327,797,266
Federal impact aid	20,337,273	22,116,652
Other	3,061,278	13,587,963
Total revenues	<u>\$ 826,939,459</u>	<u>\$ 972,618,926</u>
Program expenses:		
General administration	\$ 37,543,112	\$ 29,622,367
Instruction	685,215,939	722,027,966
Pupil transportation	24,381,461	22,286,749
Operation and maintenance of plant	85,314,793	76,267,079
Community services	617,598	483,365
Food services	25,655,586	23,430,716
Interest expense	24,037,648	24,877,042
Total expenses	<u>882,766,137</u>	<u>898,995,284</u>
Increase in net position	(55,826,678)	73,623,642
Net position beginning of year	<u>545,367,829</u>	<u>471,744,187</u>
Net positions ending	<u>\$ 489,541,151</u>	<u>\$ 545,367,829</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

	Total Cost of Services 2015-2016	Program Revenues 2015-2016	Net Cost of Services 2015-2016
Governmental Activities			
General administration	\$ 37,543,112	\$ 1,441,750	\$ 36,101,362
Instruction	685,215,939	181,941,402	503,274,537
Pupil transportation	24,381,461	23,110,415	1,271,046
Operation and maintenance of plant	85,314,793	3,571,590	81,743,203
Community service	617,598	736,922	(119,324)
Food service	25,655,586	21,894,090	3,761,496
Interest expense	24,037,648	--	24,037,648
Total expenses	<u>\$ 882,766,137</u>	<u>\$ 232,696,169</u>	<u>\$ 650,069,968</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 \$4,994,858 for the year ended June 30, 2016. This is attributable to increases in the fund balances within Capital, Debt Service and non-major governmental funds partially offset by decreases in the General Fund.

#### *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 \$29,490,600 while total fund balance was \$129,295,665. Total fund balance decreased by 12,108,733 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 \$100,838,623 or 16.76 percent of expenditures. In addition, the level of unrestricted fund balance to expenditures as calculated on a state basis was 9.65 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. While the fund balance

decreased, the percentage of expenditures has increased substantially due to the reduction in contributions from the State of Alaska into the retirement systems on the district's behalf.

Actual revenues on the budgetary basis were 100.6 percent of budgeted revenues while actual expenditures on the budgetary basis were 98.9 percent of budgeted expenditures. Actual expenditures for general administration and instructional related purchased services, salaries, benefits and supplies and materials were lower than anticipated.

The General Fund expenditure budget for the year ended June 30, 2016 was \$563,997,041, a decrease of \$1,262,870 from the prior year budget of \$565,259,911.

#### *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 \$44,442,963, a decrease of 46.3 percent from the prior year amount of \$82,804,162. This is primarily due to the decrease in the retirement contributions from the State of Alaska recorded in the Grants Special Revenue Fund.

#### *Debt Service Fund*

The Debt Service Fund has a total fund balance of \$4,020,159 all of which is restricted for payment of debt service. The district projected higher than actual interest payments; due to issuance of a refunding bond, the district was able to realize interest savings during the year. This was partially offset by the district receiving less revenue from the State Debt Reimbursement program than expected. The net result was an overall positive budget variance of \$1,001,071.

#### *Capital Projects Fund*

The Capital Projects Fund closed the fiscal year with \$78,967,352 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, 2016 of \$15,738,353 from \$39,895,743.

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

**Capital assets** – the district's investment in capital assets for its governmental activities as of June 30, 2016 amounts to \$1,278,129,460 (net of accumulated depreciation). This investment in capital assets includes land, land improvement, buildings, equipment and vehicles, and construction in progress. The total increase in the district's investment in capital assets for the current year net of related debt was 3.8 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:

Bartlett High School Renovations  
Airport Heights Elementary School  
Gladys Wood Elementary Construction

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

The following table shows ending balances of capital assets (net of accumulated depreciation) invested in various categories. The district recognized a total increase of \$47,234,120 in capital assets net of accumulated depreciation in part due to completed construction projects.

Table 4 – Capital Assets as of June 30, 2016 (Net of Depreciation)

	Governmental Activities	
	2015-2016	2014-2015
Land	\$ 42,357,063	\$ 42,357,063
Land improvements	24,658,796	23,054,264
Buildings, equipment and vehicles	1,210,093,882	1,164,638,974
Construction in progress	1,019,719	845,039
Totals	<u>\$ 1,278,129,460</u>	<u>\$ 1,230,895,340</u>

**Long-term debt** – as of June 30, 2016 the district had outstanding general obligation bonds totaling \$581,075,000. This entire amount of \$581,075,000 comprises debt backed by the full faith and credit of the municipality. Over the fiscal year, the district paid \$58,940,000 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, 2016

	Governmental Activities		
	2015-2016	2014-2015	Maturity
General obligation bonds	<u>\$ 581,075,000</u>	<u>\$ 577,500,000</u>	2036

As of June 30, 2016, the district’s available authorized but unissued general obligation school bonds amounted to \$48,352,000.

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

The municipality's current bond ratings are as follows:

	<u>Fitch's</u>	<u>Standard and Poor's</u>
General obligation bonds	AA+	AAA

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

On March 22, 2016 the Anchorage Assembly approved ordinance AO 2016-20 which provided local funding of \$246,003,265 and an upper limit of \$768,401,726.

Revisions passed by the Alaska Legislature and the governor made a number of changes to state revenues including the reversal of incremental funding provided during a previous legislative session and the Debt Reimbursement program. These changes will have an anticipated reduction of \$13.61 million (excluding PERS/TRS on-behalf allocation) to district funding for fiscal year 2016-2017. A summary of the legislation is provided as follows:

- House Bill 256 – eliminated the operational grants provided outside of the State Foundation Funding Formula provided in House Bill 278 (2014). House Bill 256 maintained the \$50 increase to the Base Student Allocation and added an additional \$1.4 million outside of the foundation formula. This resulted in an anticipated increase of \$2.36 million for the Anchorage School District.
- House Bill 256 (Governor's vetoes) – on June 29, 2016 the governor vetoed funding provisions in House Bill 256 including \$3.34 million in operating funds by underfunding the foundation formula and removing operating grants outside of the formula, \$1.83 million in pupil transportation funding, and \$10.8 million in debt retirement reimbursement funding. Overall funding for the Anchorage School District was reduced by \$15.97 million due to vetoes.

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

A major driving force of the district's financial outlook is student enrollment. The district initially anticipated an overall decrease in enrollment of 0.45 percent in fiscal year 2016-2017. Maturing of the Anchorage population coupled with an overall decline in birth rates has generally resulted in a gradual decline in student enrollment which has been mitigated by increased regional in-migration from outlying communities and immigration from other countries. Economic impacts resulting from low oil prices is expected to put further pressure on enrollment as skilled workers from the energy sector and related services such as construction, search for employment opportunities elsewhere.

This year the district's enrollment at the end of September was 48,340 students which was 107 fewer students than 2015-2016. This preliminary enrollment data is above projected enrollment by approximately 0.23 percent, which represents an increase in State Public School Foundation Formula funding of roughly \$0.85 million.

The State of Alaska is primarily dependent on oil taxes and royalties to pay for state government, including education. As the price of oil remains depressed, the state is expected to contend with

multibillion dollar budget deficits and will be tasked with the difficult decision of prioritizing programs and projects with limited revenue.

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

The local heating and electrical markets, primarily supplied by local natural gas reserves in the Cook Inlet, appear likely to continue to experience price increases in excess of general inflation. The district budget for fiscal year 2016-2017 includes \$12.6 million for electricity across district facilities and \$6.0 million for natural gas. The management team continues to monitor the energy price outlook and energy efficiency investment opportunities and pursue cost effective investments to improve energy efficiency. The district continues to replace heating/ventilation systems with new more efficient systems. In addition, the district continues to replace florescent lighting with new high efficiency LED lighting systems.

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

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

The indirect rate for operating grants and pass-through funding is based on the federal government cost principals outlined in OMB Circular A-87 as approved by the State of Alaska. The state approved indirect rate for fiscal year 2016-2017 is 4.43 percent.

The state allows an indirect rate of up to 9 percent for capital grants for fiscal year 2016-2017. The district generally charges the full 9 percent for design, planning, and building life extension projects, while large capital renewals, renovations, additions and replacement projects are typically charged 5 percent.

## **Requests for Information**

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

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

June 30, 2016  
With Comparative Totals for  
June 30, 2015

## STATEMENT OF NET POSITION

	Governmental Activities	
	2016	2015
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 227,032,966	\$ 217,886,429
Cash and investments with paying agent	10,821,603	13,608,632
Accounts receivable, net of allowances	1,740,479	2,670,020
Interest receivable	46,826	29,735
Due from other governments	144,017,138	139,830,253
Prepaid items	1,546,671	1,313,623
Inventory, at weighted average cost	3,801,565	3,538,805
Total current assets	389,007,248	378,877,497
Non-current assets:		
Capital assets:		
Non-depreciable:		
Land	42,357,063	42,357,063
Construction in progress	1,019,719	845,039
Depreciable:		
Land improvements	70,141,766	66,689,804
Buildings and equipment	1,775,046,190	1,701,618,949
Pupil transportation equipment	20,159,540	10,992,133
Accumulated depreciation	(630,594,818)	(591,607,648)
Capital assets, net of accumulated depreciation	1,278,129,460	1,230,895,340
Total assets	1,667,136,708	1,609,772,837
<b>Deferred outflows of resources</b>		
Pension related	104,890,233	21,904,013
Deferred charges on refunding loss	8,032,282	2,886,162
Total deferred outflows of resources	112,922,515	24,790,175
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	4,089,515	3,787,758
Contracts payable	8,072,454	4,706,613
Medical claims payable, including IBNR	6,294,661	7,871,903
Interest payable	9,227,724	8,815,772
Accrued salaries and related items:		
Wages and salaries payable	3,604,059	3,505,530
Payroll taxes, other accrued and withheld items	19,672,093	17,835,023
Accrued compensated absences	6,181,585	6,027,811
Workers' compensation payable	4,549,254	6,158,677
Bonds payable	56,445,000	58,940,000
Unearned revenue	3,593,746	4,674,931
Total current liabilities	121,730,091	122,324,018
Non-current liabilities:		
Accrued compensated absences	5,004,689	5,025,343
Workers' compensation payable	8,258,801	7,689,237
Bonds payable, net	568,567,141	542,455,085
Net pension liability	454,712,187	259,453,534
Total non-current liabilities	1,036,542,818	814,623,199
Total liabilities	1,158,272,909	936,947,217
<b>Deferred inflows of resources</b>		
Pension related	9,243,530	32,542,482
General property tax receipts	102,641,939	100,301,268
Debt service tax receipts	20,359,694	19,404,216
Total deferred inflows of resources	132,245,163	152,247,966
<b>Net Position</b>		
Net investment in capital assets	697,497,685	658,250,945
Restricted for:		
Bond rating	24,600,326	23,941,097
Debt service	4,020,159	3,019,088
Federal Impact Aid 8003(d)	188,857	358,295
Unrestricted	(236,765,876)	(140,201,596)
Total net position	\$ 489,541,151	\$ 545,367,829

See accompanying notes to basic financial statements

For the Year Ended June 30, 2016

## 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				
<b><u>Functions/Programs</u></b>					
District-wide activities					
General administration	\$ (37,543,112)	\$ 3,691	\$ 1,438,059	\$ --	\$ (36,101,362)
Instruction	(685,215,939)	3,457,729	120,725,921	57,757,752	(503,274,537)
Pupil transportation	(24,381,461)	--	23,110,415	--	(1,271,046)
Operation and maintenance of plant	(85,314,793)	--	3,571,590	--	(81,743,203)
Community services	(617,598)	714,073	22,849	--	119,324
Food services	(25,655,586)	2,111,325	19,782,765	--	(3,761,496)
Interest expense	(24,037,648)	--	--	--	(24,037,648)
Total district-wide activities	<u>\$ (882,766,137)</u>	<u>\$ 6,286,818</u>	<u>\$ 168,651,599</u>	<u>\$ 57,757,752</u>	<u>\$ (650,069,968)</u>
General revenues:					
Unrestricted:					
Appropriation from Municipality of Anchorage					\$ 239,410,965
Investment income					1,602,140
Public School Funding Program					329,831,634
Federal Impact Aid					20,337,273
Other					<u>3,061,278</u>
Total general revenues					<u>594,243,290</u>
Change in net position					(55,826,678)
Net position at beginning of year					<u>545,367,829</u>
Net position at end of the year					<u>\$ 489,541,151</u>

See accompanying notes to basic financial statements

June 30, 2016  
With Comparative Totals for  
June 30, 2015

**BALANCE SHEET - GOVERNMENTAL FUNDS**

	General	Grants Special Revenue	Debt Service	Capital Projects	Non-Major Governmental	Totals	
						2016	2015
<b>Assets</b>							
Cash and investments	\$ 159,272,539	\$ --	\$ --	\$ 33,758,762	\$ 3,132,440	\$ 196,163,741	\$ 185,747,648
Cash with paying agent	--	--	985,085	9,836,518	--	10,821,603	13,608,632
Accounts receivable (net of any allowances for uncollectables)	1,675,931	7,473	--	6,722	35,371	1,725,497	2,649,226
Interest receivable	--	--	--	46,821	5	46,826	29,735
Due from other funds	12,364,131	--	2,445,530	17,834,601	3,333,389	35,977,651	39,078,658
Due from other governments	103,246,590	15,319,024	20,949,238	3,045,702	1,456,584	144,017,138	139,830,252
Prepaid items	1,492,004	53,804	--	701	162	1,546,671	1,310,482
Inventory	2,175,855	--	--	--	1,625,710	3,801,565	3,538,806
Total assets	<u>\$ 280,227,050</u>	<u>\$ 15,380,301</u>	<u>\$ 24,379,853</u>	<u>\$ 64,529,827</u>	<u>\$ 9,583,661</u>	<u>\$ 394,100,692</u>	<u>\$ 385,793,439</u>
<b>Liabilities</b>							
Accounts payable	\$ 2,976,759	\$ 376,880	\$ --	\$ 421,140	\$ 46,400	\$ 3,821,179	\$ 3,787,501
Contracts payable	--	--	--	8,072,454	--	8,072,454	4,706,613
Medical claims and other contracts payable	514,021	--	--	--	--	514,021	1,650,746
Due to other funds	23,613,520	11,895,665	--	--	468,466	35,977,651	39,078,658
Accrued salaries and related items	21,173,977	1,833,463	--	112,361	156,351	23,276,152	21,340,509
Unearned revenue	11,169	1,274,293	--	289,776	2,018,509	3,593,747	4,674,931
Total liabilities	<u>48,289,446</u>	<u>15,380,301</u>	<u>--</u>	<u>8,895,731</u>	<u>2,689,726</u>	<u>75,255,204</u>	<u>75,238,958</u>
<b>Deferred inflows of resources</b>							
General property tax appropriation	102,641,939	--	--	--	--	102,641,939	100,301,268
Debt service tax appropriation	--	--	20,359,694	--	--	20,359,694	19,404,216
Total deferred inflows of resources	<u>102,641,939</u>	<u>--</u>	<u>20,359,694</u>	<u>--</u>	<u>--</u>	<u>123,001,633</u>	<u>119,705,484</u>
<b>Fund balances:</b>							
Non-spendable	3,667,859	53,804	--	701	1,182,322	4,904,686	4,366,060
Restricted	24,789,183	--	4,020,159	--	--	28,809,342	27,318,480
Committed	12,519,248	--	--	55,633,395	--	68,152,643	49,942,662
Assigned	58,828,775	--	--	--	6,331,234	65,160,009	78,722,047
Unassigned	29,490,600	(53,804)	--	--	(619,621)	28,817,175	30,499,748
Total fund balances	<u>129,295,665</u>	<u>--</u>	<u>4,020,159</u>	<u>55,634,096</u>	<u>6,893,935</u>	<u>195,843,855</u>	<u>190,848,997</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 280,227,050</u>	<u>\$ 15,380,301</u>	<u>\$ 24,379,853</u>	<u>\$ 64,529,827</u>	<u>\$ 9,583,661</u>	<u>\$ 394,100,692</u>	<u>\$ 385,793,439</u>

See accompanying notes to basic financial statements



June 30, 2016  
With Comparative Totals for  
June 30, 2015

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

	2016	2015
Total governmental fund balances	\$ 195,843,855	\$ 190,848,996
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds	1,270,629,667	1,222,835,614
Other long-term liabilities not due and payable in the current period, and therefore not reported in the funds:		
Workers' compensation payable	(12,808,055)	(13,847,913)
General obligation debt	(581,075,000)	(577,500,000)
Accrued interest on general obligation debt	(9,227,724)	(8,815,772)
Unamortized loss/(gain) on refunding bonds	8,032,282	2,886,162
Unamortized general obligation bond premium	(43,937,141)	(23,895,085)
Net pension liability	(454,712,187)	(259,453,534)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows of resources related to pensions	104,890,233	21,904,013
Deferred inflows of resources related to pensions	(9,243,530)	(32,542,482)
Internal service fund net position	21,148,751	22,947,830
Total reconciling items	293,697,296	354,518,833
Net position of governmental activities	\$ 489,541,151	\$ 545,367,829

See accompanying notes to basic financial statements

For the Year Ended June 30, 2016  
With Comparative Totals  
For the Year Ended June 30, 2015

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

					Non-Major Governmental Funds	Totals	
	General	Grants Special Revenue	Debt Service	Capital Projects		2016	2015
Revenues:							
Local sources	\$ 207,598,312	\$ 619,174	\$ 38,808,616	\$ 189,250	\$ 10,138,747	\$ 257,354,099	\$ 255,957,061
State sources	376,742,913	5,423,307	46,518,625	11,237,167	23,409,149	463,331,161	1,161,304,333
Federal sources	21,316,654	38,400,482	258,548	45,416	19,101,605	79,122,705	84,173,052
Total revenues	605,657,879	44,442,963	85,585,789	11,471,833	52,649,501	799,807,965	1,501,434,446
Expenditures:							
Current:							
General administration	29,325,141	--	--	--	--	29,325,141	35,074,968
Instruction	498,400,779	44,442,963	--	--	7,915,818	550,759,560	1,196,021,148
Pupil transportation	--	--	--	--	31,716,984	31,716,984	24,310,030
Operation and maintenance of plant	73,450,427	--	--	--	--	73,450,427	85,422,847
Community services	487,637	--	--	--	--	487,637	576,814
Food services	--	--	--	--	22,109,248	22,109,248	25,694,692
Debt service:							
Refunding bond issuance cost	--	--	149,156	--	--	149,156	80,973
Principal	--	--	58,940,000	--	--	58,940,000	59,290,000
Interest	--	--	25,649,885	--	--	25,649,885	27,385,338
Fiscal agent fees	--	--	4,425	--	--	4,425	6,547
Bond issuance cost	--	--	--	127,181	--	127,181	126,566
Capital outlays	--	--	--	78,840,171	--	78,840,171	81,556,784
Total expenditures	601,663,984	44,442,963	84,743,466	78,967,352	61,742,050	871,559,815	1,535,546,707
Excess (deficiency) of revenues over (under) expenditures	3,993,895	--	842,323	(67,495,519)	(9,092,549)	(71,751,850)	(34,112,261)
Other financing sources (uses):							
Proceeds from sale of property and equipment	29,080	--	--	--	1,742	30,822	28,563
Issuance of general obligation bonds	--	--	--	69,038,445	--	69,038,445	59,075,000
Premium on issuance of general obligation bonds	--	--	--	10,523,110	--	10,523,110	11,056,199
Issuance of refunding bonds	--	--	81,040,000	--	--	81,040,000	37,150,000
Premium on issuance of refunding bonds	--	--	13,189,654	--	--	13,189,654	5,966,834
Payments to refunding escrow	--	--	(94,075,323)	--	--	(94,075,323)	(43,030,625)
Transfers in	--	--	4,417	3,676,734	9,454,974	13,136,125	2,289,924
Transfers out	(16,131,708)	--	--	(4,417)	--	(16,136,125)	(3,017,773)
Total other financing sources (uses)	(16,102,628)	--	158,748	83,233,872	9,456,716	76,746,708	69,518,122
Net change in fund balances	(12,108,733)	--	1,001,071	15,738,353	364,167	4,994,858	35,405,861
Fund balances at beginning of year	141,404,398	--	3,019,088	39,895,743	6,529,768	190,848,997	155,443,136
Fund balances at end of year	\$ 129,295,665	\$ --	\$ 4,020,159	\$ 55,634,096	\$ 6,893,935	\$ 195,843,855	\$ 190,848,997

See accompanying notes to basic financial statements

For the Year Ended June 30, 2016  
With Comparative Totals  
For the Year Ended June 30, 2015

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

	2016	2015
Net change in fund balances - total governmental funds (page 19)	\$ 4,994,858	\$ 35,405,861
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	88,469,584	81,176,773
Current depreciation expense	(40,385,928)	(38,370,758)
Loss on disposal of assets	(289,603)	(4,337,383)
Net adjustment for change in fund balance, total government funds to arrive at changes in net position of governmental activities	47,794,053	38,468,632
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	(69,038,445)	(59,075,000)
Premium on issuance of general obligation bonds	(10,523,110)	(11,056,199)
Issuance of refunding general obligation bonds	(81,040,000)	(37,150,000)
Payment to escrow agent for refunding	94,075,323	43,030,625
Premium on issuance of refunding general obligation bonds	(13,189,654)	(5,966,834)
Principal payments on general obligation bonds and refunded bonds	58,940,000	59,290,000
Net change in refunding loss	--	52,244
Net change in general obligation bonds premium	2,304,950	2,649,556
Accrued interest	(411,951)	20,583
Expenses and revenues that do not require the use of current financial resources are reported in the Statement of Activities, but they are not recorded as expenditures or revenues in the governmental funds:		
Workers' compensation payable	1,039,858	(371,396)
Pension contributions	24,801,667	(529,164,459)
Cost of benefits earned net of employee contributions	(113,775,148)	538,252,228
Change in net position - Internal Service Funds	(1,799,079)	(762,199)
Total reconciling items	(60,821,536)	38,217,781
Change in net position of governmental activities (page 16)	\$ (55,826,678)	\$ 73,623,642

June 30, 2016  
With Comparative Totals for  
June 30, 2015

## INTERNAL SERVICE FUNDS

## STATEMENT OF NET POSITION

		Governmental Activities	
		2016	2015
<b>Assets</b>			
Current Assets:			
Investments	\$	30,869,225	\$ 32,141,920
Accounts receivable		14,982	20,795
Total current assets		30,884,207	32,162,715
Non-current assets:			
Machinery and equipment		31,465,126	31,848,886
Accumulated depreciation		(23,965,332)	(23,789,160)
Capital assets (net of accumulated depreciation)		7,499,794	8,059,726
Total assets		38,384,001	40,222,441
<b>Liabilities</b>			
Current liabilities:			
Medical claims and other payables		5,780,640	6,221,457
Accrued compensated absences		6,181,585	6,027,811
Total current liabilities		11,962,225	12,249,268
Non-current liabilities			
Other contractual obligations payable		268,336	--
Accrued compensated absences		5,004,689	5,025,343
Total non-current liabilities		5,273,025	5,025,343
Total liabilities		17,235,250	17,274,611
<b>Net Position</b>			
Net investment in capital assets		7,499,794	8,059,726
Unrestricted		13,648,957	14,888,104
Total net position	\$	21,148,751	\$ 22,947,830

See accompanying notes to basic financial statements

For the Year Ended June 30, 2016  
 With Comparative Totals  
 For the Year Ended June 30, 2015

## INTERNAL SERVICE FUNDS

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION

	Governmental Activities	
	2016	2015
Operating revenues:		
Charges for services	\$ 1,545,131	\$ 1,516,326
Charges for health insurance services	35,464,501	34,285,197
Charges for accrued compensated absences	13,416,861	13,219,517
Total operating revenues	<u>50,426,493</u>	<u>49,021,040</u>
Operating expenses:		
Depreciation	1,545,131	1,516,326
Costs of services	112,075	120,900
Medical plan administration	5,540,449	5,413,714
Medical claims	34,992,619	31,116,612
Compensated absences expense	13,655,360	13,324,126
Total operating expenses	<u>55,845,634</u>	<u>51,491,678</u>
Operating gain (loss)	<u>(5,419,141)</u>	<u>(2,470,638)</u>
Non-operating revenues:		
Gain on sale of capital assets	2,598	24,618
Investment income	588,451	240,354
Total non-operating revenues	<u>591,049</u>	<u>264,972</u>
Total income (loss) before capital contributions and transfers	<u>(4,828,092)</u>	<u>(2,205,666)</u>
Capital contributions	29,013	715,618
Transfers in - General Fund	<u>3,000,000</u>	<u>727,849</u>
Total capital contributions and transfers	<u>3,029,013</u>	<u>1,443,467</u>
Changes in net position	(1,799,079)	(762,199)
Net position at beginning of year	<u>22,947,830</u>	<u>23,710,029</u>
Net position at end of year	<u>\$ 21,148,751</u>	<u>\$ 22,947,830</u>

See accompanying notes to basic financial statements

For the Year Ended June 30, 2016  
With Comparative Totals  
For the Year Ended June 30, 2015

## INTERNAL SERVICE FUNDS

## STATEMENT OF CASH FLOWS

	Governmental Activities	
	2016	2015
Cash flows from operating activities:		
Receipts from interfund activities	\$ 50,426,493	\$ 49,021,040
Payments for interfund services used	(13,522,240)	(13,132,590)
Payments for medical claims and other health insurance activity	(41,085,664)	(35,850,361)
Net cash flows provided by operating activities	(4,181,411)	38,089
Cash flows from non-capital financing activities:		
Transfers from other funds	3,000,000	727,849
Net cash flows provided by non-capital and related financing activities	3,000,000	727,849
Cash flow from capital and related financing activities:		
Acquisition of capital assets	(730,543)	(2,197,614)
Sale of capital assets	50,809	19,101
Net cash used in capital and related financing activities	(679,734)	(2,178,513)
Cash flows from investing activities:		
Sale of investments	1,272,694	1,172,221
Interest earnings received	588,451	240,354
Net cash provided by investing activities	1,861,145	1,412,575
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	\$ (5,419,141)	\$ (2,470,638)
Adjustments to reconcile operating income to net cash used by operating activities		
Depreciation expense	1,545,131	1,516,326
Change in assets and liabilities		
Receivables, net	295	1,242,500
Accounts and other payables	(307,696)	(250,099)
Net cash used by operating activities	\$ (4,181,411)	\$ 38,089
Non-cash investing, capital, and financing activities:		
Contributed capital and equipment	\$ 29,013	\$ 715,618

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 are reported at fair value or cost/amortized cost in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Investment income is allocated to General Fund, Capital Projects Fund, Debt Service Fund, Centralized Student Activity Fund and Internal Service Funds at the end of every month according to each funds' respective investment balance.

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

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

The district is also authorized to secure investments through the Municipality of Anchorage either by trading in the open market or participating in the Municipal Investment Pool. The Municipal Investment Pool is not registered with the Securities and Exchange Commission. The fair value of the pool is the same as the value of pool shares. As of June 30, 2016, the district holds equity total of \$185,629,636, about 28.2% of the total investment pool. The Anchorage Municipal Code 6.50.030 functions as the regulation oversight of the investment pool. According to AMC 6.50.030, the Municipality is authorized to purchase investments which meet the following rating and issuer requirements:

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

8. Dollar denominated corporate debt instruments rated “BBB-” or better (investment grade) by S&P’s Rating Service or the equivalent by another nationally recognized rating agency.
9. Dollar denominated corporate debt instruments rated lower than “BBB-” (non-investment grade) by S&P’s Rating Service or the equivalent by another nationally recognized rating agency, including emerging markets.
10. Dollar denominated debt instruments of foreign governments rated “BBB-” or better (investment grade) by S&P’s Rating Service or the equivalent by another nationally recognized rating agency.
11. Asset-backed securities (ABS), excluding commercial paper, collateralized by: credit cards, automobile loans, leases and other receivables which must have a credit rating of “AA-” or above by S&P’s Rating Service or the equivalent by another nationally recognized rating agency.
12. Mortgage-backed securities (MBS), including generic mortgage-backed pass-through securities issued by GNMA, FHLMC, FNMA, as well as non-agency mortgage-backed securities, collateralized mortgage obligations (CMOs), or commercial mortgage-backed securities (CMBS), which must have a credit rating of “AA-” or better by S&P’s Rating Service or the equivalent by another nationally recognized rating agency.
13. Debt issued by the Tennessee Valley Authority.
14. Money market mutual funds rated “Am” or better by S&P Rating Service, or the equivalent by another nationally recognized rating agency, as long as they consist of allowable securities as outlined above.
15. Alaska Municipal League Investment Pool (AMLIP).
16. Mutual funds consisting of allowable securities as outlined above.
17. Interfund loans from a Municipal Cash Pool to a Municipal Fund.

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

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

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

Fund	Carrying Amount	Bank Balance
Insured (FDIC, NCUSIF) or collateralized by securities held by the Municipality or its agents in the Municipality's name:		
Demand deposits:		
Student Activities Special Revenue Fund	\$ 2,878,256	\$ 2,936,484
Time deposits:		
Student Activities Special Revenue Fund	244,134	244,134
Total	<u>3,122,390</u>	<u>3,180,618</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	4,821,476	15,640,428
Grand total	<u>\$ 7,943,866</u>	<u>\$ 18,821,046</u>

The district's investments are not subject to custodial credit risk. The district measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs.

The district has the following recurring fair value measurements as of June 30, 2016:

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

A summary of the district's investments as of June 30, 2016, recognizing a three-tiered fair value hierarchy, is as follows:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
June 30, 2016				
Money market	\$ --	\$ 10,050	\$ --	\$ 10,050
U.S. government securities	--	10,821,602	--	10,821,602
Municipal Investment Pool	--	185,629,636	--	185,629,636
Total investments	<u>\$ --</u>	<u>\$ 196,461,288</u>	<u>\$ --</u>	<u>\$ 196,461,288</u>

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

	Carrying Amount
Investments through Municipality:	
United States Agency	\$ 23,447,313
United States Treasury	10,007,436
Total investments through the municipality	<u>\$ 33,454,749</u>

As of June 30, 2016 the district's investments had the following maturities:

Investment Type	Value	Investment Maturities (in years)		
		Less than 1	1 to 5	More than 5
Money market	\$ 10,050	\$ 10,050	\$ --	\$ --
United States Agency	23,447,313	23,447,313	--	--
United States Treasury	10,007,436	10,007,436	--	--
U.S. government securities	10,821,602	10,821,602	--	--
Municipal Investment Pool	185,629,636	185,629,636	--	--
Total	<u>\$ 229,916,037</u>	<u>\$ 229,916,037</u>	<u>\$ --</u>	<u>\$ --</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, 2016. All discounted notes issued by the U.S. Government agencies have implied ratings of "A-1+" by S&P, "P-1" by Moody's or "F1+" by Fitch.

	<u>Date Acquired</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Carrying Amount</u>
<b>General Fund</b>				
Municipal Investment Pool				\$ 154,451,063
<b>Capital Projects Fund</b>				
United States Agency				
FHLB Discount Note	5/27/2016	0.33%	7/28/2016	\$ 5,000,000
FHLB Discount Note	5/27/2016	0.39%	8/5/2016	5,000,000
US Treasury Discount Note	10/20/2015	1.00%	8/31/2016	10,000,000
FHLB Discount Note	6/9/2016	0.38%	9/7/2016	8,040,000
FHLB Discount Note	6/9/2016	0.50%	9/28/2016	5,410,000
Total United States Agency				<u>33,450,000</u>
Accrued Interest				5,335
Investment premium				(586)
Municipal Investment Pool				<u>309,348</u>
<b>Total Capital Projects Fund</b>				<u><u>\$ 33,764,097</u></u>
<b>Internal Service Fund</b>				
Municipal Investment Pool				
Health Insurance Fund				\$ 9,967,963
Equipment Replacement Fund				9,695,714
Compensated Absences Fund				11,205,548
<b>Total Internal Service Funds</b>				<u><u>\$ 30,869,225</u></u>
<b>Special Revenue Fund</b>				
Money Market				\$ 10,050
<b>Total Special Revenue Fund</b>				<u><u>\$ 10,050</u></u>

Cash with Paying Agent

The total amount of cash with paying agent at June 30 is \$10,821,603, which is recorded in the Capital Projects Fund and Debt Service Fund.

Due from Other Governments

The amounts due from the Municipality of Anchorage are generally for funds appropriated from local property taxes levied by Municipal Ordinance in support of the district. The amounts recorded in the General Fund and Debt Service Fund at June 30 are \$102,641,939 and \$20,359,694, respectively. In addition, there is \$3,094,106 due from the municipality and State of Alaska for State of Alaska Legislative grants which are passed through the Municipality for the district.

The amounts due from the United States Government recorded in the General Fund include \$604,651 for Federal Impact Aid. The amounts due from the State of Alaska in the Special Revenue Funds include \$777,139 for 2016 reimbursements under cost reimbursable grants and \$1,456,584 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 \$414,559 for 2016 reimbursements under the Aid for School Construction Program. The amounts due from the United States Government in the Grants Special Revenue Fund and Debt Service Fund includes \$14,493,481 for 2016 reimbursements under cost reimbursable grants and \$174,985 for Build America Bond subsidies, respectively.

#### Property Taxes

The Anchorage Assembly has approved an ordinance, which levied taxes on real and personal properties for calendar year 2016 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 2016, taxes were levied on April 26. 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 2015-2016 budget:

January 1, 2016 through June 30, 2016	\$239,410,968 x 50%	=	\$119,705,484
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Amount required by the district to fund the first half of the fiscal year 2016-2017 budget:

July 1, 2016 through December 31, 2016	\$246,003,266 x 50%	=	<u>\$123,001,633</u>
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Total amount required by the district for calendar year 2016			<u>\$242,707,117</u>
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#### **Computation of Mill Rate Required to Fund Calendar Year 2016**

Total amount required by the district for calendar year 2016	\$242,707,117
--------------------------------------------------------------	---------------

Assessed valuation	\$36,063,931,160
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Mill rate assessment for schools during calendar year 2016	6.73
------------------------------------------------------------	------



The district has accrued the taxes of \$102,641,939 and \$20,359,694 for funding of the first half of the fiscal year 2016-2017 budget as of June 30, 2016 in the General Fund and Debt Service Fund, respectively. The corresponding deferred inflow of resources has been established.

#### Prepaid Items

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

#### Inventories

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

Inventories for building and grounds maintenance use are maintained under the purchase method of inventory. The expenditures are recorded in the General Fund upon acquisition. The value of the purchase method of inventory at June 30 is \$1,697,009 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 \$478,846 and \$1,182,160, respectively, and are equally offset as non-spendable fund balance. The value of USDA food commodities under the consumption method was \$443,550 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 \$2,175,855.

#### 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.

Pensions

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

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

Unearned Revenue

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

USDA commodities are considered donated commodities and reported as inventory when received. The fair market value of donated commodities used during the year is reported as an expense, with a

like amount reported as revenue. All unused donated commodities are reported as unearned revenue. These donated commodities are recorded in the Food Service Special Revenue Fund.

#### Long-term Obligations

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

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

#### Fund Balance Classifications

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

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

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

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

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

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

Each fund has been analyzed to classify fund balance in accordance with GASB Statement No. 54. Funds are established by the board and money is authorized to be transferred to the fund for a particular purpose. At this point, balances in these funds are at least committed, and may further be

restricted, depending on whether there is an external party or enabling legislation constraint imposed on the amounts.

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

The following shows the composition of fund balance of the governmental funds as of June 30, 2016:

	General Fund	Grants Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	Totals
<b>Non-spendable</b>						
Inventory	\$ 2,175,855	\$ --	\$ --	\$ --	\$ 1,182,160	\$ 3,358,015
Prepaid items	1,492,004	53,804	--	701	162	1,546,671
Total non-spendable	3,667,859	53,804	--	701	1,182,322	4,904,686
<b>Restricted</b>						
Bond rating	24,600,326	--	--	--	--	24,600,326
Debt service	--	--	4,020,159	--	--	4,020,159
Federal Impact Aid - 8003(d)	188,857	--	--	--	--	188,857
Total restricted	24,789,183	--	4,020,159	--	--	28,809,342
<b>Committed</b>						
Services [1]	3,759,866	--	--	--	--	3,759,866
Supplies [1]	2,287,899	--	--	--	--	2,287,899
Equipment [1]	6,471,483	--	--	--	--	6,471,483
Authorized construction - other	--	--	--	55,633,395	--	55,633,395
Total committed	12,519,248	--	--	55,633,395	--	68,152,643
<b>Assigned</b>						
Federal Impact Aid - 8003(b)	17,241,678	--	--	--	--	17,241,678
Self-insurance	19,372,848	--	--	--	--	19,372,848
Subsequent year's expenditures	4,288,150	--	--	--	--	4,288,150
Services [1]	11,312,922	--	--	--	--	11,312,922
Supplies [1]	3,947,213	--	--	--	--	3,947,213
Equipment [1]	2,665,964	--	--	--	--	2,665,964
Pupil Transportation	--	--	--	--	990,880	990,880
Student activities	--	--	--	--	5,340,354	5,340,354
Total assigned	58,828,775	--	--	--	6,331,234	65,160,009
<b>Unassigned</b>	29,490,600	(53,804)	--	--	(619,621)	28,817,175
<b>Total fund balance</b>	<b>\$ 129,295,665</b>	<b>\$ --</b>	<b>\$ 4,020,159</b>	<b>\$ 55,634,096</b>	<b>\$ 6,893,935</b>	<b>\$ 195,843,855</b>

[1] All items in these categories have been encumbered as of June 30, 2016

### Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. The net investment in capital assets component of net

position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings and deferred outflows and inflows of resources used for the acquisition, construction or improvement of those assets. Net position invested in capital assets, net of related debt excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the district or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted resources are used first to fund appropriations.

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

#### Interfund Activity

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

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

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

The district transferred \$4,417 from the Capital Projects Fund to the Debt Service Fund obtained from unused cost of issuance funds. A transfer of \$9,454,974 was made from the General Fund to the Pupil Transportation Special Revenue Fund to purchase buses. Other transfers of \$3,000,000 and \$3,676,743 were made from the General Fund to the Health Insurance and Capital Projects Funds, respectively to provide a reserve against future health insurance claims and fund emergent capital requirements.

A summary of interfund receivables and payables as of June 30, 2016 is as follows:

	Interfund receivable	Interfund payable
Major funds		
General Fund	\$ 12,364,131	\$ 23,613,520
Grants Special Revenue Fund	--	11,895,665
Debt Service Fund	2,445,530	--
Capital Projects Fund	17,834,601	--
Non-major funds	3,333,389	468,466
<b>Total</b>	<u>\$ 35,977,651</u>	<u>\$ 35,977,651</u>

A summary of interfund transfers for the year ended June 30, 2016 is as follows:

	Transfers In	Transfers Out
Major funds		
General Fund	--	16,131,708
Debt Service Fund	4,417	--
Capital Projects Fund	3,676,734	4,417
Non-major funds	9,454,974	--
Internal service funds	3,000,000	--
<b>Total</b>	<u>\$ 16,136,125</u>	<u>\$ 16,136,125</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, 2016, from which the summarized information was derived.

#### NOTE 2 – CHANGES IN CAPITAL ASSETS

The capital assets activity for the fiscal year ended June 30, 2016 is as follows:

**NOTE 2 - CHANGES IN CAPITAL ASSETS**

The capital assets activity for the fiscal year ended June 30, 2016 are as follows:

	Balance July 1, 2015	Additions/ Transfers	Deductions/ Transfers	Balance June 30, 2016
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 42,357,063	\$ --	\$ --	\$ 42,357,063
Construction in progress	845,039	78,693,660	78,518,980	1,019,719
Total capital assets not being depreciated	43,202,102	78,693,660	78,518,980	43,376,782
Capital assets being depreciated:				
Land improvements	66,689,804	3,451,962	--	70,141,766
Buildings and equipment	1,701,618,949	76,315,356	2,888,115	1,775,046,190
Pupil transportation equipment	10,992,133	9,550,477	383,070	20,159,540
Total capital assets being depreciated	1,779,300,886	89,317,795	3,271,185	1,865,347,496
Less accumulated depreciation for:				
Land improvements	(43,635,540)	(1,847,430)	--	(45,482,970)
Buildings and equipment	(539,157,360)	(39,817,615)	(2,560,819)	(576,414,156)
Pupil transportation equipment	(8,814,748)	(266,014)	(383,070)	(8,697,692)
Total accumulated depreciation	(591,607,648)	(41,931,059)	(2,943,889)	(630,594,818)
Total capital assets, being depreciated, net	1,187,693,238	47,386,736	327,296	1,234,752,678
Governmental activities capital assets, net	\$ 1,230,895,340	\$ 126,080,396	\$ 78,846,276	\$ 1,278,129,460

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

Governmental activities:	Amount
General administration	\$ 927,938
Instruction	39,898,300
Pupil transportation	250,718
Operation and maintenance of plant	595,727
Community services	--
Food services	258,376
Total depreciation expense, governmental activities	\$ 41,931,059

Construction in progress, less projects completed in 2016 is comprised of the following:

	Project Authorization	Expended to June 30, 2016	Committed
Secondary schools:			
Bartlett High School Kitchen Renovation	\$ 6,326,947	\$ 4,129	\$ 629,257
Begich Middle School Construction	204,123	--	94,208
Benny Benson Intercom Upgrades	71,674	3,825	--
Central Middle School Improvements	3,397,711	560	773,602
Chugiak High School HVAC	1,389,334	2,252	6,913
Clark Middle School HVAC	14,353	952	--
Dimond High School Sidewalk	423,588	3,316	10,241
Eagle River Stadium Lighting	49,313	24,095	--
East High School Stadium Seating/Scoreboard	1,657,582	9,419	9,113
Goldenview Middle School	2,776,611	3,467	1,871
Gruening Middle School Planning	3,159,533	3,293	168,152
Hanshew Middle School Lighting Upgrades	44,892	3,000	3,558
Martin Luther King Jr. Career Center	2,589,364	1,312	96,679
Mears Middle School Fire Alarm Upgrades	410,715	75	439
Mirror Lake Middle School Construction	26,087	34	--
Romig Middle School Electrical Upgrades	1,147,343	20,037	612,394
Save High School Security Upgrades	143,006	1,498	2,960
Service High School Renovations	1,084,481	71,738	304,050
South High School Field Improvements	361,711	8,767	115,390
Steller Secondary School Electrical Upgrades	1,311,750	4,885	115,168
Wendler Middle School Technology Lab	1,904,127	18,301	1,216,864
West HS & Romig MS CTE	5,096,917	5,890	1,754,947
Whaley Middle School	342,419	947	173,676
	<u>33,933,581</u>	<u>191,792</u>	<u>6,089,482</u>
Elementary schools:			
Abbott Loop Elementary School	171,322	686	107,170
Airport Heights Cable Upgrades	4,217,383	2,789	2,258,079
Aplenglow Elem Heat Upgrades	486,044	18,690	21,443
Aquarian Charter School Lighting Upgrades	31,849	8,280	--
Aurora Elem Gym	413,021	--	74,386
Baxter Elem Renovation	117,123	2,990	--
Bayshore Elementary School	2,728,471	74,665	2,012,654
Bear Valley Elem Boiler Upgrades	120,105	--	26,101
Birchwood Elem Gym	87,263	500	--
Bowman Elem Ice Rink	191,513	(64)	11,301
Campbell Elem Ice Rink	217,371	--	17,408
Chester Valley Elementary ADA	14,092	10,000	--
Chinook Elementary School Lighting	267,960	1,440	94,449
Chugach Elementary School Playground	97,515	--	--
Chugiak Elem Doors & Windows Upgrades	29,708	--	--
College Gate Elem HVAC	10,147	--	--
Creekside Park Renovations	177,925	2,434	743
Denali Elem Security Upgrades	17,223	--	--
Eagle River Elem Renew Doors & Windows	3,801,544	31	672,786
Fairview Elem Site Improvement	102,447	--	23,787



## Construction in progress (continued):

Fire Lake Elem Roof	839,459	--	436,132
Girdwood Elem Construction	913,803	320	61,420
Gladys Wood Addition	17,028,849	7,622	14,572,412
Government Hill Security Cameras	169,144	--	--
Homestead Elementary School	(36,670)	--	--
Huffman Renovation	3,858,029	1,926	2,319,949
Inlet View Elem Equipment & Upgrades	413,563	--	138,256
Kasuun CCTV Upgrades	77,959	121	14,150
Kincaid Elementary SRTS	13,735	223	--
Klatt Elementary School	263,825	1,200	12,895
Lake Hood Elem Fire Upgrades	115,898	--	--
Lake Otis Elementary School	9,502	2,267	--
Mountain View Elementary Renovation	7,051,541	(1,717)	5,774,073
Mt. Iliamna Fire Alarm Upgrades	1,053,132	56,224	--
Mt. Spurr Elem Emergency Upgrades	153,486	--	--
Muldoon Elem Intercom & Equipment	55,100	--	6,779
North Star Elem HVAC	170,635	19	--
Northern Lights ABC Elementary School	18,713	--	--
Northwood Elem Doors and Windows	420,278	--	203,066
Nunaka Valley Elem Gym	304,731	1,785	24,368
Ocean View Elementary School	119,066	411	58,988
O'Malley Elem School Design	1,145,521	337	19,814
Orion Elem Fire Alarm Upgrades	218,230	--	--
Polaris Elementary School	449,119	3,318	--
Ptarmigan Elementary School	96,545	2,000	--
Rabbit Creek Elem Renovation	3,679,796	--	2,636,816
Ravenwood Elem Security Cameras	34,610	1,489	250
Rogers Park Elementary School	657,715	--	191,932
Russian Jack Elementary School	97,095	1,136	31,130
Sand Lake Elem Wall Replacement	41,605	--	24,776
Scenic Park Elem CCTV Upgrades	133,329	--	11,338
Spring Hill Elem CCTV Upgrades	247,036	--	26,447
Susitna Elem School Renovation	1,834,151	--	1,103,649
Taku Elementary School	8,109	100	--
Trailside Elem Playgrounds	131,446	4,136	--
Tudor Elementary School	800,176	963	--
Turnagain Elementary School	14,845,856	1,357	13,023,203
Ursa Major Elem HVAC	138,221	--	271
Ursa Minor Elem Stair Upgrades	(1,230)	--	--
William Tyson Elem Roof	148,413	--	--
Willwaw Elementary School	3,210	3,541	--
Willow Crest Elementary School	292,847	--	--
Wonder Park Elem Security System Upgrades	872,982	--	31,282
	<u>72,188,586</u>	<u>211,219</u>	<u>46,043,703</u>

## Construction in progress (continued):

## Other capital projects:

District-wide Asbestos, ADA	191,713	168,051	97,006
District-wide Building Life Extension	2,243,495	276,756	--
District-wide CTE	--	--	--
District-wide Efficiency	--	--	--
District-wide Electric Upgrades	138,193	16,622	6,474
District-wide Emergency Prep	303,701	--	--
District-wide Facility Assessments	64,735	--	17,228
District-wide Federal Impact Aid	499,838	--	--
District-wide Library Books	(130)	--	--
District-wide Maintenance Equip	11,851	--	--
District-wide Mechanical Upgrades	1,536,668	47,801	650,514
District-wide Relocatables	42,516	--	--
District-wide Roof and Replacements	24,810	476	--
District-wide Safety/Security	388,330	870	32,152
District-wide Site Acquisition	22,481	--	--
District-wide Traffic Safety	--	--	--
District-wide Underground Storage Tank	49,914	303	44,785
Other capital projects	5,225,954	105,829	160,678
	<u>10,744,069</u>	<u>616,708</u>	<u>1,008,837</u>
	<u>\$ 116,866,236</u>	<u>\$ 1,019,719</u>	<u>\$ 53,142,022</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, 2016 (in thousands):

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016
General obligation bonds	\$ 577,500	\$ 150,210	\$ 146,635	\$ 581,075
Unamortized premium/discount on bonds	23,895	23,581	3,539	43,937
	<u>\$ 601,395</u>	<u>\$ 173,791</u>	<u>\$ 150,174</u>	<u>\$ 625,012</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, 2016 the amount of general obligation bonds considered defeased is \$120,395,000.

#### B. Bonds Payable

Bonds payable at June 30, 2016 are comprised of the following individual issues (in thousands):

General Obligation Bonds	Amount	Due within One year
\$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	46,130	27,390
\$48,495,000 2006 series A school construction serial bonds due in annual installments of \$2,000,000 to \$3,640,000 through October 2016; interest at 4.0 percent to 5.0 percent	2,255	2,255
\$28,885,000 2006 series B school construction refunding bonds due in annual installments of \$5,890,000 to \$6,185,000 through October 2020; interest at 5.0 percent	8,890	--
\$51,705,000 2006 series C school construction refunding bonds due in annual installments of \$65,000 to \$9,770,000 through July 2021; interest at 4.0 percent to 5.0 percent	36,440	65
\$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	163,270	8,770
\$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	5,815	2,840
\$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	3,965	1,260
\$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	15,205	885
\$4,940,000 2011 series B school construction serial bonds due in annual installments of \$460,000 to \$550,000 through August 2021; interest at 2.0 percent to 3.0 percent	3,090	485
\$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	5,380
\$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	12,685	580
\$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	37,215	1,330
\$59,075,000 2014 series C school construction serial bonds due in annual installments of \$1,795,000 to \$4,555,000 through September 2034; interest at 1.25 percent to 5.0 percent	57,280	1,850

## Bonds payable (continued):

\$37,150,000 2014 series D school construction refunding bonds due in annual installments of \$2,120,000 to \$7,200,000 through September 2026; interest at 1.25 percent to 5.0 percent	29,950	--
\$69,170,000 2015 series C school construction serial bonds due in annual installments of \$2,095,000 to \$5,265,000 through September 2035; interest at 2.0 percent to 5.0 percent	69,170	2,095
\$81,040,000 2015 series D school construction refunding bonds due in annual installments of \$1,260,000 to \$15,090,000 through September 2026; interest at 2.0 percent to 5.0 percent	81,040	1,260
	<u>\$ 581,075</u>	<u>\$ 56,445</u>

The annual requirements to amortize all general obligation debt outstanding for the year ended June 30, 2016, including interest payments in the amount of \$180,090,423 are as follows (in thousands):

	Principal	Interest	Total
2017	\$ 56,445	\$ 26,814	\$ 83,259
2018	55,900	24,064	79,964
2019	55,145	21,315	76,460
2020	53,615	18,634	72,249
2021	56,260	15,927	72,187
2022-2026	177,215	48,344	225,559
2027-2031	75,105	19,926	95,031
2032-2036	51,390	5,066	56,456
	<u>\$ 581,075</u>	<u>\$ 180,090</u>	<u>\$ 761,165</u>

## C. Bonds Authorized But Unissued

For the year ended June 30, 2016, the Municipality has the following authorized but unissued general obligation bonds for schools (in thousands):

Purpose	Election Date	Interest Limitation	Authorized Amount	Amount Issued	Remaining Authorization
Construction/renovation/ replacement/major maintenance	April 03, 2012	none	\$ 59,077	\$ 51,365	\$ 7,712
Construction/renovation/ replacement/major maintenance	April 02, 2013	none	54,825	45,035	9,790
Construction/renovation/ replacement/major maintenance	April 01, 2014	none	57,285	51,785	5,500
Construction/renovation/ replacement/major maintenance	April 07, 2015	none	59,250	33,900	25,350
			<u>\$ 230,437</u>	<u>\$ 182,085</u>	<u>\$ 48,352</u>

#### D. Refunded Bonds

In the fiscal year ended June 30, 2016, the Municipality of Anchorage issued \$81,040,000 general obligation refunding school bonds to refund \$87,695,000 of general obligation school bonds, resulting in a decrease of \$10,155,939 in total debt service. The economic gain of this refunding is \$9,196,297. The bonds refunded are as follows (in thousands):

	Total Issue	Refunded Principal
2005 General Obligation School Bonds, Series B	\$ 29,155	\$ 18,115
2005 General Obligation School Bonds, Series E	14,790	11,755
2007 General Obligation School Bonds, Series D	63,790	39,420
2008 General Obligation School Bonds, Series B	29,840	18,405
	<u>\$ 137,575</u>	<u>\$ 87,695</u>

#### 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, 2016 is as follows:

Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
\$ 11,053,154	\$ 13,788,480	\$ 13,655,360	\$ 11,186,274	\$ 6,181,585

## 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, 2016 is as follows:

Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
\$ 13,847,913	\$ 3,292,765	\$ 4,332,623	\$ 12,808,055	\$ 4,549,254

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

As of June 30, 2016, substantially all employees of the district are either members of the Alaska Public Employees' Retirement System (PERS) or the Alaska Teachers' Retirement System (TRS). Both plans are either defined benefit or defined contribution pension plans, dependent on the date of membership. The TRS is a cost-sharing multiple employer plan which covers teachers and other eligible participants. The PERS was originally established as an agent multiple employer plan, but was converted by legislation to a cost-sharing plan, effective July 1, 2008. PERS covers eligible state and local government employees, other than teachers. Both plans were established and are administered by the State of Alaska to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by state law and may be amended only by the state legislature. In addition to PERS, the Alaska Teamster-Employer Pension Trust Fund also covers bus drivers and attendants. The Alaska Teamster-Employer Pension Trust Fund Plan is a multi-employer cost-sharing defined benefit plan created and administered by Teamster Local 959.

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

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

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

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

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

A. State Retirement Systems

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

Plan Description and Provisions

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

Pension Benefits

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

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

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

Postemployment Health Care Benefits

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



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

#### PERS Conversion to Cost Sharing

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

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

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

#### Plan Description and Provisions

The Alaska Teachers' Retirement System is created and administered by the State of Alaska to provide benefits for teachers of the State of Alaska. Benefit and contribution provisions are established by Alaska law and may be amended only by the Alaska State Legislature. All the district's certificated employees are participants in TRS. Similar to PERS, TRS is also a tiered retirement system. Employees hired before July 1, 2006 participate in Tiers I-II, a multi-employer cost-sharing defined benefit public retirement plan. Employees hired on or after July 1, 2006 participate in Tiers III, a defined contribution retirement plan. The payroll for employees covered by TRS for the year ended June 30, 2016 was \$263,081,928 which compares to the district's total payroll of \$383,752,363.

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

#### Pension Benefits

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

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

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

#### Postemployment Health Care Benefits

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

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

### **Funding Policy**

#### Employee Contribution Rate

Regular employees are required to contribute 6.75% (9.60% for employees on a nine-month contract) of their annual covered salary (2.97% for pension and 3.78% for healthcare) for PERS and 8.65% (4.45% for pension and 4.20% for healthcare) for TRS. The funding policy provides for periodic employer contributions based on actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate sufficient assets to pay both pension and postemployment healthcare benefits when due.

#### Employer Effective Rate

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

#### ARM Board Adopted Rate

This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of

pay method over a closed 25 year term which ends in 2039. This change results in lower ARM Board Rates than previously adopted.

#### On-behalf Contribution Rate

This is the rate normally paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In 2015, the State Legislature appropriated a one-time contribution to the Plan in the amount of \$1 billion for PERS and \$2 billion for TRS. As a result, the on-behalf contributions for 2015 were significantly higher than the statutory amount. In 2016, the on-behalf contributions have returned to “normal” levels and generally equal the statutory calculation.

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

#### GASB Rate

This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. Additionally, the rate disregards all future Medicare Part D payments. For FY16, the GASB rate uses an 8.00% pension discount rate and a 4.55% healthcare discount rate for PERS and a 4.31% health discount rate for TRS. The GASB rate and the ARM Board Adopted Rate differ significantly as a direct result of variances in the actuarial methods and assumptions used.

The district’s contribution rates for the year ended June 30, 2016 were determined as part of the June 30, 2014 actuarial valuation and are as follows:

	Contractual		ARM Board		State		GASB	
PERS	Rate		Adopted Rate		Contribution Rate		Rate	
Pension	13.25	%	16.38	%	3.63	%	37.79	%
Postemployment healthcare	8.75		10.81		1.56		58.73	
<b>Total contribution rate</b>	<b>22.00</b>	<b>%</b>	<b>27.19</b>	<b>%</b>	<b>5.19</b>	<b>%</b>	<b>96.52</b>	<b>%</b>

	Contractual		ARM Board		State		GASB	
TRS	Rate		Adopted Rate		Contribution Rate		Rate	
Pension	7.01	%	16.34	%	11.63	%	66.52	%
Postemployment healthcare	5.55		12.93		5.08		70.97	
<b>Total contribution rate</b>	12.56	%	29.27	%	16.71	%	137.49	%

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 5.19% of covered payroll to the Plan. In accordance with the provisions of GASB Statement Number 24, the district has recorded the State-on-behalf payment in the amount of \$5,526,748 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, 2016, 2015, and 2014, 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
2016	\$ 12,779,616	\$ 8,519,744	\$ 21,299,360	\$ 21,299,360	100
2015	11,797,452	8,899,832	20,697,284	20,697,284	100
2014	10,537,921	11,252,651	21,790,572	21,790,572	100

#### 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 16.71% 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 \$44,243,796 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, 2016, 2015, and 2014, 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
2016	\$ 18,525,291	\$ 14,555,585	\$ 33,080,876	\$ 33,080,876	100
2015	18,797,804	13,905,404	32,703,208	32,703,208	100
2014	17,593,407	15,582,922	33,176,329	33,176,329	100

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

At June 30, 2016, the district reported a liability for its proportionate share of the net pension liability that reflected a reduction for State support provided to the District. The amount recognized by the district as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability associated with the District, were as follows:

<b>Net Pension Liability</b>	<b>PERS</b>	<b>TRS</b>
District's proportionate share of NPL	\$ 203,714,484	\$ 250,997,703
State's proportionate share of NPL associated with the district	54,563,611	433,895,000
<b>Total net pension liability</b>	<b>\$ 258,278,095</b>	<b>\$ 684,892,703</b>

The net pension liabilities were measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability for each plan was determined by an actuarial valuation as of that date. The district's proportion of the net pension liabilities were based on a projection of the district's long-term share of contributions to the pension plans relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2015, the district's proportion of PERS was 4.20029 percent, which was an increase of 2.01465 from its proportion measured as of June 30, 2014. For TRS the district's proportion was 13.49123 percent, representing an increase of 8.23918 from the prior year.

For the year ended June 30, 2016, the district recognized a pension expense of \$64,284,279 for PERS and \$105,501,505 for TRS. In addition, the district recognized on-behalf revenue from the State of Alaska in the amounts of \$7,535,062 and \$51,941,212 for PERS and TRS, respectively. At June 30, 2016, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 237,452	\$ (402,337)
Changes in assumptions	22,996,005	--
Net difference between projected and actual earnings on pension plan investments	--	(7,294,387)
Changes in proportion and differences between District contributions and proportionate share of contributions	60,319,727	(1,546,806)
District contributions subsequent to the measurement date	21,337,049	--
<b>Total</b>	<b>\$ 104,890,233</b>	<b>\$ (9,243,530)</b>

\$21,337,049 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30,	
2017	\$ 68,549,046
2018	2,063,341
2019	(5,495,827)
2020	9,193,094
2021	--
Thereafter	--

#### Actuarial Assumptions

The total pension liabilities were determined by actuarial valuations as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2015. The actuarial valuations for the year ended June 30, 2015 were prepared by Buck Consultants. The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience. Generally, both PERS and TRS follow the same assumptions, except as noted:

Actuarial Cost Method	Entry Age Normal – Level Percentage of Payroll
Asset Valuation Method	Invested assets are reported at fair value
Allocation Methodology	Amounts for FY14 and FY13 were allocated to employers based on actual contributions made in FY14 and FY13, respectively  Amounts for FY15 were allocated to employers based on the

	projected present value of contributions for FY17-FY39. The liability is expected to go to zero at 2039
Inflation	Measured by the consumer price index for urban and clerical workers for Anchorage and is assumed to increase 3.12% annually.
Salary Increases	Inflation – 3.12% per year Productivity – 0.50% per year Graded by age and years of service from 8.55% to 4.34%
Investment Return / Discount Rate	8.00% per year (geometric), compounded annually, net of expenses for pension; and 4.55% for healthcare
Mortality	Pre-termination – Based on the 2010-2013 actual mortality experience  Post-termination – 96% of all rates of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The Actuarial Value of Assets after June 30, 2014 reflects the deferred gains and losses generated by the smoothing method. The current deferred amount is recognized in the first four years of the projections.

Discount Rate Sensitivity

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

	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
<b>PERS</b>				
District's proportionate share of the net pension liability	4.20029%	\$ 270,821,160	\$ 203,714,484	\$ 147,217,606
	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
<b>TRS</b>				
District's proportionate share of the net pension liability	13.49123%	\$ 362,262,296	\$ 250,997,703	\$ 157,759,415

Pension Plan Fiduciary Net Position

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

Defined Contribution Pension Plan

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

	PERS Tier IV		TRS Tier III	
Individual account	5.00	%	7.00	%
Retiree medical	1.68		2.04	
Occupational death and disability benefits	0.22		--	
	<u>6.90</u>	%	<u>9.04</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, 2016 were \$5,516,328 and \$3,645,897 respectively. The district and employee contributions to TRS for the year ended June 30, 2016 were \$11,779,148 and \$7,720,719, respectively.

District contributions are recognized as pension expense/expenditures.

Investment - PERS, TRS and Teamster Pension

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

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

The Alaska Teamster-Employer Pension Trust Fund is a cost-sharing multi-employer defined benefit plan for bus drivers and attendants. Under the Teamster Local 959 collective bargaining agreement, which has an expiration date of June 30, 2016, the district contributes two dollars (\$2.88) 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 (\$1.44) 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, \$307,268 in 2015, and \$324,973 in 2016 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, 2016 was \$2,822,753, which compares to the district's total of \$383,752,363. 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 41 as of June 30, 2016. The cost of the retiree supplemental health benefits is recognized as expenditure when incurred. The total amount expended for the year ended June 30, 2016 is \$181,144.

#### **NOTE 6 – RISK MANAGEMENT**

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

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

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

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

The district has reflected an assignment of fund balance in the General Fund to account for workers' compensation and other liability claims and incurred but not reported claims. The assignment for self-insurance in the General Fund also provides for emergency funds to cover the self-insured retention in the event of multiple losses. The portion has been set at \$19,372,848. 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, 2016 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 2016, 2015, and 2014 are as follows:

		Liability Balance July 1	Current Year Claims and Changes in Estimates	Claims Payment	Liability Balance June 30
2016	Health	\$ 7,872,203	\$ 33,415,077	\$ 34,992,619	\$ 6,294,661
	Unemployment	48,881	164,272	177,956	35,197
	Workers' Comp	13,847,913	3,292,765	4,332,623	12,808,055
		<u>\$ 21,768,997</u>	<u>\$ 36,872,114</u>	<u>\$ 39,503,198</u>	<u>\$ 19,137,913</u>
2015	Health	\$ 8,154,089	\$ 30,834,726	\$ 31,116,612	\$ 7,872,203
	Unemployment	70,800	285,844	307,763	48,881
	Workers' Comp	13,476,518	6,236,802	5,865,407	13,847,913
		<u>\$ 21,701,407</u>	<u>\$ 37,357,372</u>	<u>\$ 37,289,782</u>	<u>\$ 21,768,997</u>
2014	Health	\$ 7,041,335	\$ 32,719,056	\$ 31,606,302	\$ 8,154,089
	Unemployment	86,383	356,708	372,291	70,800
	Workers' Comp	15,406,016	3,373,838	5,303,336	13,476,518
		<u>\$ 22,533,734</u>	<u>\$ 36,449,602</u>	<u>\$ 37,281,929</u>	<u>\$ 21,701,407</u>

#### NOTE 7 – COMMITMENTS

Commitments under lease agreements for the various administration buildings provide for minimum annual rental payments of \$3,233,938. Rent expenditures for the year ended June 30, 2016 were \$6,705,347.

#### NOTE 8 – CONTINGENT LIABILITIES

##### Grants

The district participates in a variety of state and federal assistance and revenue sharing programs. These programs are subject to program compliance review by the grantors or their representatives. The audits of

some of these programs before and including the year ended June 30, 2016 have not been concluded. Accordingly, the district's compliance with applicable grantor revenue sharing programs will be established at some future date. Any disallowed claims, including amounts already collected, would become a liability of the General Fund or other applicable fund. In management's opinion, disallowed claims, if any, will be immaterial.

#### Property Tax Limitation

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

#### Litigation

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

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

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

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

Property taxes collected	
General Fund	\$ 200,602,533
Debt Service Fund	38,808,432
Charges for services:	
Operations of swimming pools	\$ (278,273)
Joint property and liability insurance:	
Purchase of a single property and liability policy, which covers both the municipality and district	\$ (1,453,824)

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 – NEW ACCOUNTING PRONOUNCEMENTS**

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these

statements, but believes that GASB Statement 75 will result in the biggest reporting change. However, actual impacts have not yet been determined:

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

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

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

*GASB 77 – Tax Abatement Disclosures* – Effective for year end June 30, 2017 – This statement is intended to improve financial reporting by requiring governments that enter into tax abatement agreements to disclose certain information about the agreements.

*GASB 78 – Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* – Effective June 30, 2017 – This statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan meeting certain criteria.

*GASB 79 – Certain External Investment Pools and Pool Participants* – Effective June 30, 2017 – The objective of this Statement is to address for certain external investment pools and their participants the accounting and financial reporting implications that result from changes in the regulatory provisions referenced by previous accounting and financial reporting standards.

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## Basic Financial Statements

For the Year Ended June 30, 2016

**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 with Final Budget Positive (Negative)
				Original	Final	
<b>Revenues:</b>						
Revenues from local sources:						
Appropriation from Municipality of Anchorage	\$ 200,602,533	\$ --	\$ 200,602,533	\$ 200,602,535	\$ 200,602,535	\$ (2)
Reimbursement for school facilities rental	714,073	--	714,073	725,000	725,000	(10,927)
Nonresident tuition	26,621	--	26,621	15,000	15,000	11,621
Investment income	2,689,587	--	2,689,587	1,000,000	1,000,000	1,689,587
E-Rate	1,382,411	--	1,382,411	1,500,000	1,500,000	(117,589)
Other revenues	2,183,087	18,000,000	20,183,087	19,788,152	19,788,152	394,935
Total revenues from local sources	207,598,312	18,000,000	225,598,312	223,630,687	223,630,687	1,967,625
Revenues from state sources:						
Public school funding program	329,831,634	--	329,831,634	327,669,742	329,069,742	761,892
Retirement systems employer relief	46,502,795	(46,502,795)	--	--	--	--
On-Base tuition	408,484	--	408,484	405,000	405,000	3,484
Total revenues from state sources	376,742,913	(46,502,795)	330,240,118	328,074,742	329,474,742	765,376
Revenues from federal sources:						
Reserve Officers Training Corps	782,520	--	782,520	615,000	615,000	167,520
Federal Impact Aid	20,291,845	--	20,291,845	16,274,612	19,274,612	1,017,233
Medicaid reimbursement	242,289	--	242,289	500,000	500,000	(257,711)
Total revenues from federal sources	21,316,654	--	21,316,654	17,389,612	20,389,612	927,042
Total revenues	605,657,879	(28,502,795)	577,155,084	569,095,041	573,495,041	3,660,043
<b>Expenditures:</b>						
Current:						
General administration	29,325,141	(1,057,814)	28,267,327	17,317,859	28,599,375	332,048
Instruction	498,400,779	(42,519,168)	455,881,611	474,361,435	459,400,967	3,519,356
Operation and maintenance of plant	73,450,427	(55,761)	73,394,666	76,954,431	75,524,448	2,129,782
Community services	487,637	(16,188)	471,449	463,316	472,251	802
Total expenditures	601,663,984	(43,648,931)	558,015,053	569,097,041	563,997,041	5,981,988
Excess (deficiency) of revenues over (under) expenditures	3,993,895	15,146,136	19,140,031	(2,000)	9,498,000	9,642,031

See accompanying notes to required supplementary information  
(Continued)

For the Year Ended June 30, 2016

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Other financing sources (uses):						
Proceeds from sale of property and equipment	\$ 29,080	\$ --	\$ 29,080	\$ 2,000	\$ 2,000	\$ 27,080
Transfers out - Capital Projects Fund	(3,676,734)	--	(3,676,734)	--	--	(3,676,734)
Transfers out - Health Insurance Fund	(3,000,000)	--	(3,000,000)	--	--	(3,000,000)
Transfers out - Pupil Transportation Fund	(9,454,974)	--	(9,454,974)	--	(9,500,000)	45,026
Total other financing sources (uses)	(16,102,628)	--	(16,102,628)	2,000	(9,498,000)	(6,604,628)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(12,108,733)	\$ 15,146,136	\$ 3,037,403	\$ --	\$ --	\$ 3,037,403
Fund balance at beginning of year	141,404,398					
Fund balance at end of year	\$ 129,295,665					

**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		\$ 605,657,879
Add: budgeted fund balance	\$ 18,000,000	
Deduct: retirement systems employer relief	(46,502,795)	
		(28,502,795)
Revenues reported on the basis of budgeting		577,155,084
Expenditures reported on the basis of GAAP		601,663,984
Add: current year encumbrances	\$ 11,024,623	
Deduct: retirement systems employer relief	(46,502,795)	
Deduct: expenditures on prior year's encumbrances	(8,170,759)	
		(43,648,931)
Expenditures and encumbrances reported on the basis of budgeting		558,015,053
Excess (deficiency) of revenues over (under) expenditures on the basis of budgeting		\$ 19,140,031

See accompanying notes to required supplementary information



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

For the Year Ended June 30, 2016

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance Positive (Negative)
				Original	Final	
Revenues:						
Revenues from local grants:						
Charter School Supplemental	\$ 16,185	\$ --	\$ 16,185	\$ 15,977	\$ 15,977	\$ (208)
Community Partners Diversity Project	--	950	950	--	--	(950)
Donations From Local Agencies	259,221	54,039	313,260	371,566	371,566	58,306
NoVo Foundation Social and Emotional Learning	343,768	39,327	383,095	612,000	612,000	228,905
Contingency	--	--	--	2,336,777	2,336,777	2,336,777
Total revenues from local grants	619,174	94,316	713,490	3,336,320	3,336,320	2,622,830
Revenues from state grants:						
Designated Legislative Grants						
Senate Bill 18	415,721	(380,183)	35,538	--	--	(35,538)
Senate Bill 46	111,157	(7,095)	104,062	--	--	(104,062)
Senate Bill 119	593,221	(173,324)	419,897	--	--	(419,897)
Senate Bill 160	98,518	(105,157)	(6,639)	--	--	6,639
Total Designated Legislative Grants	1,218,617	(665,759)	552,858	--	--	(552,858)
Alaska Historical Commission	7,982	500	8,482	15,000	15,000	6,518
Alaska Railroad Summer Youth Program	19,813	--	19,813	20,000	20,000	187
Alaska Science and Technology Program	16	--	16	--	--	(16)
Alaska State School for the the Deaf	298,480	(36)	298,444	319,000	319,000	20,556
Alternative Schools Health and Wellness	59,259	--	59,259	59,260	59,260	1
Anchorage Construction Academy	174,968	--	174,968	175,000	175,000	32
ANSEP Grant	13,180	--	13,180	16,000	16,000	2,820
Big Brothers Big Sisters Mentoring	18,810	--	18,810	40,000	40,000	21,190
Charter School Supplemental Grants	49,645	--	49,645	50,000	50,000	355
Confucious Grant	18,383	--	18,383	8,900	8,900	(9,483)
Cultural Grants	27,171	750	27,921	13,721	13,721	(14,200)
Pre-school Kindergarten Program	327,874	--	327,874	333,811	333,811	5,937
Providence Heights	140,520	--	140,520	145,000	145,000	4,480
Retirement Systems Employer Relief	2,515,430	(2,515,430)	--	--	--	--
Suicide Awareness	21,590	--	21,590	21,592	21,592	2
Youth in Detention	511,569	91	511,660	512,252	512,252	592
Total revenues from state grants	5,423,307	(3,179,884)	2,243,423	1,729,536	1,729,536	(513,887)
Revenues from federal grants:						
Access to Education for Homeless Children Program	49,066	--	49,066	53,848	53,848	4,782
Alaska Family Directory Website	27,305	--	27,305	29,000	29,000	1,695
Alaska Mentorship Project	389,781	--	389,781	135,273	135,273	(254,508)
Alaska Sea Grant	1,554	--	1,554	--	--	(1,554)
Alaska State School for Deaf Program	54,252	1,255	55,507	65,000	65,000	9,493
Artists in Schools	3,166	--	3,166	3,166	3,166	--
Carl Perkins Vocational Education Basic	1,166,727	(252)	1,166,475	1,166,981	1,166,981	506
Centennial Challenge	25,062	--	25,062	28,620	28,620	3,558
CITC SEL Grant	162,358	16,081	178,439	627,768	627,768	449,329
Community Centers Learning Program	1,541,843	(191)	1,541,652	1,695,945	1,695,945	154,293
ESEA Consolidated	905,904	--	905,904	927,122	927,122	21,218
Military Impacted Students	516,392	34,731	551,123	--	--	(551,123)
NMSI Grant	19,999	--	19,999	19,999	19,999	--
Pre-School Handicapped	313,831	--	313,831	314,903	314,903	1,072
Project Aware	282,130	25,000	307,130	544,491	544,491	237,361
Project Ki'l	--	--	--	603,881	603,881	603,881
Project Puqigtut	239,893	(19,940)	219,953	--	--	(219,953)
Refugee Support Services	21,554	--	21,554	43,000	43,000	21,446
School Health Program	3	(2,078)	(2,075)	--	--	2,075
StarTalk - Language Culture Summer Camp	75,070	404	75,474	85,278	85,278	9,804
Ticket to Ride Grant	3,627	--	3,627	5,500	5,500	1,873

See accompanying notes to required supplementary information  
(Continued)

For the Year Ended June 30, 2016

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	\$ 192,853	\$ --	\$ 192,853	\$ 214,405	\$ 214,405	\$ 21,552
District-wide	11,678,964	(110,108)	11,568,856	15,198,624	15,198,624	3,629,768
Highly Qualified Program	1,758	--	1,758	10,000	10,000	8,242
McLaughlin Youth Center	184,163	--	184,163	200,534	200,534	16,371
Parent Involvement Program	105,971	(180)	105,791	179,120	179,120	73,329
School Improvement Program	23,013	--	23,013	28,795	28,795	5,782
Total Title I - No Child Left Behind	12,186,722	(110,288)	12,076,434	15,831,478	15,831,478	3,755,044
Title I -Migrant Education						
Book Program	11,547	--	11,547	11,549	11,549	2
District-wide	1,538,419	(139)	1,538,280	1,559,868	1,559,868	21,588
Parent Involvement Program	2,697	--	2,697	5,000	5,000	2,303
Summer Program	256,678	44,164	300,842	275,110	275,110	(25,732)
Total Title I -Migrant Education	1,809,341	44,025	1,853,366	1,851,527	1,851,527	(1,839)
Title II-A - Professional Development Program	3,149,736	(40,668)	3,109,068	5,315,076	5,315,076	2,206,008
Title III - English Language Acquisition	407,004	--	407,004	592,952	592,952	185,948
Title VI-B - Education of All Handicapped Children Act	11,915,242	26,863	11,942,105	14,889,509	14,889,509	2,947,404
Title VII - Indian, Native Hawaiian, and Alaska						
Native Education	3,132,920	4,734	3,137,654	3,144,787	3,144,787	7,133
Total revenues from federal grants	38,400,482	(20,324)	38,380,158	47,975,104	47,975,104	9,594,946
Total revenues	\$ 44,442,963	\$ (3,105,892)	\$ 41,337,071	\$ 53,040,960	\$ 53,040,960	\$ 11,703,889
Expenditures:						
Current:						
Instruction:						
Local grants	\$ 619,174	\$ 94,316	\$ 713,490	\$ 3,336,320	\$ 3,336,320	\$ 2,622,830
State grants	5,423,307	(3,179,884)	2,243,423	1,729,536	1,729,536	(513,887)
Federal grants	38,400,482	(20,324)	38,380,158	47,975,104	47,975,104	9,594,946
Total expenditures	44,442,963	(3,105,892)	41,337,071	53,040,960	53,040,960	11,703,889
Excess (deficiency) of revenues over (under) expenditures	--	--	--	--	--	--
Fund balance at beginning of year	--	--	--	--	--	--
Fund balance at end of year	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

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

Revenues reported on the basis of GAAP		\$ 44,442,963
Add revenues from current year encumbrances	\$ 417,092	
Deduct retirement systems employer relief	(2,515,430)	
Deduct revenues on prior year encumbrances	(1,007,554)	
		(3,105,892)
Revenues reported on the basis of budgeting		41,337,071
Expenditures reported on the basis GAAP		44,442,963
Add current year encumbrances	\$ 417,092	
Deduct retirement systems employer relief	(2,515,430)	
Deduct expenditures on prior year encumbrances	(1,007,554)	
		(3,105,892)
Expenditures and encumbrances reported on the basis of budgeting		41,337,071
Excess (deficiency) of revenue over (under) expenditures on the basis of budgeting		\$ --

See accompanying notes to required supplementary information

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

For the Year Ended June 30, 2016

Fiscal Year	District's proportion of the net pension liability	District's proportionate share of the net pension liability	State of Alaska proportionate share of the net pension liability	Total net pension liability	District's covered employee payroll	District's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014-2015	2.18564%	\$ 101,941,409	\$ 92,597,159	\$ 194,538,568	\$ 92,324,124	110.42%	62.37%
2015-2016	4.20029%	203,714,484	54,563,611	258,278,095	93,835,892	217.10%	63.96%

## SCHEDULE OF DISTRICT CONTRIBUTIONS

For the Year Ended June 30, 2016

## PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered- employee payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2014-2015	\$ 9,072,746	\$ 9,072,746	\$ --	\$ 93,835,892	9.669%
2015-2016	9,471,451	9,471,451	--	96,208,546	9.845%

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

For the Year Ended June 30, 2016

<u>Fiscal Year</u>	<u>District's proportion of the net pension liability</u>	<u>District's proportionate share of the net pension liability</u>	<u>State of Alaska proportionate share of the net pension liability</u>	<u>Total net pension liability</u>	<u>District's covered employee payroll</u>	<u>District's proportionate share of the net pension liability as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2014-2015	5.25205%	\$ 157,512,125	\$ 857,033,106	\$ 1,014,545,231	\$ 257,085,802	61.27%	55.70%
2015-2016	13.49123%	250,997,703	433,895,000	684,892,703	259,242,742	96.82%	73.82%

## SCHEDULE OF DISTRICT CONTRIBUTIONS

For the Year Ended June 30, 2016

## TEACHERS RETIREMENT SYSTEM (TRS)

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

## SCHEDULE OF DISTRICT CONTRIBUTIONS

For the Last Ten Years

## ALASKA TEAMSTER - EMPLOYER TRUST FUND

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>District Contributions</u>	<u>Percent Contributed</u>
2006-2007	\$ 189,058	\$ 189,058	100
2007-2008	195,914	195,914	100
2008-2009	213,887	213,887	100
2009-2010	218,867	218,867	100
2010-2011	224,444	224,444	100
2011-2012	250,452	250,452	100
2012-2013	265,122	265,122	100
2013-2014	303,470	303,470	100
2014-2015	307,268	307,268	100
2015-2016	324,973	324,973	100

See accompanying notes to required supplementary information

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**BUDGETARY DATA**

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

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

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

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

On March 24, 2015, the Assembly approved Assembly Ordinance AO NO. 2015-22 determining and approving the district's combined budget of \$784,243,730 with \$241,627,624 in local tax appropriation for the following funds: General Fund, Grants Special Revenue Fund, Food Service Special Revenue Fund, Student Activities Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

On May 14, 2015 the School Board approved the revised financial plan with ASD Memorandum No. 250 (2014-2015) to account for decreases in funding totaling \$15,691,969. The School Board approved a second revision to the financial plan on June 15, 2015 with ASD Memorandum No. 294 (2014-2015) to account for the partial restoration of earlier funding decreases.



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

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

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

#### Budgetary Comparison Schedules

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

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

Information in this table is presented based on the Plan measurement date. For June 30, 2016, the plan measurement date is June 30, 2015.

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

This table reports the District's pension contributions to PERS during fiscal year 2016. These contributions are reported as a deferred outflow on the June 30, 2016 basic financial statements.

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

Information in this table is presented based on the Plan measurement date. For June 30, 2016, the plan measurement date is June 30, 2015.

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

This table reports the District's pension contributions to TRS during fiscal year 2016. These contributions are reported as a deferred outflow on the June 30, 2016 basic financial statements.

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

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

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

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

This table reports the District's pension contributions to the Alaska Teamster – Employer Trust Fund for the last ten years. This plan has been given the critical status designation under the Pension Protection Act and, therefore, the district was required to make supplemental contributions to plan of 44% for every dollar contributed in FY 2015-2016. Additionally, the district was required to make supplemental contributions of 34 percent in FY 2014-2015, 24 percent in FY 2013-2014, and 14 percent in FY 2012-2013.

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



## General Fund

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

June 30, 2016  
With Comparative Totals for  
June 30, 2015

**BALANCE SHEET**

	2016	2015
<b>Assets</b>		
Cash and investments	\$ 159,272,539	\$ 157,999,519
Accounts receivable (net of any allowances for uncollectables)	1,675,931	2,594,575
Due from other funds:		
State and Federal Grants Special Revenue Fund	11,895,665	14,177,115
Student Activity Special Revenue Fund	65,887	64,244
Food Service Special Revenue Fund	402,579	--
Debt Service Fund	--	5,723,826
Due from other governments:		
Municipality of Anchorage	102,641,939	100,301,268
United States Government	604,651	604,651
Prepaid items	1,492,004	1,291,720
Inventory, at weighted average cost	2,175,855	2,091,036
Total assets	<u>\$ 280,227,050</u>	<u>\$ 284,847,954</u>
<b>Liabilities</b>		
Accounts payable	\$ 2,976,759	\$ 2,581,360
Medical claims and other contracts payable	514,021	1,650,746
Due to other funds:		
Food Service Special Revenue Fund	--	1,110,715
Debt Service Fund	2,445,530	--
Student Activity Special Revenue Fund	2,267,694	2,138,392
Capital Projects Fund	17,834,601	15,491,257
Pupil Transportation Special Revenue Fund	1,065,695	373,109
Accrued salaries and related items:		
Wages and salaries payable	2,467,994	2,720,849
Payroll taxes, other accrued and withheld items	18,705,983	17,057,624
Unearned revenue	11,169	18,236
Total liabilities	<u>48,289,446</u>	<u>43,142,288</u>
<b>Deferred inflows of resources</b>		
General property tax appropriations	102,641,939	100,301,268
Total deferred inflows of resources	<u>102,641,939</u>	<u>100,301,268</u>
<b>Fund balance</b>		
Non-spendable	3,667,859	3,382,756
Restricted	24,789,183	24,299,392
Committed	12,519,248	10,046,919
Assigned	58,828,775	73,157,731
Unassigned	29,490,600	30,517,600
Total fund balance	<u>129,295,665</u>	<u>141,404,398</u>
 Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 280,227,050</u></u>	<u><u>\$ 284,847,954</u></u>

For the Year Ended June 30, 2016  
 With Comparative Totals  
 For the Year Ended June 30, 2015

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

	2016	2015
Revenues:		
Revenues from local sources:		
Appropriation from Municipality of Anchorage	\$ 200,602,533	\$ 200,213,000
Reimbursement for school facilities rental	714,073	676,985
Non-resident tuition	26,621	10,080
Investment income	2,689,587	442,549
E-Rate	1,382,411	1,924,496
Other revenues	2,183,087	2,174,438
Total revenues from local sources	207,598,312	205,441,548
Revenues from state sources:		
Public school funding program	329,831,634	327,797,266
School improvement grant	--	12,660,878
Retirement systems employer relief	46,502,795	678,980,119
On-Base tuition	408,484	408,484
Total revenues from state sources	376,742,913	1,019,846,747
Revenues from federal sources:		
Reserve Officers Training Corps	782,520	848,021
Federal Impact Aid	20,291,845	21,484,208
Medicaid reimbursement	242,289	489,462
Total revenues from federal sources	21,316,654	22,821,691
Total revenues	605,657,879	1,248,109,986
Expenditures:		
Current:		
General administration	29,325,141	35,074,968
Instruction	498,400,779	1,105,273,782
Operation and maintenance of plant	73,450,427	85,422,847
Community services	487,637	576,814
Total expenditures	601,663,984	1,226,348,411
Excess (deficiency) of revenues over (under) expenditures	3,993,895	21,761,575
Other financing sources (uses):		
Proceeds from sale of property and equipment	29,080	28,563
Transfers out - Capital Projects Fund	(3,676,734)	--
Transfers out - Food Service Fund	--	(2,285,287)
Transfers out - Health Insurance Fund	(3,000,000)	--
Transfers out - Pupil Transportation Fund	(9,454,974)	--
Transfers out - Compensated Absences Fund	--	(27,849)
Transfers out - Equipment Replacement Fund	--	(700,000)
Total other financing sources (uses)	(16,102,628)	(2,984,573)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(12,108,733)	18,777,002
Fund balance at beginning of year	141,404,398	122,627,396
Fund balance at end of year	\$ 129,295,665	\$ 141,404,398

For the Year Ended June 30, 2016  
 With Comparative Totals  
 For the Year Ended June 30, 2015

## SCHEDULE OF EXPENDITURES - GAAP BASIS

	2016	2015
Current:		
General administration:		
Anchorage School Board	\$ 701,907	\$ 750,309
Superintendent	1,656,909	1,768,913
Instruction	585,636	1,675,718
Support services	4,222,083	4,831,426
Planning, communications and development	867,106	1,056,360
Business management	2,921,437	3,947,964
Employee relations	3,472,817	4,064,384
Assessment and evaluation	1,267,617	1,693,080
Technology/management information systems	12,628,106	15,698,908
Other general administration	1,001,523	(412,094)
Total general administration	<u>29,325,141</u>	<u>35,074,968</u>
Instruction:		
Instructional support:		
Curriculum and staff development	12,942,544	23,698,043
Instructional media	1,609,934	1,833,211
Technology/management information systems	2,496,610	4,132,551
Total instructional support	17,049,088	29,663,805
Elementary education	178,710,602	429,247,633
Charter schools	20,496,244	39,067,424
Middle school education	53,025,998	124,358,165
High school education	104,357,293	235,108,309
Special education services:		
Special services	25,047,997	51,922,717
Special education	80,163,658	157,859,984
Total special education services	105,211,655	209,782,701
English language learners	12,764,998	23,004,621
Gifted education	5,507,579	13,354,576
Native education	707,922	755,369
Other instruction	569,400	931,179
Total instruction	<u>498,400,779</u>	<u>1,105,273,782</u>

(Continued)

For the Year Ended June 30, 2016  
 With Comparative Totals  
 For the Year Ended June 30, 2015

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

	2016	2015
Operation and maintenance of plant:		
Elementary schools	\$ 12,093,336	\$ 13,076,794
Charter schools	3,627,993	5,830,643
Middle schools	3,755,031	3,991,399
High schools	7,610,813	7,952,448
Custodial services	19,114,442	22,804,861
Facilities	19,995,252	24,315,775
Vehicle maintenance	1,331,212	1,677,384
Other operations and maintenance of plant	5,922,348	5,773,543
Total operations and maintenance of plant	<u>73,450,427</u>	<u>85,422,847</u>
Community services	487,637	576,814
Total expenditures	<u><u>\$ 601,663,984</u></u>	<u><u>\$ 1,226,348,411</u></u>



## GENERAL FUND

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

For the Year Ended June 30, 2016

						Variance with Final Budget Positive (Negative)
	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		
				Original	Final	
Current:						
General administration:						
Anchorage school board:						
Salaries	\$ 255,016	\$ --	\$ 255,016	\$ 263,963	\$ 256,471	\$ 1,455
Employee benefits	98,457	(11,541)	86,916	83,522	86,636	(280)
Purchased services	344,375	38,066	382,441	364,610	404,646	22,205
Supplies and materials	4,059	--	4,059	2,948	4,145	86
Total anchorage school board	701,907	26,525	728,432	715,043	751,898	23,466
Superintendent:						
Salaries	394,493	--	394,493	367,659	389,897	(4,596)
Employee benefits	191,475	(36,269)	155,206	152,229	154,807	(399)
Purchased services	1,067,126	13,722	1,080,848	1,088,400	1,087,825	6,977
Supplies and materials	3,815	3,805	7,620	7,972	7,767	147
Total superintendent	1,656,909	(18,742)	1,638,167	1,616,260	1,640,296	2,129
Instruction:						
Salaries	378,901	--	378,901	598,412	411,773	32,872
Employee benefits	173,455	(44,766)	128,689	194,844	134,799	6,110
Purchased services	5,439	811	6,250	10,500	14,280	8,030
Supplies and materials	27,841	(5,377)	22,464	23,260	22,401	(63)
Capital outlay	--	1,500	1,500	1,500	1,500	--
Total instruction	585,636	(47,832)	537,804	828,516	584,753	46,949
Support services:						
Salaries	2,348,294	--	2,348,294	2,353,714	2,355,726	7,432
Employee benefits	1,462,894	(127,124)	1,335,770	1,387,116	1,342,048	6,278
Purchased services	219,828	(85,440)	134,388	117,585	207,724	73,336
Supplies and materials	95,976	55,530	151,506	175,031	163,968	12,462
Capital outlay	95,091	--	95,091	21,391	21,391	(73,700)
Total support services	4,222,083	(157,034)	4,065,049	4,054,837	4,090,857	25,808
Planning, communications and development:						
Salaries	436,616	--	436,616	480,404	445,265	8,649
Employee benefits	276,657	(25,651)	251,006	292,590	255,214	4,208
Purchased services	113,642	(25)	113,617	112,820	114,783	1,166
Supplies and materials	23,898	15,893	39,791	36,139	36,956	(2,835)
Capital outlay	16,293	1,872	18,165	8,977	10,849	(7,316)
Total planning, communications and development	867,106	(7,911)	859,195	930,930	863,067	3,872

(continued)

## GENERAL FUND

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

For the Year Ended June 30, 2016

						Variance with Final Budget Positive (Negative)
	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		
				Original	Final	
Business management:						
Salaries	\$ 1,745,425	\$ --	\$ 1,745,425	\$ 1,872,654	\$ 1,765,015	\$ 19,590
Employee benefits	1,041,580	(94,736)	946,844	1,065,336	957,795	10,951
Purchased services	122,203	(106,504)	15,699	8,813	18,867	3,168
Supplies and materials	12,229	1,253	13,482	13,901	13,847	365
Total business management	2,921,437	(199,987)	2,721,450	2,960,704	2,755,524	34,074
Employee relations:						
Salaries	2,024,259	--	2,024,259	2,076,796	2,031,454	7,195
Employee benefits	1,259,965	(109,128)	1,150,837	1,184,019	1,153,756	2,919
Purchased services	175,000	(9,875)	165,125	158,550	158,550	(6,575)
Supplies and materials	13,593	(170)	13,423	15,180	15,180	1,757
Total employee relations	3,472,817	(119,173)	3,353,644	3,434,545	3,358,940	5,296
Assessment and evaluation:						
Salaries	679,135	--	679,135	706,599	683,983	4,848
Employee benefits	366,628	(61,724)	304,904	319,660	306,375	1,471
Purchased services	14,677	15,000	29,677	37,825	37,463	7,786
Supplies and materials	207,177	(10,238)	196,939	198,200	198,112	1,173
Capital outlay	--	--	--	--	--	--
Total assessment and evaluation	1,267,617	(56,962)	1,210,655	1,262,284	1,225,933	15,278
Technology/management information systems:						
Salaries	6,039,981	--	6,039,981	6,466,277	6,105,651	65,670
Employee benefits	3,615,488	(333,094)	3,282,394	3,640,741	3,315,906	33,512
Purchased services	1,734,201	(58,895)	1,675,306	1,279,990	1,733,974	58,668
Supplies and materials	519,560	(144,774)	374,786	268,875	393,994	19,208
Capital outlay	718,876	(57,533)	661,343	1,142,710	1,173,225	511,882
Total technology/management information systems	12,628,106	(594,296)	12,033,810	12,798,593	12,722,750	688,940
Other general administration:						
Salaries	247,660	--	247,660	(7,019,001)	406,961	159,301
Employee benefits	180,042	(31,846)	148,196	(4,216,578)	277,858	129,662
Purchased services	(2,015,233)	64,476	(1,950,757)	(2,203,300)	(2,136,121)	(185,364)
Supplies and materials	2,270	40,000	42,270	104,500	47,904	5,634
Capital outlay	--	50,000	50,000	50,000	50,000	--
Other	2,586,784	(5,032)	2,581,752	2,000,526	1,958,755	(622,997)
Total other general administration	1,001,523	117,598	1,119,121	(11,283,853)	605,357	(513,764)
Total general administration	29,325,141	(1,057,814)	28,267,327	17,317,859	28,599,375	332,048

(continued)

## GENERAL FUND

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

For the Year Ended June 30, 2016

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Instruction:						
Curriculum and staff development:						
Salaries	\$ 5,889,914	\$ --	\$ 5,889,914	\$ 6,281,575	\$ 5,951,023	\$ 61,109
Employee benefits	2,829,338	(852,273)	1,977,065	2,183,071	1,994,231	17,166
Purchased services	498,160	(36,895)	461,265	352,498	496,993	35,728
Supplies and materials	3,719,633	(1,982,957)	1,736,676	1,212,286	1,666,249	(70,427)
Capital outlay	5,499	--	5,499	25,000	25,000	19,501
Total curriculum and staff development	12,942,544	(2,872,125)	10,070,419	10,054,430	10,133,496	63,077
Instructional media:						
Salaries	691,110	--	691,110	691,009	691,508	398
Employee benefits	464,753	(37,886)	426,867	430,450	427,272	405
Purchased services	316,822	(20,898)	295,924	344,408	335,960	40,036
Supplies and materials	137,249	10,404	147,653	138,977	141,023	(6,630)
Total instructional media	1,609,934	(48,380)	1,561,554	1,604,844	1,595,763	34,209
Technology/management information systems:						
Salaries	453,511	--	453,511	589,585	476,130	22,619
Employee benefits	242,554	(70,928)	171,626	222,660	176,934	5,308
Purchased services	1,689,088	680,647	2,369,735	1,878,752	2,483,764	114,029
Supplies and materials	111,457	907,682	1,019,139	21,785	1,023,717	4,578
Total technology/management information systems	2,496,610	1,517,401	4,014,011	2,712,782	4,160,545	146,534
Total instructional support	17,049,088	(1,403,104)	15,645,984	14,372,056	15,889,804	243,820
Elementary education:						
Salaries	115,375,206	--	115,375,206	118,169,941	115,784,538	409,332
Employee benefits	61,175,321	(17,610,968)	43,564,353	47,425,662	43,915,781	351,428
Purchased services	388,656	274,445	663,101	852,114	769,339	106,238
Supplies and materials	1,771,419	(9,582)	1,761,837	1,835,140	1,886,954	125,117
Total elementary education	178,710,602	(17,346,105)	161,364,497	168,282,857	162,356,612	992,115
Charter schools:						
Salaries	11,483,968	--	11,483,968	11,220,316	11,468,273	(15,695)
Employee benefits	6,075,835	(1,594,373)	4,481,462	4,904,352	4,482,519	1,057
Purchased services	1,869,253	1,582,654	3,451,907	2,944,794	3,452,311	404
Supplies and materials	1,063,205	325,774	1,388,979	1,245,495	1,389,505	526
Other	3,983	--	3,983	--	3,983	--
Total charter schools	20,496,244	314,055	20,810,299	20,314,957	20,796,591	(13,708)

(continued)

## GENERAL FUND

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

For the Year Ended June 30, 2016

						Variance with Final Budget Positive (Negative)
	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		
				Original	Final	
Middle school education:						
Salaries	\$ 33,655,027	\$ --	\$ 33,655,027	\$ 34,447,801	\$ 33,811,557	\$ 156,530
Employee benefits	18,164,238	(5,097,969)	13,066,269	14,108,701	13,164,452	98,183
Purchased services	436,865	10,372	447,237	890,826	465,537	18,300
Supplies and materials	745,309	11,478	756,787	660,004	796,064	39,277
Capital outlay	24,559	4,374	28,933	--	18,389	(10,544)
Total middle school education	53,025,998	(5,071,745)	47,954,253	50,107,332	48,255,999	301,746
High school education:						
Salaries	65,715,863	--	65,715,863	67,312,751	66,016,829	300,966
Employee benefits	34,470,915	(9,764,283)	24,706,632	26,853,743	24,890,883	184,251
Purchased services	2,110,159	147,589	2,257,748	2,599,016	2,458,943	201,195
Supplies and materials	1,889,455	(33,746)	1,855,709	1,993,918	1,996,322	140,613
Other	170,901	--	170,901	186,746	181,795	10,894
Total high school education	104,357,293	(9,650,440)	94,706,853	98,946,174	95,544,772	837,919
Special services:						
Salaries	14,706,296	--	14,706,296	15,506,226	14,783,531	77,235
Employee benefits	8,353,958	(1,964,943)	6,389,015	7,287,822	6,447,640	58,625
Purchased services	1,805,461	47,272	1,852,733	715,683	1,883,501	30,768
Supplies and materials	182,282	(6,808)	175,474	151,402	188,262	12,788
Total special services	25,047,997	(1,924,479)	23,123,518	23,661,133	23,302,934	179,416
Special education:						
Salaries	48,341,780	--	48,341,780	50,703,033	48,642,991	301,211
Employee benefits	30,601,905	(5,907,932)	24,693,973	27,795,907	24,957,387	263,414
Purchased services	945,802	(56,839)	888,963	571,499	1,056,059	167,096
Supplies and materials	274,171	87,134	361,305	277,250	418,089	56,784
Total special education	80,163,658	(5,877,637)	74,286,021	79,347,689	75,074,526	788,505
Total special education services	105,211,655	(7,802,116)	97,409,539	103,008,822	98,377,460	967,921
English language learners:						
Salaries	7,398,701	--	7,398,701	7,763,219	7,436,842	38,141
Employee benefits	5,148,219	(826,178)	4,322,041	4,798,960	4,358,984	36,943
Purchased services	43,960	(3,363)	40,597	73,300	73,100	32,503
Supplies and materials	174,118	(121,421)	52,697	55,674	55,674	2,977
Total english language learners	12,764,998	(950,962)	11,814,036	12,691,153	11,924,600	110,564
Gifted program:						
Salaries	3,525,647	--	3,525,647	3,519,191	3,524,871	(776)
Employee benefits	1,872,088	(551,931)	1,320,157	1,422,718	1,329,495	9,338
Purchased services	41,846	(7,545)	34,301	18,057	35,016	715
Supplies and materials	67,998	(19,096)	48,902	69,384	52,325	3,423
Total gifted program	5,507,579	(578,572)	4,929,007	5,029,350	4,941,707	12,700

(continued)

## GENERAL FUND

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

For the Year Ended June 30, 2016

						Variance with Final Budget Positive (Negative)
	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		
				Original	Final	
Native education:						
Salaries	\$ 384,008	\$ --	\$ 384,008	\$ 385,663	\$ 384,304	\$ 296
Employee benefits	323,732	(21,406)	302,326	339,402	305,704	3,378
Purchased services	182	--	182	300	300	118
Total native education	707,922	(21,406)	686,516	725,365	690,308	3,792
Other instruction:						
Salaries	354,320	--	354,320	604,854	390,981	36,661
Employee benefits	97,757	(8,773)	88,984	140,000	93,618	4,634
Capital outlay	117,323	--	117,323	138,515	138,515	21,192
Total other instruction	569,400	(8,773)	560,627	883,369	623,114	62,487
Total instruction	498,400,779	(42,519,168)	455,881,611	474,361,435	459,400,967	3,519,356
Operations and maintenance of plant:						
Elementary education:						
Salaries	2,495,579	--	2,495,579	2,359,518	2,475,669	(19,910)
Employee benefits	1,966,796	(137,798)	1,828,998	1,859,650	1,831,782	2,784
Purchased services	7,608,936	3,319	7,612,255	9,093,608	8,503,515	891,260
Supplies and materials	22,025	300	22,325	24,497	27,919	5,594
Total elementary education	12,093,336	(134,179)	11,959,157	13,337,273	12,838,885	879,728
Charter schools:						
Salaries	214,530	--	214,530	153,323	214,536	6
Employee benefits	156,816	(11,842)	144,974	121,276	144,987	13
Purchased services	3,219,014	(567,666)	2,651,348	3,637,767	2,651,172	(176)
Supplies and materials	37,633	(6,593)	31,040	54,250	31,046	6
Total charter schools	3,627,993	(586,101)	3,041,892	3,966,616	3,041,741	(151)
Middle school education:						
Salaries	472,070	--	472,070	440,175	467,403	(4,667)
Employee benefits	356,108	(25,888)	330,220	324,108	329,688	(532)
Purchased services	2,908,333	3,131	2,911,464	3,423,382	3,113,876	202,412
Supplies and materials	18,520	(705)	17,815	25,025	25,705	7,890
Total middle school education	3,755,031	(23,462)	3,731,569	4,212,690	3,936,672	205,103
High school education:						
Salaries	644,160	--	644,160	538,040	636,486	(7,674)
Employee benefits	457,487	(35,143)	422,344	392,202	421,362	(982)
Purchased services	6,478,441	(40,791)	6,437,650	7,800,915	7,104,139	666,489
Supplies and materials	30,725	(788)	29,937	33,725	34,695	4,758
Total high school education	7,610,813	(76,722)	7,534,091	8,764,882	8,196,682	662,591

(continued)

## GENERAL FUND

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

For the Year Ended June 30, 2016

				Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Original	Final	
Other operations and maintenance of plant:						
Custodial services:						
Salaries	\$ 9,967,261	\$ --	\$ 9,967,261	\$ 10,182,193	\$ 9,996,981	\$ 29,720
Employee benefits	8,133,417	(547,849)	7,585,568	7,854,934	7,609,613	24,045
Purchased services	161,993	9,154	171,147	180,572	182,808	11,661
Supplies and materials	827,486	6,372	833,858	710,832	838,456	4,598
Capital outlay	24,285	--	24,285	25,771	25,771	1,486
Total custodial services	19,114,442	(532,323)	18,582,119	18,954,302	18,653,629	71,510
Facilities:						
Salaries	8,976,127	--	8,976,127	9,395,265	8,989,230	13,103
Employee benefits	5,905,375	(503,132)	5,402,243	5,903,615	5,428,514	26,271
Purchased services	2,059,420	1,626,069	3,685,489	2,583,451	3,744,760	59,271
Supplies and materials	2,526,188	156,194	2,682,382	2,128,855	2,880,750	198,368
Capital outlay	528,142	(17,875)	510,267	292,581	307,395	(202,872)
Total facilities	19,995,252	1,261,256	21,256,508	20,303,767	21,350,649	94,141
Vehicle maintenance:						
Salaries	479,637	--	479,637	478,152	479,470	(167)
Employee benefits	316,718	(27,045)	289,673	291,836	289,879	206
Purchased services	85,856	--	85,856	88,149	90,149	4,293
Supplies and materials	449,001	29,712	478,713	493,138	491,138	12,425
Total vehicle maintenance	1,331,212	2,667	1,333,879	1,351,275	1,350,636	16,757
Salaries	490,970	--	490,970	440,993	487,110	(3,860)
Employee benefits	338,715	(27,539)	311,176	294,743	310,455	(721)
Purchased services	4,293,208	60,642	4,353,850	4,467,907	4,497,992	144,142
Supplies and materials	6,613	--	6,613	6,841	6,855	242
Other	792,842	--	792,842	853,142	853,142	60,300
Total other operation and maintenance of plant	5,922,348	33,103	5,955,451	6,063,626	6,155,554	200,103
Total operations and maintenance of plant	73,450,427	(55,761)	73,394,666	76,954,431	75,524,448	2,129,782
Community services:						
Community services:						
Salaries	256,313	--	256,313	246,407	254,987	(1,326)
Employee benefits	162,877	(13,738)	149,139	148,759	149,128	(11)
Purchased services	54,035	(975)	53,060	53,150	53,150	90
Supplies and materials	14,412	(1,475)	12,937	15,000	14,986	2,049
Total community services	487,637	(16,188)	471,449	463,316	472,251	802
Total current	\$ 601,663,984	\$ (43,648,931)	\$ 558,015,053	\$ 569,097,041	\$ 563,997,041	\$ 5,981,988

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

For the Year Ended June 30, 2016

	Personnel Services	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other	Total
Current:							
General administration:							
Anchorage School Board	\$ 255,016	\$ 98,457	\$ 344,375	\$ 4,059	\$ --	\$ --	\$ 701,907
Superintendent	394,493	191,475	1,067,126	3,815	--	--	1,656,909
Instruction	378,901	173,455	5,439	27,841	--	--	585,636
Support services	2,348,294	1,462,894	219,828	95,976	95,091	--	4,222,083
Planning, communications and development	436,616	276,657	113,642	23,898	16,293	--	867,106
Business management	1,745,425	1,041,580	122,203	12,229	--	--	2,921,437
Employee relations	2,024,259	1,259,965	175,000	13,593	--	--	3,472,817
Assessment and evaluation	679,135	366,628	14,677	207,177	--	--	1,267,617
Technology/management information systems	6,039,981	3,615,488	1,734,201	519,560	718,876	--	12,628,106
Other general administration	247,660	180,042	(2,015,233)	2,270	--	2,586,784	1,001,523
Total general administration	14,549,780	8,666,641	1,781,258	910,418	830,260	2,586,784	29,325,141
Instruction:							
Instructional support:							
Curriculum and staff development	5,889,914	2,829,338	498,160	3,719,633	5,499	--	12,942,544
Instructional media	691,110	464,753	316,822	137,249	--	--	1,609,934
Technology/management information systems	453,511	242,554	1,689,088	111,457	--	--	2,496,610
Total instructional support	7,034,535	3,536,645	2,504,070	3,968,339	5,499	--	17,049,088
Elementary education	115,375,206	61,175,321	388,656	1,771,419	--	--	178,710,602
Charter schools	11,483,968	6,075,835	1,869,253	1,063,205	--	3,983	20,496,244
Middle school education	33,655,027	18,164,238	436,865	745,309	24,559	--	53,025,998
High school education	65,715,863	34,470,915	2,110,159	1,889,455	--	170,901	104,357,293
Special education services:							
Special services	14,706,296	8,353,958	1,805,461	182,282	--	--	25,047,997
Special education	48,341,780	30,601,905	945,802	274,171	--	--	80,163,658
Total special education services	63,048,076	38,955,863	2,751,263	456,453	--	--	105,211,655
English language learners	7,398,701	5,148,219	43,960	174,118	--	--	12,764,998
Gifted education	3,525,647	1,872,088	41,846	67,998	--	--	5,507,579
Native education	384,008	323,732	182	--	--	--	707,922
Other instruction	354,320	97,757	--	--	117,323	--	569,400
Total instruction	307,975,351	169,820,613	10,146,254	10,136,296	147,381	174,884	498,400,779
Pupil transportation							
Operation and maintenance of plant:							
Elementary schools	2,495,579	1,966,796	7,608,936	22,025	--	--	12,093,336
Charter schools	214,530	156,816	3,219,014	37,633	--	--	3,627,993
Middle schools	472,070	356,108	2,908,333	18,520	--	--	3,755,031
High schools	644,160	457,487	6,478,441	30,725	--	--	7,610,813
Custodial services	9,967,261	8,133,417	161,993	827,486	24,285	--	19,114,442
Facilities	8,976,127	5,905,375	2,059,420	2,526,188	528,142	--	19,995,252
Vehicle maintenance	479,637	316,718	85,856	449,001	--	--	1,331,212
Other operations and maintenance of plant:	490,970	338,715	4,293,208	6,613	--	792,842	5,922,348
Total operation and maintenance of plant	23,740,334	17,631,432	26,815,201	3,918,191	552,427	792,842	73,450,427
Community services	256,313	162,877	54,035	14,412	--	--	487,637
Total expenditures	\$ 346,521,778	\$ 196,281,563	\$ 38,796,748	\$ 14,979,317	\$ 1,530,068	\$ 3,554,510	\$ 601,663,984

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## Special Revenue Funds

### Grants Fund

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

### Food Service Fund

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

### Student Activities Fund

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

### Pupil Transportation

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

June 30, 2016  
With Comparative Totals for  
June 30, 2015

## BALANCE SHEET

	2016	2015
<b>Assets</b>		
Accounts receivable	\$ 7,473	\$ 7,183
Due from other governments:		
Municipality of Anchorage	48,404	86,989
State of Alaska	777,139	1,205,326
United States Government	14,493,481	15,672,508
Prepaid items	53,804	17,852
Total assets	<u>\$ 15,380,301</u>	<u>\$ 16,989,858</u>
<b>Liabilities</b>		
Accounts payable	\$ 376,880	\$ 356,645
Due to General Fund	11,895,665	14,177,115
Accrued salaries and related items:		
Wages and salaries payable	965,761	601,081
Payroll taxes, other accrued and withheld items	867,702	647,612
Unearned revenues	1,274,293	1,207,405
Total liabilities	<u>15,380,301</u>	<u>16,989,858</u>
<b>Fund balance</b>		
Non-spendable	53,804	17,852
Unassigned	(53,804)	(17,852)
Total fund balance	<u>--</u>	<u>--</u>
 Total liabilities and fund balance	 <u>\$ 15,380,301</u>	 <u>\$ 16,989,858</u>

For the Year Ended June 30, 2016  
With Comparative Totals  
For the Year Ended June 30, 2015

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

	2016	2015
Revenues:		
Revenues from local grants:		
Charter School Supplemental Grants	\$ 16,185	\$ 16,985
Community Partners Diversity	--	1,604
Donations From Local Agencies	259,221	406,229
Graduation Support Services	--	11,207
MOA Recycling	--	1,237
NoVo Foundation Social and Emotional Learning	343,768	338,452
Total revenues from local grants	619,174	775,714
Revenues from state grants:		
Designated Legislative Grants		
Senate Bill 18	415,721	426,214
Senate Bill 46	111,157	136,098
Senate Bill 119	593,221	1,051,407
Senate Bill 160	98,518	630,563
Senate Bill 230	--	112,237
Total Designated Legislative Grants	1,218,617	2,356,519
Alaska Historical Commission	7,982	--
Alaska Railroad Summer Youth Program	19,813	18,070
Alaska Science and Technology Program	16	--
Alaska State School for Deaf	298,480	228,512
Alternative Schools Health and Wellness	59,259	36,057
Anchorage Construction Academy	174,968	338,402
ANSEP Grant	13,180	23,546
Big Brothers Big Sisters Mentoring	18,810	34,414
Charter School Supplemental Grants	49,645	--
Confucious Grant	18,383	--
Cultural Collaboration Project	27,171	7,487
Early Literacy K-3	--	119,399
Farm to School	--	3,895
Pre-School Kindergarten Program	327,874	325,413
Providence Heights	140,520	121,167
Retirement Systems Employer Relief	2,515,430	36,638,640
Suicide Awareness	21,590	25,620
Youth in Detention	511,569	482,799
Total revenues from state grants	5,423,307	40,759,940
Revenues from federal grants:		
Access to Education for Homeless Children Program	49,066	33,933
Alaska Family Directory Website	27,305	23,632
Alaska Mentorship Project	389,781	676,302
Alaska Sea Grant	1,554	3,015
Alaska State School for the Deaf	54,252	64,765
Artists in Schools	3,166	5,639
Big Brothers Big Sisters Mentoring	--	30,160
Carl Perkins Vocational Education	1,166,727	1,227,128
Centennial Challenge	25,062	--
CITC SEL Grant	162,358	--
Community Centers Learning Program	1,541,843	1,653,459
ESEA Consolidated	905,904	786,836
Lets Do History	--	6,001
Military Impacted Students	516,392	553,570
NMSI Grant	19,999	--
Pre-School Handicapped	313,831	307,281
Project Aware	282,130	21,322

(Continued)

For the Year Ended June 30, 2016  
With Comparative Totals  
For the Year Ended June 30, 2015

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

	2,016	2015
Project Ki'l	--	297,374
Project MORE	--	493,436
Project Puqigtut	239,893	640,007
Refugee Support Services	21,554	51,064
School Health Program	3	--
StarTalk - Language Culture Summer Camp	75,070	87,868
Ticket to Ride Grant	3,627	--
Title I - No Child Left Behind Act		
Delinquent and At-Risk Youth Program	192,853	138,306
District-wide	11,678,964	12,538,275
Highly Qualified Program	1,758	3,070
McLaughlin Youth Center	184,163	137,423
Parent Involvement Program	105,971	170,659
School Improvement Program	23,013	40,032
Total Title I - No Child Left Behind Act	12,186,722	13,027,765
Title I - Migrant Education		
Book Program	11,547	14,947
District-wide	1,538,419	1,545,604
Parent Involvement Program	2,697	--
Summer Program	256,678	433,969
Total Title I - Migrant Education	1,809,341	1,994,520
Title II A - Professional Development Program	3,149,736	3,366,680
Title III - English Language Acquisition	407,004	295,189
Title VI B - Education of All Handicapped Children	11,915,242	12,635,643
Title VII - Indian, Native Hawaiian, and Alaska Native Education	3,132,920	2,962,373
Youth Risk Behavior Survey	--	23,546
Total revenues from federal grants	38,400,482	41,268,508
Total revenues	44,442,963	82,804,162
Expenditures:		
Current:		
Instruction:		
Local grants	619,174	775,714
State grants	5,423,307	40,759,940
Federal grants	38,400,482	41,268,508
Total expenditures	44,442,963	82,804,162
Excess (deficiency) of revenues over (under) expenditures	--	--
Fund balance at beginning of year	--	--
Fund balance at end of year	\$ --	\$ --

For the Year Ended June 30, 2016  
With Comparative Totals  
For the Year Ended June 30, 2015

## SCHEDULE OF EXPENDITURES - GAAP BASIS

	2016	2015
Current:		
Instruction:		
Local grants:		
Charter School Supplemental Grants	\$ 16,185	\$ 16,985
Community Partners Diversity	--	1,604
Donations From Local Agencies	259,221	406,229
Graduation Support Services	--	11,207
MOA Recycling	--	1,237
NoVo Foundation Social and Emotional Learning	343,768	338,452
Total local grants	619,174	775,714
State grants:		
Designated Legislative Grants		
Senate Bill 18	415,721	426,214
Senate Bill 46	111,157	136,098
Senate Bill 119	593,221	1,051,407
Senate Bill 160	98,518	630,563
Senate Bill 230	--	112,237
Total Designated Legislative Grants	1,218,617	2,356,519
Alaska Historical Commission	7,982	--
Alaska Railroad Summer Youth Program	19,813	18,070
Alaska Science and Technology Program	16	--
Alaska State School for the Deaf	298,480	228,512
Alternative Schools Health and Wellness	59,259	36,057
Anchorage Construction Academy	174,968	338,402
ANSEP Grant	13,180	23,546
Big Brothers Big Sisters Mentoring	18,810	34,414
Charter School Supplemental Grants	49,645	--
Confucious Grant	18,383	--
Cultural Collaboration Project	27,171	7,487
Early Literacy K-3	--	119,399
Farm to School	--	3,895
Pre-School Kindergarten Program	327,874	325,413
Providence Heights	140,520	121,167
Retirement Systems Employer Relief	2,515,430	36,638,640
Suicide Awareness	21,590	25,620
Youth in Detention	511,569	482,799
Total state grants	5,423,307	40,759,940
Federal grants:		
Access to Education for Homeless Children Program	49,066	33,933
Alaska Family Directory Website	27,305	23,632
Alaska Mentorship Project	389,781	676,302
Alaska Sea Grant	1,554	3,015
Alaska State School for the Deaf	54,252	64,765
Artists in Schools	3,166	5,639
Big Brothers Big Sisters Mentoring	--	30,160
Carl Perkins Vocational Education	1,166,727	1,227,128
Centennial Challenge	25,062	--
CITC SEL Grant	162,358	--
Community Centers Learning Program	1,541,843	1,653,459
ESEA Consolidated	905,904	786,836

(Continued)

For the Year Ended June 30, 2016  
With Comparative Totals  
For the Year Ended June 30, 2015

## SCHEDULE OF EXPENDITURES - GAAP BASIS (Continued)

	2016	2015
Lets Do History	\$ --	\$ 6,001
Military Impacted Students	516,392	553,570
NMSI Grant	19,999	--
Pre-School Handicapped	313,831	307,281
Project Aware	282,130	21,322
Project Ki'l	--	297,374
Project MORE	--	493,436
Project Puqigtut	239,893	640,007
Refugee Support Services	21,554	51,064
School Health Program	3	--
StarTalk - Language Culture Summer Camp	75,070	87,868
Ticket to Ride Grant	3,627	--
Title I - No Child Left Behind Act		
Delinquent and At-Risk Youth Program	192,853	138,306
District-wide	11,678,964	12,538,275
Highly Qualified Program	1,758	3,070
McLaughlin Youth Center	184,163	137,423
Parent Involvement Program	105,971	170,659
School Improvement Program	23,013	40,032
Total Title I - No Child Left Behind Act	12,186,722	13,027,765
Title I - Migrant Education		
Book Program	11,547	14,947
District-wide	1,538,419	1,545,604
Parent Involvement Program	2,697	--
Summer Program	256,678	433,969
Total Title I - Migrant Education	1,809,341	1,994,520
Title II A - Professional Development Program	3,149,736	3,366,680
Title III - English Language Acquisition	407,004	295,189
Title VI B - Education of All Handicapped Children	11,915,242	12,635,643
Title VII - Indian, Native Hawaiian, and Alaska Native Education	3,132,920	2,962,373
Youth Risk Behavior Survey	--	23,546
Total federal grants	38,400,482	41,268,508
Total expenditures	\$ 44,442,963	\$ 82,804,162

For the Year Ended June 30, 2016

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:					
Charter School Supplemental Grants					
Supplies and materials	\$ 16,185	\$ --	\$ 16,185	\$ 15,977	\$ (208)
Total Charter School Supplemental Grants	16,185	--	16,185	15,977	(208)
Community Partners Diversity Project					
Purchased services	--	950	950	--	(950)
Total Community Partners Diversity Project	--	950	950	--	(950)
Donations from Local Agencies					
Salaries	92,591	--	92,591	90,240	(2,351)
Employee benefits	13,525	--	13,525	32,461	18,936
Purchased services	88,903	(445)	88,458	121,287	32,829
Supplies and materials	64,202	54,484	118,686	123,926	5,240
Capital outlay	--	--	--	3,652	3,652
Total Donations from Local Agencies	259,221	54,039	313,260	371,566	58,306
NoVo Foundation Social and Emotional Learning					
Salaries	107,990	--	107,990	248,844	140,854
Employee benefits	30,243	--	30,243	84,231	53,988
Purchased services	132,709	39,327	172,036	231,320	59,284
Supplies and materials	72,826	--	72,826	47,605	(25,221)
Total NoVo Foundation Social and Emotional Learning	343,768	39,327	383,095	612,000	228,905
Contingency	--	--	--	2,336,777	2,336,777
Total local grants	619,174	94,316	713,490	3,336,320	2,622,830
State grants:					
Designated Legislative Grants					
Senate Bill 18					
Salaries	5,635	--	5,635	--	(5,635)
Employee benefits	834	--	834	--	(834)
Purchased services	381,313	(392,370)	(11,057)	--	11,057
Supplies and materials	27,939	12,187	40,126	--	(40,126)
Total Senate Bill 18	415,721	(380,183)	35,538	--	(35,538)
Senate Bill 46					
Salaries	1,680	--	1,680	--	(1,680)
Employee benefits	252	--	252	--	(252)
Purchased services	4,644	--	4,644	--	(4,644)
Supplies and materials	91,634	(7,095)	84,539	--	(84,539)
Capital outlay	12,947	--	12,947	--	(12,947)
Total Senate Bill 46	111,157	(7,095)	104,062	--	(104,062)
Senate Bill 119					
Salaries	13,354	--	13,354	--	(13,354)
Employee benefits	2,122	--	2,122	--	(2,122)
Purchased services	14,353	3,719	18,072	(621)	(18,693)
Supplies and materials	563,392	(177,043)	386,349	621	(385,728)
Total Senate Bill 119	593,221	(173,324)	419,897	--	(419,897)
Senate Bill 160					
Salaries	2,806	--	2,806	--	(2,806)
Employee benefits	422	--	422	--	(422)
Purchased services	39,494	(107,858)	(68,364)	--	68,364
Supplies and materials	55,796	2,701	58,497	--	(58,497)
Total Senate Bill 160	98,518	(105,157)	(6,639)	--	6,639
Total Designated Legislative Grants	1,218,617	(665,759)	552,858	--	(552,858)
Alaska Historical Commission					
Salaries	6,000	--	6,000	9,766	3,766
Employee benefits	903	--	903	1,487	584
Purchased services	1,000	500	1,500	1,500	--
Supplies and materials	79	--	79	2,247	2,168
Total Alaska Historical Commission	7,982	500	8,482	15,000	6,518
Alaska Railroad Summer Youth Program					
Salaries	15,276	--	15,276	15,362	86
Employee benefits	2,299	--	2,299	2,341	42
Supplies and materials	2,238	--	2,238	2,297	59
Total Alaska Railroad Summer Youth Program	19,813	--	19,813	20,000	187

(Continued)

For the Year Ended June 30, 2016

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Final Budget	Variance - Positive (Negative)
Alaska Science and Technology Program					
Supplies and materials	\$ 16	\$ --	\$ 16	\$ --	\$ (16)
Total Alaska Science and Technology Program	16	--	16	--	(16)
Alaska State School for the Deaf					
Salaries	189,809	--	189,809	195,250	5,441
Employee benefits	64,913	--	64,913	72,114	7,201
Purchased services	35,827	(36)	35,791	40,061	4,270
Supplies and materials	7,931	--	7,931	11,575	3,644
Total Alaska State School for the Deaf	298,480	(36)	298,444	319,000	20,556
Alternative Schools Health and Wellness					
Salaries	24,609	--	24,609	24,610	1
Employee benefits	4,056	--	4,056	4,055	(1)
Purchased services	17,238	--	17,238	17,262	24
Supplies and materials	13,356	--	13,356	13,333	(23)
Total Alternative Schools Health and Wellness	59,259	--	59,259	59,260	1
Anchorage Construction Academy					
Salaries	29,535	--	29,535	29,705	170
Employee benefits	5,493	--	5,493	5,494	1
Purchased services	78,732	--	78,732	78,773	41
Supplies and materials	61,208	--	61,208	61,028	(180)
Total Anchorage Construction Academy	174,968	--	174,968	175,000	32
ANSEP Grant					
Salaries	11,017	--	11,017	13,570	2,553
Employee benefits	1,629	--	1,629	1,792	163
Purchased services	534	--	534	638	104
Total ANSEP Grant	13,180	--	13,180	16,000	2,820
Big Brothers Big Sisters Mentoring					
Salaries	9,388	--	9,388	16,290	6,902
Employee benefits	8,673	--	8,673	15,088	6,415
Purchased services	749	--	749	1,594	845
Supplies and materials	--	--	--	7,028	7,028
Total Big Brothers Big Sisters Mentoring	18,810	--	18,810	40,000	21,190
Charter School Supplemental Grants					
Purchased services	10,227	--	10,227	10,242	15
Supplies and materials	39,418	--	39,418	39,758	340
Total Charter School Supplemental Grants	49,645	--	49,645	50,000	355
Confucious Grant					
Purchased services	348	--	348	355	7
Supplies and materials	18,035	--	18,035	8,545	(9,490)
Total Confucious Grant	18,383	--	18,383	8,900	(9,483)
Cultural Collaboration Project					
Salaries	1,740	--	1,740	840	(900)
Employee benefits	205	--	205	127	(78)
Purchased services	17,526	750	18,276	3,689	(14,587)
Supplies and materials	7,700	--	7,700	9,065	1,365
Total Cultural Grants	27,171	750	27,921	13,721	(14,200)
Pre-School Kindergarten					
Salaries	194,828	--	194,828	197,525	2,697
Employee benefits	65,477	--	65,477	65,562	85
Purchased services	13,747	--	13,747	13,801	54
Supplies and materials	53,822	--	53,822	56,923	3,101
Total Pre-School Kindergarten	327,874	--	327,874	333,811	5,937
Providence Heights					
Salaries	85,814	--	85,814	90,338	4,524
Employee benefits	42,319	--	42,319	42,283	(36)
Purchased services	5,599	--	5,599	5,778	179
Supplies and materials	6,788	--	6,788	6,601	(187)
Total Providence Heights	140,520	--	140,520	145,000	4,480
Retirement Systems Employer					
Employee benefits	2,515,430	(2,515,430)	--	--	--
Total Retirement Systems Employer	2,515,430	(2,515,430)	--	--	--

(Continued)



For the Year Ended June 30, 2016

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Final Budget	Variance - Positive (Negative)
Suicide Awareness					
Salaries	\$ 7,382	\$ --	\$ 7,382	\$ 8,222	\$ 840
Employee benefits	1,416	--	1,416	1,743	327
Purchased services	6,480	--	6,480	4,370	(2,110)
Supplies and materials	6,312	--	6,312	7,257	945
Total Suicide Awareness	21,590	--	21,590	21,592	2
Youth in Detention					
Salaries	351,157	--	351,157	350,058	(1,099)
Employee benefits	123,964	--	123,964	122,176	(1,788)
Purchased services	26,819	--	26,819	26,173	(646)
Supplies and materials	9,629	91	9,720	13,845	4,125
Total Youth in Detention	511,569	91	511,660	512,252	592
Total State Grants	5,423,307	(3,179,884)	2,243,423	1,729,536	(513,887)
Federal grants:					
Access to Education for Homeless Children Program					
Salaries	9,114	--	9,114	12,292	3,178
Employee benefits	1,146	--	1,146	1,406	260
Purchased services	27,959	--	27,959	28,150	191
Supplies and materials	10,847	--	10,847	12,000	1,153
Total Access to Education for Homeless Children Program	49,066	--	49,066	53,848	4,782
Alaska Family Directory Website					
Salaries	10,608	--	10,608	10,310	(298)
Employee benefits	6,906	--	6,906	7,619	713
Purchased services	8,606	--	8,606	9,676	1,070
Supplies and materials	1,185	--	1,185	1,395	210
Total Alaska Family Directory Website	27,305	--	27,305	29,000	1,695
Alaska Mentorship Project					
Salaries	24,820	--	24,820	--	(24,820)
Employee benefits	16,436	--	16,436	--	(16,436)
Purchased services	345,764	--	345,764	133,273	(212,491)
Supplies and materials	2,761	--	2,761	2,000	(761)
Total Alaska Mentorship Project	389,781	--	389,781	135,273	(254,508)
Alaska Sea Grant					
Salaries	1,350	--	1,350	--	(1,350)
Employee benefits	204	--	204	--	(204)
Total Alaska Sea Grant	1,554	--	1,554	--	(1,554)
Alaska State School for the Deaf					
Salaries	16,011	--	16,011	19,825	3,814
Employee benefits	9,020	--	9,020	9,433	413
Purchased services	26,667	1,255	27,922	32,590	4,668
Supplies and materials	2,554	--	2,554	3,152	598
Total Alaska State School for the Deaf	54,252	1,255	55,507	65,000	9,493
Artists in Schools					
Salaries	1,380	--	1,380	1,380	--
Employee benefits	120	--	120	120	--
Purchased services	1,666	--	1,666	1,666	--
Total Artists in Schools	3,166	--	3,166	3,166	--
Carl Perkins Vocational Education					
Salaries	334,148	--	334,148	333,300	(848)
Employee benefits	136,567	--	136,567	136,568	1
Purchased services	131,223	--	131,223	131,234	11
Supplies and materials	400,689	(252)	400,437	401,778	1,341
Capital outlay	164,100	--	164,100	164,101	1
Total Carl Perkins Vocational Education	1,166,727	(252)	1,166,475	1,166,981	506
Centennial Challenge					
Purchased services	25,062	--	25,062	28,620	3,558
Total Centennial Challenge	25,062	--	25,062	28,620	3,558
CITC SEL Grant					
Salaries	47,299	--	47,299	284,248	236,949
Employee benefits	21,033	--	21,033	83,460	62,427
Purchased services	85,663	16,016	101,679	221,581	119,902
Supplies and materials	8,363	65	8,428	38,479	30,051
Total CITC SEL Grant	162,358	16,081	178,439	627,768	449,329

(Continued)

For the Year Ended June 30, 2016

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Final Budget	Variance - Positive (Negative)
Community Centers Learning Program					
Salaries	\$ 872,483	\$ --	\$ 872,483	\$ 935,891	\$ 63,408
Employee benefits	382,538	--	382,538	417,831	35,293
Purchased services	209,429	--	209,429	243,172	33,743
Supplies and materials	77,393	(191)	77,202	99,051	21,849
Total Community Centers Learning Program	1,541,843	(191)	1,541,652	1,695,945	154,293
ESEA Consolidated					
Salaries	557,916	--	557,916	578,004	20,088
Employee benefits	301,744	--	301,744	302,765	1,021
Purchased services	41,701	--	41,701	42,757	1,056
Supplies and materials	4,543	--	4,543	3,596	(947)
Total ESEA Consolidated	905,904	--	905,904	927,122	21,218
Military Impacted Students					
Salaries	287,210	--	287,210	7,400	(279,810)
Employee benefits	103,334	--	103,334	(7,400)	(110,734)
Purchased services	108,717	34,731	143,448	280	(143,168)
Supplies and materials	17,131	--	17,131	(280)	(17,411)
Total Military Impacted Students	516,392	34,731	551,123	--	(551,123)
NMSI Grant					
Supplies and materials	19,999	--	19,999	19,999	--
Total NMSI Grant	19,999	--	19,999	19,999	--
Pre-School Handicapped Public Law 99-457					
Salaries	192,499	--	192,499	193,520	1,021
Employee benefits	96,286	--	96,286	96,293	7
Purchased services	12,767	--	12,767	12,811	44
Supplies and materials	12,279	--	12,279	12,279	--
Total Pre-School Handicapped Public Law 99-457	313,831	--	313,831	314,903	1,072
Project Aware					
Salaries	146,775	--	146,775	392,159	245,384
Employee benefits	70,151	--	70,151	93,510	23,359
Purchased services	61,337	25,000	86,337	25,796	(60,541)
Supplies and materials	3,867	--	3,867	33,026	29,159
Total Project Aware	282,130	25,000	307,130	544,491	237,361
Project Ki'l					
Salaries	--	--	--	300,415	300,415
Employee benefits	--	--	--	127,344	127,344
Purchased services	--	--	--	139,842	139,842
Supplies and materials	--	--	--	36,280	36,280
Total Project Ki'l	--	--	--	603,881	603,881
Project Puqigtut					
Salaries	135,445	--	135,445	(778)	(136,223)
Employee benefits	59,159	--	59,159	(698)	(59,857)
Purchased services	39,033	(17,667)	21,366	(441)	(21,807)
Supplies and materials	6,256	(2,273)	3,983	1,917	(2,066)
Total Project Puqigtut	239,893	(19,940)	219,953	--	(219,953)
Refugee Support Services					
Salaries	16,402	--	16,402	34,000	17,598
Employee benefits	2,398	--	2,398	5,119	2,721
Purchased services	993	--	993	1,713	720
Supplies and materials	1,761	--	1,761	2,168	407
Total Refugee Support Services	21,554	--	21,554	43,000	21,446
School Health Program					
Supplies and materials	3	(2,078)	(2,075)	--	2,075
Total School Health Program	3	(2,078)	(2,075)	--	2,075
StarTalk - Language Culture Summer Camp					
Salaries	42,607	--	42,607	49,553	6,946
Employee benefits	6,455	--	6,455	8,270	1,815
Purchased services	8,951	404	9,355	14,650	5,295
Supplies and materials	17,057	--	17,057	12,805	(4,252)
Total StarTalk - Language Culture Summer Camp	75,070	404	75,474	85,278	9,804
Ticket to Ride Grant					
Purchased services	3,627	--	3,627	5,500	1,873
Total Ticket to Ride Grant	3,627	--	3,627	5,500	1,873

(Continued)

For the Year Ended June 30, 2016

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Final Budget	Variance - Positive (Negative)
Title I - No Child Left Behind Act					
Delinquent and At-Risk Youth Program					
Salaries	\$ 137,626	\$ --	\$ 137,626	\$ 145,579	\$ 7,953
Employee benefits	31,219	--	31,219	41,549	10,330
Purchased services	11,883	--	11,883	13,744	1,861
Supplies and materials	12,125	--	12,125	13,533	1,408
Total Delinquent and At-Risk Youth Program	192,853	--	192,853	214,405	21,552
District-wide					
Salaries	6,776,605	--	6,776,605	7,621,921	845,316
Employee benefits	2,537,409	--	2,537,409	2,884,560	347,151
Purchased services	1,131,920	(75,696)	1,056,224	2,186,740	1,130,516
Supplies and materials	1,233,030	(34,412)	1,198,618	2,505,403	1,306,785
Total District-wide	11,678,964	(110,108)	11,568,856	15,198,624	3,629,768
Highly Qualified Program					
Salaries	981	--	981	6,000	5,019
Employee benefits	147	--	147	904	757
Purchased services	630	--	630	3,096	2,466
Total Highly Qualified Program	1,758	--	1,758	10,000	8,242
McLaughlin Youth Center					
Salaries	137,855	--	137,855	150,923	13,068
Employee benefits	38,970	--	38,970	41,621	2,651
Purchased services	7,338	--	7,338	7,990	652
Total McLaughlin Youth Center	184,163	--	184,163	200,534	16,371
Parent Involvement Program					
Salaries	45,294	--	45,294	68,316	23,022
Employee benefits	9,918	--	9,918	14,871	4,953
Purchased services	--	--	--	9,000	9,000
Supplies and materials	50,759	(180)	50,579	86,933	36,354
Total Parent Involvement Program	105,971	(180)	105,791	179,120	73,329
School Improvement Program					
Salaries	13,406	--	13,406	13,406	--
Employee benefits	2,017	--	2,017	2,020	3
Purchased services	6,462	--	6,462	10,282	3,820
Supplies and materials	1,128	--	1,128	3,087	1,959
Total School Improvement Program	23,013	--	23,013	28,795	5,782
Total Title I - No Child Left Behind Act	12,186,722	(110,288)	12,076,434	15,831,478	3,755,044
Title I - Migrant Education					
Book Program					
Supplies and materials	11,547	--	11,547	11,549	2
Total Book Program	11,547	--	11,547	11,549	2
District-wide					
Salaries	839,727	--	839,727	849,999	10,272
Employee benefits	507,994	--	507,994	512,069	4,075
Purchased services	156,237	(139)	156,098	164,165	8,067
Supplies and materials	34,461	--	34,461	33,635	(826)
Total Migrant Ed - District-wide	1,538,419	(139)	1,538,280	1,559,868	21,588
Parent Involvement Program					
Purchased services	2,697	--	2,697	5,000	2,303
Total Parent Involvement Program	2,697	--	2,697	5,000	2,303
Summer Program					
Salaries	129,962	--	129,962	148,369	18,407
Employee benefits	22,894	--	22,894	25,638	2,744
Purchased services	86,425	49,462	135,887	78,797	(57,090)
Supplies and materials	17,397	(5,298)	12,099	22,306	10,207
Total Summer Program	256,678	44,164	300,842	275,110	(25,732)
Total Title I - Migrant Education	1,809,341	44,025	1,853,366	1,851,527	(1,839)
Title II A - Professional Development Program					
Salaries	1,849,953	--	1,849,953	3,290,577	1,440,624
Employee benefits	518,846	--	518,846	865,097	346,251
Purchased services	636,361	(40,668)	595,693	1,013,176	417,483
Supplies and materials	144,576	--	144,576	146,226	1,650
Total Title II A - Professional Development Program	3,149,736	(40,668)	3,109,068	5,315,076	2,206,008

(Continued)

For the Year Ended June 30, 2016

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Final Budget	Variance - Positive (Negative)
Title III - English Language Acquisition					
Salaries	\$ 253,967	\$ --	\$ 253,967	\$ 276,619	\$ 22,652
Employee benefits	57,386	--	57,386	63,931	6,545
Purchased services	92,049	--	92,049	220,860	128,811
Supplies and materials	3,602	--	3,602	31,542	27,940
Total Title III - English Language Acquisition	407,004	--	407,004	592,952	185,948
Title VI B - Education of All Handicapped Children Act					
Salaries	6,685,126	--	6,685,126	7,480,326	795,200
Employee benefits	3,899,809	--	3,899,809	4,464,890	565,081
Purchased services	1,220,169	26,646	1,246,815	2,268,293	1,021,478
Supplies and materials	110,138	217	110,355	676,000	565,645
Total Title VI B - Education of All Handicapped Children Act	11,915,242	26,863	11,942,105	14,889,509	2,947,404
Title VII - Indian, Native Hawaiian and Alaska Native Education					
Salaries	1,743,202	--	1,743,202	1,705,074	(38,128)
Employee benefits	1,076,984	--	1,076,984	1,178,615	101,631
Purchased services	221,959	5,119	227,078	208,034	(19,044)
Supplies and materials	90,775	(385)	90,390	53,064	(37,326)
Total Title VII - Indian, Native Hawaiian and Alaska Native Education	3,132,920	4,734	3,137,654	3,144,787	7,133
Total federal grants	38,400,482	(20,324)	38,380,158	47,975,104	9,594,946
Total expenditures	\$ 44,442,963	\$ (3,105,892)	\$ 41,337,071	\$ 53,040,960	\$ 11,703,889

For the Year Ended June 30, 2016

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:						
Charter School Supplemental Grants	\$ --	\$ --	\$ --	\$ 16,185	\$ --	\$ 16,185
Donations from Local Agencies	92,591	13,525	88,903	64,202	--	259,221
NoVo Foundation Social and Emotional Learning	107,990	30,243	132,709	72,826	--	343,768
Total local grants	200,581	43,768	221,612	153,213	--	619,174
State grants:						
Designated Legislative Grants						
Senate Bill 18	5,635	834	381,313	27,939	--	415,721
Senate Bill 46	1,680	252	4,644	91,634	12,947	111,157
Senate Bill 119	13,354	2,122	14,353	563,392	--	593,221
Senate Bill 160	2,806	422	39,494	55,796	--	98,518
Total Designated Legislative Grants	23,475	3,630	439,804	738,761	12,947	1,218,617
Alaska Historical Commission	6,000	903	1,000	79	--	7,982
Alaska Railroad Summer Youth Program	15,276	2,299	--	2,238	--	19,813
Alaska Science and Technology Program	--	--	--	16	--	16
Alaska State School for the Deaf	189,809	64,913	35,827	7,931	--	298,480
Alternative Schools Health and Wellness	24,609	4,056	17,238	13,356	--	59,259
Anchorage Construction Academy	29,535	5,493	78,732	61,208	--	174,968
ANSEP Grant	11,017	1,629	534	--	--	13,180
Big Brothers Big Sisters Mentoring	9,388	8,673	749	--	--	18,810
Charter School Supplemental Grants	--	--	10,227	39,418	--	49,645
Confucious Grant	--	--	348	18,035	--	18,383
Cultural Collaboration Project	1,740	205	17,526	7,700	--	27,171
Pre-School Kindergarten Program	194,828	65,477	13,747	53,822	--	327,874
Providence Heights	85,814	42,319	5,599	6,788	--	140,520
Retirement Systems Employer Relief	--	2,515,430	--	--	--	2,515,430
Suicide Awareness	7,382	1,416	6,480	6,312	--	21,590
Youth in Detention	351,157	123,964	26,819	9,629	--	511,569
Total state grants	950,030	2,840,407	654,630	965,293	12,947	5,423,307
Federal grants:						
Access to Education for Homeless Children Program	9,114	1,146	27,959	10,847	--	49,066
Alaska Family Directory Website	10,608	6,906	8,606	1,185	--	27,305
Alaska Mentorship Project	24,820	16,436	345,764	2,761	--	389,781
Alaska Sea Grant	1,350	204	--	--	--	1,554
Alaska State School for the Deaf	16,011	9,020	26,667	2,554	--	54,252
Artists in Schools	1,380	120	1,666	--	--	3,166
Carl Perkins Vocational Education	334,148	136,567	131,223	400,689	164,100	1,166,727
Centennial Challenge	--	--	25,062	--	--	25,062
CITC SEL Grant	47,299	21,033	85,663	8,363	--	162,358
Community Centers Learning Program	872,483	382,538	209,429	77,393	--	1,541,843
ESEA Consolidated	557,916	301,744	41,701	4,543	--	905,904
Military Impacted Students	287,210	103,334	108,717	17,131	--	516,392
NMSI Grant	--	--	--	19,999	--	19,999
Pre-School Handicapped	192,499	96,286	12,767	12,279	--	313,831
Project Aware	146,775	70,151	61,337	3,867	--	282,130
Project Puqigtut	135,445	59,159	39,033	6,256	--	239,893
Refugee Support Services	16,402	2,398	993	1,761	--	21,554
School Health Program	--	--	--	3	--	3
StarTalk - Language Culture Summer Camp	42,607	6,455	8,951	17,057	--	75,070
Ticket to Ride Grant	--	--	3,627	--	--	3,627

(Continued)

For the Year Ended June 30, 2016

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	\$ 137,626	\$ 31,219	\$ 11,883	\$ 12,125	\$ --	\$ 192,853
District-wide	6,776,605	2,537,409	1,131,920	1,233,030	--	11,678,964
Highly Qualified Program	981	147	630	--	--	1,758
McLaughlin Youth Center	137,855	38,970	7,338	--	--	184,163
Parent Involvement Program	45,294	9,918	--	50,759	--	105,971
School Improvement Program	13,406	2,017	6,462	1,128	--	23,013
Total Title I - No Child Left Behind Act	7,111,767	2,619,680	1,158,233	1,297,042	--	12,186,722
Title I - Migrant Education						
Book Program	--	--	--	11,547	--	11,547
District-wide	839,727	507,994	156,237	34,461	--	1,538,419
Parent Involvement Program	2,697	--	--	--	--	2,697
Summer Program	129,962	22,894	86,425	17,397	--	256,678
Total Title I -Migrant Education	972,386	530,888	242,662	63,405	--	1,809,341
Title II-A - Professional Development Program	1,849,953	518,846	636,361	144,576	--	3,149,736
Title III - English Language Acquisition	253,967	57,386	92,049	3,602	--	407,004
Title VI B - Education of All Handicapped Children Act	6,685,126	3,899,809	1,220,169	110,138	--	11,915,242
Title VII - Indian, Native Hawaiian, and Alaska Native Ed.	1,743,202	1,076,984	221,959	90,775	--	3,132,920
Total federal grants	21,312,468	9,917,090	4,710,598	2,296,226	164,100	38,400,482
Total expenditures	\$ 22,463,079	\$ 12,801,265	\$ 5,586,840	\$ 3,414,732	\$ 177,047	\$ 44,442,963

## COMBINING BALANCE SHEET

				Totals	
	Food Service	Student Activities	Pupil Transportation	2016	2015
<b>Assets</b>					
Cash and investments	\$ --	\$ 3,132,440	\$ --	\$ 3,132,440	\$ 3,204,021
Accounts receivable	18,517	16,854	--	35,371	33,847
Interest receivable	--	5	--	5	321
Due from General Fund	--	2,267,694	1,065,695	3,333,389	3,622,216
Due from State of Alaska	1,456,584	--	--	1,456,584	324,388
Prepaid items	--	162	--	162	910
U.S.D.A. food commodities, at U.S.D.A. allocated value	443,550	--	--	443,550	483,228
Inventory, at FIFO	1,182,160	--	--	1,182,160	964,542
Total assets	<u>\$ 3,100,811</u>	<u>\$ 5,417,155</u>	<u>\$ 1,065,695</u>	<u>\$ 9,583,661</u>	<u>\$ 8,633,473</u>
<b>Liabilities</b>					
Accounts payable	\$ 26,393	\$ 7,260	\$ 12,747	\$ 46,400	\$ 40,890
Due to General Fund	402,579	65,887	--	468,466	64,244
Accrued salaries and related items:					
Wages and salaries payable	57,691	2,720	38,739	99,150	91,695
Payroll taxes, other accrued and withheld items	33,100	772	23,329	57,201	64,828
Unearned revenue	2,018,509	--	--	2,018,509	1,842,048
Total liabilities	<u>2,538,272</u>	<u>76,639</u>	<u>74,815</u>	<u>2,689,726</u>	<u>2,103,705</u>
<b>Fund balances</b>					
Reserved:					
Non-spendable	1,182,160	162	--	1,182,322	965,452
Assigned	--	5,340,354	990,880	6,331,234	5,564,316
Unassigned	(619,621)	--	--	(619,621)	--
Total fund balances	562,539	5,340,516	990,880	6,893,935	6,529,768
Total liabilities and fund balance	<u>\$ 3,100,811</u>	<u>\$ 5,417,155</u>	<u>\$ 1,065,695</u>	<u>\$ 9,583,661</u>	<u>\$ 8,633,473</u>

For the Year Ended June 30, 2016  
With Comparative Totals  
For the Year Ended June 30, 2015

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

	Food Service	Student Activities	Pupil Transportation	Totals	
				2016	2015
Revenues:					
Revenues from local sources	\$ 2,163,981	\$ 7,968,370	\$ 6,396	\$ 10,138,747	\$ 10,307,296
Revenues from state sources	439,917	11,636	22,957,596	23,409,149	27,740,456
Revenues from federal sources	19,101,605	--	--	19,101,605	19,159,790
Total revenues	21,705,503	7,980,006	22,963,992	52,649,501	57,207,542
Expenditures:					
Current:					
Instruction	--	7,915,818	--	7,915,818	7,943,204
Food services	22,109,248	--	--	22,109,248	25,694,692
Pupil Transportation	--	--	31,716,984	31,716,984	24,310,030
Total expenditures	22,109,248	7,915,818	31,716,984	61,742,050	57,947,926
Excess (deficiency) of revenues over (under) expenditures	(403,745)	64,188	(8,752,992)	(9,092,549)	(740,384)
Other financing sources (uses):					
Proceeds from sale of property and equipment	1,742	--	--	1,742	--
Transfers in from General Fund	--	--	9,454,974	9,454,974	2,285,287
Total other financing sources (uses)	1,742	--	9,454,974	9,456,716	2,285,287
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(402,003)	64,188	701,982	364,167	1,544,903
Fund balances at beginning of year	964,542	5,276,328	288,898	6,529,768	4,984,865
Fund balances at end of year	\$ 562,539	\$ 5,340,516	\$ 990,880	\$ 6,893,935	\$ 6,529,768



June 30, 2016  
With Comparative Totals for  
June 30, 2015

**BALANCE SHEET**

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Accounts receivable	\$ 18,517	\$ 21,846
Due from State of Alaska	1,456,584	324,388
Due from General Fund	--	1,110,715
U.S.D.A. food commodities, at U.S.D.A. allocated value	443,550	483,228
Inventory, at FIFO	<u>1,182,160</u>	<u>964,542</u>
Total assets	<u><u>\$ 3,100,811</u></u>	<u><u>\$ 2,904,719</u></u>
<b>Liabilities</b>		
Accounts payable	\$ 26,393	\$ 17,573
Due to General Fund	402,579	--
Accrued salaries and related items:		
Wages and salaries payable	57,691	47,192
Payroll taxes, other accrued and withheld items	33,100	33,364
Unearned revenue	<u>2,018,509</u>	<u>1,842,048</u>
Total liabilities	<u>2,538,272</u>	<u>1,940,177</u>
<b>Fund balance</b>		
Non-spendable	1,182,160	964,542
Unassigned	<u>(619,621)</u>	<u>--</u>
Total fund balance	<u>562,539</u>	<u>964,542</u>
Total liabilities and fund balance	<u><u>\$ 3,100,811</u></u>	<u><u>\$ 2,904,719</u></u>

For the Year Ended June 30, 2016  
With Comparative Totals  
For the Year Ended June 30, 2015

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

	2016	2015
Revenues:		
Revenues from local sources:		
Lunch sales - student	\$ 1,578,682	\$ 1,688,934
Lunch sales - adult	28,689	22,636
Breakfast - student	123,540	129,922
Breakfast - adult	5,843	3,394
Milk program	61,072	74,169
A la carte program	287,786	300,676
Other revenues	78,369	54,820
Total revenues from local sources	2,163,981	2,274,551
Revenues from state sources:		
Grants	76,168	517,975
Retirement system employer relief	363,749	2,845,232
Total revenues from State	439,917	3,363,207
Revenues from federal sources:		
Type A lunch program - reimbursement	12,459,875	12,162,785
Breakfast program - reimbursement	4,918,836	4,437,153
After school snack program - reimbursement	874	3,711
After school dinner program - reimbursement	619,511	1,123,944
FFVP grant - reimbursement	568,017	615,288
United States Department of Agriculture commodities	534,492	816,909
Total revenues from federal sources	19,101,605	19,159,790
Total revenues	21,705,503	24,797,548
Expenditures:		
Current:		
Food services:		
General administration	2,006,694	2,204,096
Kitchens and food center	18,206,502	21,186,965
Delivery	1,896,052	2,303,631
Total expenditures	22,109,248	25,694,692
Excess (deficiency) of revenues over (under) expenditures	(403,745)	(897,144)
Other financing sources (uses):		
Proceeds from sale of property and equipment	1,742	--
Transfers in from General Fund	--	2,285,287
Total other financing sources (uses)	1,742	2,285,287
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(402,003)	1,388,143
Fund balance at beginning of year	964,542	(423,601)
Fund balance at end of year	\$ 562,539	\$ 964,542

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

For the Year Ended June 30, 2016

	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	\$ 1,578,682	\$ --	\$ 1,578,682	\$ 1,570,616	\$ 1,570,616	\$ 8,066
Lunch sales - adult	28,689	--	28,689	19,986	19,986	8,703
Breakfast - student	123,540	--	123,540	98,633	98,633	24,907
Breakfast - adult	5,843	--	5,843	4,972	4,972	871
Milk program	61,072	--	61,072	--	--	61,072
A la carte program	287,786	--	287,786	439,360	439,360	(151,574)
Other revenues	78,369	--	78,369	53,000	53,000	25,369
Total revenue from local sources	2,163,981	--	2,163,981	2,186,567	2,186,567	(22,586)
Revenues from state sources:						
Grants	76,168	--	76,168	640,000	640,000	(563,832)
Retirement system employer relief	363,749	(363,749)	--	--	--	--
Total revenue from state sources	439,917	(363,749)	76,168	640,000	640,000	(563,832)
Revenues from federal sources:						
Type A lunch program - reimbursement	12,459,875	--	12,459,875	12,281,294	12,281,294	178,581
Breakfast program - reimbursement	4,918,836	--	4,918,836	4,396,092	4,396,092	522,744
After school snack program - reimbursement	874	--	874	1,660,927	1,660,927	(1,660,053)
After school dinner program - reimbursement	619,511	--	619,511	--	--	619,511
Fresh fruit and vegetable program - reimb	568,017	--	568,017	679,150	679,150	(111,133)
United States Department of Agriculture commodities	534,492	--	534,492	416,770	416,770	117,722
Total revenue from federal sources	19,101,605	--	19,101,605	19,434,233	19,434,233	(332,628)
Total revenues	21,705,503	(363,749)	21,341,754	22,260,800	22,260,800	(919,046)
Expenditures:						
Current:						
Food services						
General administration						
Personnel services	915,859	--	915,859	946,039	946,039	30,180
Employee benefits	537,515	(50,716)	486,799	480,746	480,746	(6,053)
Purchased services	527,557	7,553	535,110	592,965	592,965	57,855
Supplies and materials	25,763	--	25,763	25,320	25,320	(443)
Total general administration	2,006,694	(43,163)	1,963,531	2,045,070	2,045,070	81,539
Kitchens and food center						
Personnel services	4,826,192	--	4,826,192	4,879,148	4,879,148	52,956
Employee benefits	3,600,335	(258,199)	3,342,136	3,633,493	3,633,493	291,357
Purchased services	351,260	--	351,260	536,090	536,090	184,830
Supplies and materials	9,428,665	45,538	9,474,203	9,269,463	9,269,463	(204,740)
Capital outlay	--	14,994	14,994	75,000	75,000	60,006
Other	50	--	50	3,200	3,200	3,150
Total kitchens and food center	18,206,502	(197,667)	18,008,835	18,396,394	18,396,394	387,559

(Continued)

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

For the Year Ended June 30, 2016

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Delivery:						
Personnel services	\$ 957,398	\$ --	\$ 957,398	\$ 953,525	\$ 953,525	\$ (3,873)
Employee benefits	672,424	(54,834)	617,590	644,862	644,862	27,272
Purchased services	75,426	--	75,426	20,100	20,100	(55,326)
Supplies and materials	190,804	23,405	214,209	180,849	180,849	(33,360)
Capital outlay	--	--	--	20,000	20,000	20,000
Total delivery	<u>1,896,052</u>	<u>(31,429)</u>	<u>1,864,623</u>	<u>1,819,336</u>	<u>1,819,336</u>	<u>(45,287)</u>
Total expenditures	<u>22,109,248</u>	<u>(272,259)</u>	<u>21,836,989</u>	<u>22,260,800</u>	<u>22,260,800</u>	<u>423,811</u>
Excess (deficiency) of revenues over (under) expenditures	(403,745)	(91,490)	(495,235)	--	--	(495,235)
Other financing sources (uses):						
Proceeds from sale of property and equipment	1,742	--	1,742	--	--	(1,742)
Total other financing sources (uses)	<u>1,742</u>	<u>--</u>	<u>1,742</u>	<u>--</u>	<u>--</u>	<u>(1,742)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(402,003)	<u>\$ (91,490)</u>	<u>\$ (493,493)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (493,493)</u>
Fund balance at beginning of year	<u>964,542</u>					
Fund balance at end of year	<u>\$ 562,539</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		\$ 21,705,503
Add: budgeted fund balance	\$ --	
Deduct: retirement system on-behalf payments	<u>(363,749)</u>	
Revenues reported on the basis of budgeting		<u>(363,749)</u> <u>21,341,754</u>
Expenditures reported on the basis of GAAP		22,109,248
Add: current year encumbrances	\$ 91,490	
Deduct: expenditures on prior year's encumbrances	--	
Deduct: retirement system incremental increase (PERS)	<u>(363,749)</u>	
Expenditures and encumbrances reported on the basis of budgeting		<u>(272,259)</u> <u>21,836,989</u>
Excess (deficiency) of revenues over (under) expenditures on the basis of budgeting		<u>\$ (495,235)</u>

For the Year Ended June 30, 2016

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

	Personnel Services	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other	Total
Current:							
Food services:							
General administration	\$ 915,859	\$ 537,515	\$ 527,557	\$ 25,763	\$ --	\$ --	\$ 2,006,694
Kitchens and food center	4,826,192	3,600,335	351,260	9,428,665	--	50	18,206,502
Delivery	957,398	672,424	75,426	190,804	--	--	1,896,052
	<u>\$ 6,699,449</u>	<u>\$ 4,810,274</u>	<u>\$ 954,243</u>	<u>\$ 9,645,232</u>	<u>\$ --</u>	<u>\$ 50</u>	<u>\$ 22,109,248</u>

June 30, 2016  
With Comparative Totals for  
June 30, 2015

**BALANCE SHEET - BY ACCOUNT**

	Decentralized Student Activities	Centralized Student Activities	Totals	
			2016	2015
<b>Assets</b>				
Cash and investments	\$ 3,122,390	\$ 10,050	\$ 3,132,440	\$ 3,204,021
Accounts receivable	--	16,854	16,854	12,001
Interest receivable	--	5	5	321
Due from General Fund	--	2,267,694	2,267,694	2,138,392
Prepaid items	--	162	162	910
Total assets	<u>\$ 3,122,390</u>	<u>\$ 2,294,765</u>	<u>\$ 5,417,155</u>	<u>\$ 5,355,645</u>
<b>Liabilities</b>				
Accounts payable	\$ --	\$ 7,260	\$ 7,260	\$ 15,073
Accrued salaries and related items:				
Wages and salaries payable	--	2,720	2,720	--
Payroll taxes, other accrued and withheld items	--	772	772	--
Due to General Fund	<u>65,887</u>	<u>--</u>	<u>65,887</u>	<u>64,244</u>
Total liabilities	<u>65,887</u>	<u>10,752</u>	<u>76,639</u>	<u>79,317</u>
<b>Fund balances</b>				
Non-spendable	--	162	162	910
Assigned	<u>3,056,503</u>	<u>2,283,851</u>	<u>5,340,354</u>	<u>5,275,418</u>
Total fund balances	<u>3,056,503</u>	<u>2,284,013</u>	<u>5,340,516</u>	<u>5,276,328</u>
Total liabilities and fund balances	<u>\$ 3,122,390</u>	<u>\$ 2,294,765</u>	<u>\$ 5,417,155</u>	<u>\$ 5,355,645</u>

For the Year Ended June 30, 2016  
With Comparative Totals  
For the Year Ended June 30, 2015

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

	Decentralized Student Activities	Centralized Student Activities	Totals	
			2016	2015
Revenues:				
Revenues from local sources:				
Other revenues	\$ 6,282,935	\$ 1,685,435	\$ 7,968,370	\$ 8,032,745
Revenues from state sources:				
Retirement systems employer relief	--	11,636	11,636	216,528
Total revenues	6,282,935	1,697,071	7,980,006	8,249,273
Expenditures:				
Current:				
Instruction:				
Student activities	6,048,928	1,866,890	7,915,818	7,943,204
Excess (deficiency) of revenues over (under) expenditures	234,007	(169,819)	64,188	306,069
Fund balances at beginning of year	2,822,496	2,453,832	5,276,328	4,970,259
Fund balances at end of year	\$ 3,056,503	\$ 2,284,013	\$ 5,340,516	\$ 5,276,328

June 30, 2016  
With Comparative Totals for  
June 30, 2015

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

	High Schools	Middle Schools	Alternative Schools and Others	Totals	
				2016	2015
<b>Assets</b>					
Cash and investments	\$ 2,193,203	\$ 647,969	\$ 281,218	\$ 3,122,390	\$ 2,886,740
Total assets	<u>\$ 2,193,203</u>	<u>\$ 647,969</u>	<u>\$ 281,218</u>	<u>\$ 3,122,390</u>	<u>\$ 2,886,740</u>
<b>Liabilities</b>					
Due to General Fund	\$ 55,401	\$ 7,255	\$ 3,231	\$ 65,887	\$ 64,244
<b>Fund balances</b>					
Assigned	<u>2,137,802</u>	<u>640,714</u>	<u>277,987</u>	<u>3,056,503</u>	<u>2,822,496</u>
Total liabilities and fund balances	<u>\$ 2,193,203</u>	<u>\$ 647,969</u>	<u>\$ 281,218</u>	<u>\$ 3,122,390</u>	<u>\$ 2,886,740</u>



For the Year Ended June 30, 2016  
With Comparative Totals  
For the Year Ended June 30, 2015

## DECENTRALIZED STUDENT ACTIVITIES

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

	High Schools	Middle Schools	Alternative Schools and Others	Totals	
				2016	2015
Revenues:					
Revenues from local sources:					
Other revenues	\$ 4,455,151	\$ 1,288,230	\$ 539,554	\$ 6,282,935	\$ 6,495,876
Expenditures:					
Current:					
Instruction:					
Student Activity	4,227,958	1,301,796	519,174	6,048,928	6,390,466
Excess (deficiency) of revenues over (under) expenditures	227,193	(13,566)	20,380	234,007	105,410
Fund balances at beginning of year	1,910,609	654,280	257,607	2,822,496	2,717,086
Fund balances at end of year	\$ 2,137,802	\$ 640,714	\$ 277,987	\$ 3,056,503	\$ 2,822,496

June 30, 2016  
With Comparative Totals for  
June 30, 2015

CENTRALIZED STUDENT ACTIVITIES  
BALANCE SHEET - BY DEPARTMENT

	PTA Support	Student Activities	Instructional Replacement Fees	Supplemental Sources	Totals	
					2016	2015
<b>Assets</b>						
Cash and investments	\$ --	\$ --	\$ --	\$ 10,050	\$ 10,050	\$ 317,281
Accounts receivable	--	5,393	--	11,461	16,854	12,001
Interest receivable	--	--	--	5	5	321
Due from General Fund	192,717	588,279	767,404	719,294	2,267,694	2,138,392
Prepaid items	--	162	--	--	162	910
Total assets	<u>\$ 192,717</u>	<u>\$ 593,834</u>	<u>\$ 767,404</u>	<u>\$ 740,810</u>	<u>\$ 2,294,765</u>	<u>\$ 2,468,905</u>
<b>Liabilities</b>						
Accounts payable	\$ --	\$ --	\$ 1,009	\$ 6,251	\$ 7,260	\$ 15,073
Accrued salaries and related items:						
Wages and salaries payable	--	2,720	--	--	2,720	--
Payroll taxes, other accrued and withheld items	--	772	--	--	772	--
Total liabilities	--	3,492	1,009	6,251	10,752	15,073
<b>Fund balances</b>						
Non-spendable	--	162	--	--	162	910
Assigned	192,717	590,180	766,395	734,559	2,283,851	2,452,922
Total fund balances	192,717	590,342	766,395	734,559	2,284,013	2,453,832
Total liabilities and fund balances	<u>\$ 192,717</u>	<u>\$ 593,834</u>	<u>\$ 767,404</u>	<u>\$ 740,810</u>	<u>\$ 2,294,765</u>	<u>\$ 2,468,905</u>

For the Year Ended June 30, 2016  
With Comparative Totals  
For the Year Ended June 30, 2015

## CENTRALIZED STUDENT ACTIVITIES

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

	PTA Support	Student Activities	Instructional Replacement Fees	Supplemental Sources	Totals	
					2016	2015
Revenues:						
Revenues from local sources:						
Other revenues	\$ 183,991	\$ 808,765	\$ 535,000	\$ 157,679	\$ 1,685,435	\$ 1,536,870
Revenues from state sources:						
Retirement systems employer relief	--	--	--	11,636	11,636	216,528
Total revenues	183,991	808,765	535,000	169,315	1,697,071	1,753,398
Expenditures:						
Current:						
Instruction:						
Student activities	190,453	705,013	510,129	461,295	1,866,890	1,552,738
Excess (deficiency) of revenues over (under) expenditures	(6,462)	103,752	24,871	(291,980)	(169,819)	200,660
Fund balances at beginning of year	199,179	486,590	741,524	1,026,539	2,453,832	2,253,172
Fund balances at end of year	\$ 192,717	\$ 590,342	\$ 766,395	\$ 734,559	\$ 2,284,013	\$ 2,453,832

June 30, 2016  
With Comparative Totals for  
June 30, 2015

**BALANCE SHEET**

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Due from General Fund	\$ 1,065,695	\$ 373,109
Total assets	<u>\$ 1,065,695</u>	<u>\$ 373,109</u>
<b>Liabilities</b>		
Accounts payable	\$ 12,747	\$ 8,244
Accrued salaries and related items:		
Wages and salaries payable	38,739	44,503
Payroll taxes, other accrued and withheld items	<u>23,329</u>	<u>31,464</u>
Total liabilities	<u>74,815</u>	<u>84,211</u>
<b>Fund balance</b>		
Assigned	<u>990,880</u>	<u>288,898</u>
Total fund balance	<u>990,880</u>	<u>288,898</u>
Total liabilities and fund balance	<u>\$ 1,065,695</u>	<u>\$ 373,109</u>

For the Year Ended June 30, 2016  
 With Comparative Totals  
 For the Year Ended June 30, 2015

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

	2016	2015
Revenues:		
Revenues from local sources:		
Insurance/litigation proceeds	\$ 6,396	\$ --
Total revenues from local sources	6,396	--
Revenues from state sources:		
Pupil transportation program	22,547,173	22,111,766
Transportation routes grant	180,000	180,000
Retirement system employer relief	230,423	1,868,955
Total revenues from state sources	22,957,596	24,160,721
Total revenues	22,963,992	24,160,721
Expenditures:		
Current:		
Pupil transportation:		
General administration	1,110,692	1,294,992
Bus operations	29,150,725	21,410,802
Operations and maintenance of plant	1,455,567	1,604,236
Total expenditures	31,716,984	24,310,030
Excess (deficiency) of revenues over (under) expenditures	(8,752,992)	(149,309)
Other financing sources (uses):		
Transfers in from General Fund	9,454,974	--
Total other financing sources (uses)	9,454,974	--
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	701,982	(149,309)
Fund balance at beginning of year	288,898	438,207
Fund balance at end of year	\$ 990,880	\$ 288,898

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

For the Year Ended June 30, 2016

	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:						
Insurance/litigation proceeds	\$ 6,396	\$ --	\$ 6,396	\$ --	\$ --	\$ 6,396
Total revenues from local sources	6,396	--	6,396	--	--	6,396
Revenues from state sources:						
Pupil transportation program	22,547,173	--	22,547,173	23,007,698	23,007,698	(460,525)
Transportation routes grant	180,000	--	180,000	180,000	180,000	--
Retirement system employer relief	230,423	(230,423)	--	--	--	--
Total revenue from state sources	22,957,596	(230,423)	22,727,173	23,187,698	23,187,698	(460,525)
Total revenues	22,963,992	(230,423)	22,733,569	23,187,698	23,187,698	(454,129)
Expenditures:						
Current:						
Pupil transportation:						
General administration						
Personnel services	657,798	--	657,798	649,492	649,492	(8,306)
Employee benefits	449,701	(36,145)	413,556	420,575	420,575	7,019
Supplies and materials	3,193	--	3,193	1,000	4,025	832
Total general administration	1,110,692	(36,145)	1,074,547	1,071,067	1,074,092	(455)
Bus operations						
Personnel services	3,557,224	--	3,557,224	3,492,807	3,492,807	(64,417)
Employee benefits	3,266,752	(163,121)	3,103,631	3,338,991	3,338,991	235,360
Purchased services	12,288,898	356,519	12,645,417	12,436,760	12,545,360	(100,057)
Supplies and materials	336,107	--	336,107	705,850	594,225	258,118
Capital outlay	9,660,878	43,813	9,704,691	586,441	10,086,441	381,750
Other	40,866	--	40,866	48,000	48,000	7,134
Total bus operations	29,150,725	237,211	29,387,936	20,608,849	30,105,824	717,888
Operations and maintenance of plant						
Personnel services	558,045	--	558,045	579,895	579,895	21,850
Employee benefits	388,824	(31,157)	357,667	371,686	371,686	14,019
Purchased services	213,951	(23,187)	190,764	228,607	228,607	37,843
Supplies and materials	294,747	29,265	324,012	327,594	327,594	3,582
Total operation and maintenance of plant	1,455,567	(25,079)	1,430,488	1,507,782	1,507,782	77,294
Total expenditures	31,716,984	175,987	31,892,971	23,187,698	32,687,698	794,727
Excess (deficiency) of revenues over (under) expenditures	(8,752,992)	(406,410)	(9,159,402)	--	(9,500,000)	340,598
Other financing sources (uses):						
Transfers in from General Fund	9,454,974	--	9,454,974	--	9,500,000	(45,026)
Total other financing sources (uses)	9,454,974	--	9,454,974	--	9,500,000	(45,026)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	701,982	<u>(406,410)</u>	<u>295,572</u>	<u>--</u>	<u>--</u>	<u>295,572</u>
Fund balance at beginning of year	288,898					
Fund balance at end of year	<u>\$ 990,880</u>					

(Continued)

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

For the Year Ended June 30, 2016

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		\$ 22,963,992
Add: budgeted fund balance	\$ --	
Deduct: retirement system on-behalf payments	(230,423)	
		<u>(230,423)</u>
Revenues reported on the basis of budgeting		<u>22,733,569</u>
Expenditures reported on the basis of GAAP		31,716,984
Add: current year encumbrances	\$ 492,436	
Deduct: expenditures on prior year's encumbrances	(86,026)	
Deduct: retirement system incremental increase (PERS)	(230,423)	
		<u>175,987</u>
Expenditures and encumbrances reported on the basis of budgeting		<u>31,892,971</u>
Excess (deficiency) of revenues over (under) expenditures on the basis of budgeting		<u>\$ (9,159,402)</u>

For the Year Ended June 30, 2016

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

	<u>Personnel Services</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>	<u>Capital Outlay</u>	<u>Other</u>	<u>Total</u>
Current:							
Pupil transportation:							
General administration	\$ 657,798	\$ 449,701	\$ --	\$ 3,193	\$ --	\$ --	\$ 1,110,692
Bus operations	3,557,224	3,266,752	12,288,898	336,107	9,660,878	40,866	29,150,725
Operation and maintenance of plant	<u>558,045</u>	<u>388,824</u>	<u>213,951</u>	<u>294,747</u>	<u>--</u>	<u>--</u>	<u>1,455,567</u>
	<u>\$ 4,773,067</u>	<u>\$ 4,105,277</u>	<u>\$ 12,502,849</u>	<u>\$ 634,047</u>	<u>\$ 9,660,878</u>	<u>\$ 40,866</u>	<u>\$ 31,716,984</u>



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## Debt Service Fund

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

June 30, 2016  
With Comparative Totals for  
June 30, 2015

**BALANCE SHEET**

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Cash and investments with paying agent	\$ 985,085	\$ 8,269,540
Due from other governments:		
Municipality of Anchorage	20,359,694	19,404,216
State of Alaska	414,559	473,374
United States Government	174,985	--
Due From General Fund	2,445,530	--
Total assets	<u>\$ 24,379,853</u>	<u>\$ 28,147,130</u>
<b>Liabilities</b>		
Due to General Fund	\$ --	\$ 5,723,826
<b>Deferred inflows of resources</b>		
Debt service tax appropriation	20,359,694	19,404,216
<b>Fund balance</b>		
Restricted	<u>4,020,159</u>	<u>3,019,088</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 24,379,853</u>	<u>\$ 28,147,130</u>

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

For the Year Ended June 30, 2016

	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	\$ 38,808,432	\$ --	\$ 38,808,432	\$ 38,808,431	\$ 38,808,431	\$ 1
Investment income	184	--	184	--	--	184
Total revenues from local sources	38,808,616	--	38,808,616	38,808,431	38,808,431	185
Revenues from state sources:						
Aid for school construction	46,518,625	--	46,518,625	48,095,393	48,095,393	(1,576,768)
Revenues from federal sources:						
BABS subsidy	258,548	--	258,548	257,438	257,438	1,110
Total revenues	85,585,789	--	85,585,789	87,161,262	87,161,262	(1,575,473)
Expenditures:						
Debt service:						
Refunding bond issuance cost	149,156	--	149,156	--	--	(149,156)
Principal	58,940,000	--	58,940,000	58,940,000	58,940,000	--
Interest	25,649,885	--	25,649,885	28,206,262	28,206,262	2,556,377
Fiscal agent fees	4,425	--	4,425	15,000	15,000	10,575
Total expenditures	84,743,466	--	84,743,466	87,161,262	87,161,262	2,417,796
Excess (deficiency) of revenues over (under) expenditures	842,323	--	842,323	--	--	842,323
Other financing sources (uses):						
Issuance of refunding bonds	81,040,000	--	81,040,000	--	--	81,040,000
Premium on issuance of refunding bonds	13,189,654	--	13,189,654	--	--	13,189,654
Payment to refunding escrow	(94,075,323)	--	(94,075,323)	--	--	(94,075,323)
Transfers in - Capital Projects Fund	4,417	--	4,417	--	--	4,417
Total other financing sources (uses)	158,748	--	158,748	--	--	158,748
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	1,001,071	\$ --	\$ 1,001,071	\$ --	\$ --	\$ 1,001,071
Restricted fund balance at beginning of year	3,019,088					
Restricted fund balance at end of year	\$ 4,020,159					



## 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, 2016  
With Comparative Totals for  
June 30, 2015

**BALANCE SHEET**

	2016	2015
<b>Assets</b>		
Cash and investments	\$ 33,758,762	\$ 24,544,108
Cash with paying agent	9,836,518	5,339,092
Accounts receivable	6,722	13,621
Interest receivable	46,821	29,414
Due from General Fund	17,834,601	15,491,257
Due from other governments:		
Municipality of Anchorage	547,384	204,966
State of Alaska	2,498,318	1,519,248
United States Government	--	33,318
Prepaid items	701	--
Total assets	<u>\$ 64,529,827</u>	<u>\$ 47,175,024</u>
<b>Liabilities</b>		
Accounts payable	\$ 421,140	\$ 808,606
Contracts payable	8,072,454	4,706,613
Accrued salaries and related items:		
Wages and salaries payable	71,154	91,870
Payroll taxes, other accrued and withheld items	41,207	64,950
Unearned revenue	289,776	1,607,242
Total liabilities	<u>8,895,731</u>	<u>7,279,281</u>
<b>Fund balance</b>		
Non-spendable	701	--
Committed	55,633,395	39,895,743
Total fund balance	<u>55,634,096</u>	<u>39,895,743</u>
Total liabilities and fund balance	<u>\$ 64,529,827</u>	<u>\$ 47,175,024</u>

For the Year Ended June 30, 2016  
 With Comparative Totals  
 For the Year Ended June 30, 2015

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

	2016	2015
Revenues:		
Revenues from local sources:		
Investment income	\$ 185,530	\$ 58,851
Other revenues	3,720	10,196
Total revenues from local sources	189,250	69,047
Revenues from state sources:		
State/Municipal grants	11,090,656	24,550,309
Retirement systems employer relief	146,511	1,069,723
Total revenues from state sources	11,237,167	25,620,032
Revenues from federal sources:		
Federal Impact Aid	45,416	632,445
Federal capital grants	--	33,318
Total revenues from federal sources	45,416	665,763
Total revenues	11,471,833	26,354,842
Expenditures:		
Bond issuance cost	127,181	126,566
Capital outlays:		
Secondary schools	21,630,264	37,764,458
Elementary schools	53,876,860	37,768,811
Other capital outlays	3,333,047	6,023,515
Total capital outlays	78,840,171	81,556,784
Total expenditures	78,967,352	81,683,350
Excess (deficiency) of revenues over (under) expenditures	(67,495,519)	(55,328,508)
Other financing sources (uses):		
Issuance of general obligation bonds	69,038,445	59,075,000
Premium on issuance of general obligation bonds	10,523,110	11,056,199
Transfers in - General Fund	3,676,734	--
Transfers out - Debt Service Fund	(4,417)	(4,637)
Total other financing sources (uses)	83,233,872	70,126,562
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	15,738,353	14,798,054
Fund balance at beginning of year	39,895,743	25,097,689
Fund balance at end of year	\$ 55,634,096	\$ 39,895,743

For the Period Ended June 30, 2016

**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	\$ 315	\$ 324,008	\$ 324,323	\$ 320,194	\$ 4,129	\$ 6,647,141	\$ 6,322,818
Begich Middle School	1	579,412	579,413	579,413	--	783,535	204,122
Benny Benson Secondary	--	3,825	3,825	--	3,825	71,674	67,849
Central Middle School	560	599,724	600,284	599,724	560	3,997,435	3,397,151
Chugiak Senior High	295	1,119,993	1,120,288	1,118,036	2,252	2,507,370	1,387,082
Clark Middle School	952	--	952	--	952	14,353	13,401
Dimond Senior High	2,100	308,663	310,763	307,447	3,316	731,035	420,272
Eagle River Senior High	20,429	76,405	96,834	72,739	24,095	122,053	25,219
East Senior High	6,969	1,099,910	1,106,879	1,097,460	9,419	2,755,042	1,648,163
Goldenvue Middle School	2,930	220,555	223,485	220,018	3,467	2,996,629	2,773,144
Ernest Gruening Middle School	1,385	104,775	106,160	102,867	3,293	3,262,400	3,156,240
U. S. Hanshew Middle School	3,000	250,830	253,830	250,830	3,000	295,722	41,892
Martin Luther King, Jr. Career Center	--	145,449	145,449	144,137	1,312	2,733,501	2,588,052
Jane Mears Middle School	--	256,308	256,308	256,233	75	666,948	410,640
Mirror Lake Middle School	--	14,334	14,334	14,300	34	40,387	26,053
Romig Middle School	18,000	26,130	44,130	24,093	20,037	1,171,436	1,127,306
Save Alternative	--	17,522	17,522	16,024	1,498	159,030	141,508
Service Senior High	71,843	4,712,026	4,783,869	4,712,131	71,738	5,796,613	1,012,744
South Anchorage Senior High	3,885	1,843,098	1,846,983	1,838,216	8,767	2,199,927	352,944
Steller Alternative	--	30,377	30,377	25,492	4,885	1,337,242	1,306,865
Wendler Middle School	12,075	645,344	657,419	639,118	18,301	2,543,245	1,885,826
West Senior High	--	9,180,706	9,180,706	9,174,816	5,890	14,271,732	5,091,026
Whaley Center	947	30,445	31,392	30,445	947	372,864	341,472
Retirement system employer relief	--	40,425	40,425	--	--	--	(40,425)
Total secondary schools	145,686	21,630,264	21,775,950	21,543,733	191,792	55,477,314	33,701,364
Elementary schools:							
Abbott Loop	686	253,596	254,282	253,596	686	424,918	170,636
Airport Heights	1,963	17,266,307	17,268,270	17,265,481	2,789	21,482,864	4,214,594
Alpenglow	--	53,228	53,228	34,538	18,690	520,581	467,353
Aquarian Charter	113	8,167	8,280	--	8,280	31,849	23,569
Aurora	--	959,539	959,539	959,539	--	1,372,561	413,022
Baxter	2,990	5,761	8,751	5,761	2,990	122,884	114,133
Bayshore	37	2,873,827	2,873,864	2,799,199	74,665	5,527,670	2,653,806
Bear Valley	--	22,289	22,289	22,289	--	142,395	120,106
Birchwood	500	8,939	9,439	8,939	500	96,202	86,763
Willard Bowman	(193)	158,783	158,590	158,654	(64)	350,168	191,578
Campbell	--	35,145	35,145	35,145	--	252,516	217,371
Chester Valley	10,000	--	10,000	--	10,000	14,092	4,092
Chinook	1,440	70,271	71,711	70,271	1,440	338,232	266,521
Chugach	--	15,811	15,811	15,811	--	113,327	97,516
Chugiak	--	13,188	13,188	13,188	--	42,897	29,709
College Gate	--	91,320	91,320	91,320	--	101,467	10,147
Creekside Park	2,434	79,859	82,293	79,859	2,434	257,783	175,490
Denali	--	3,041	3,041	3,041	--	20,263	17,222
Eagle River	--	1,270,315	1,270,315	1,270,284	31	5,071,828	3,801,513
Fairview	--	148,785	148,785	148,785	--	251,232	102,447
Fire Lake	--	117,044	117,044	117,044	--	956,504	839,460
Girdwood	320	4,177,007	4,177,327	4,177,007	320	5,090,810	913,483
Gladys Wood	4,063	1,182,898	1,186,961	1,179,339	7,622	18,208,188	17,021,227
Government Hill	--	2,543	2,543	2,543	--	171,688	169,145
Homestead	--	11,529	11,529	11,529	--	(25,141)	(36,670)
Huffman	1,926	2,413,935	2,415,861	2,413,935	1,926	6,271,964	3,856,103
Inlet View	--	396,934	396,934	396,934	--	810,498	413,564
Kasuun	121	27,344	27,465	27,344	121	105,303	77,838

(Continued)



For the Period Ended June 30, 2016

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

	Prior Years	Total Current Expenditures	Total Expenditures	GFA Additions	Ending Balance	Project Authorization	Variance favorable (unfavorable)
Kincaid	\$ --	\$ 223	\$ 223	\$ --	\$ 223	\$ 13,735	\$ 13,512
Klatt	1,200	69,270	70,470	69,270	1,200	333,095	262,625
Lake Hood	--	24,492	24,492	24,492	--	140,391	115,899
Lake Otis	--	2,267	2,267	--	2,267	9,502	7,235
Mt. Spurr	--	72,514	72,514	72,514	--	226,000	153,486
Mt. View	456	6,938,456	6,938,912	6,940,629	(1,717)	13,992,170	7,053,258
Mt. Illiamna	56,224	235,689	291,913	235,689	56,224	1,288,821	996,908
Muldoon	--	32,949	32,949	32,949	--	88,050	55,101
North Star	19	6,716	6,735	6,716	19	177,351	170,616
Northern Lights	--	--	--	--	--	18,713	18,713
Northwood	--	614,166	614,166	614,166	--	1,034,443	420,277
Nunaka Valley	1,785	33,569	35,354	33,569	1,785	338,300	302,946
Ocean View	411	12,919	13,330	12,919	411	131,984	118,654
O'Malley	337	137,371	137,708	137,371	337	1,282,891	1,145,183
Orion	--	188,396	188,396	188,396	--	406,626	218,230
Polaris K-12	--	3,318	3,318	--	3,318	449,119	445,801
Ptarmigan	2,000	7,791	9,791	7,791	2,000	104,336	94,545
Rabbit Creek	--	7,117,848	7,117,848	7,117,848	--	10,797,644	3,679,796
Ravenwood	--	1,489	1,489	--	1,489	34,610	33,121
Rogers Park	--	90,184	90,184	90,184	--	747,899	657,715
Russian Jack	--	1,136	1,136	--	1,136	97,095	95,959
Sand Lake	--	5,382	5,382	5,382	--	46,987	41,605
Scenic Park	--	71,342	71,342	71,342	--	204,671	133,329
Spring Hill	--	51,493	51,493	51,493	--	298,529	247,036
Susitna	--	2,113,764	2,113,764	2,113,764	--	3,947,915	1,834,151
Taku	100	31,096	31,196	31,096	100	39,205	8,009
Trailside	--	4,136	4,136	--	4,136	131,446	127,310
Tudor	963	39,708	40,671	39,708	963	839,885	799,214
Turnagain	--	2,218,069	2,218,069	2,216,712	1,357	17,062,567	14,844,498
Ursa Major	--	64,585	64,585	64,585	--	202,805	138,220
Ursa Minor	--	52,208	52,208	52,208	--	50,978	(1,230)
William Tyson	--	493,193	493,193	493,193	--	641,606	148,413
Williwaw	--	3,541	3,541	--	3,541	3,210	(331)
Willow Crest	--	75,099	75,099	75,099	--	367,946	292,847
Wonder Park	--	1,295,171	1,295,171	1,295,171	--	2,168,153	872,982
Retirement system employer relief	--	99,905	99,905	--	--	--	(99,905)
Total elementary schools	89,895	53,876,860	53,966,755	53,655,631	211,219	125,844,221	71,877,466
Other capital outlays:							
Chugiak/Eagle River Site							
Acquisition	--	--	--	--	--	1	1
Administration	108,006	32,381	140,387	32,381	108,006	698,190	557,803
District-wide Asbestos/ Life Safety	168,051	--	168,051	--	168,051	191,712	23,661
District-wide Building Life Extension	276,756	--	276,756	--	276,756	2,243,495	1,966,739
District-wide deferred maint, Cost savings, ops.	--	--	--	--	--	266,947	266,947
District-wide Emergency Preparation	--	--	--	--	--	303,701	303,701
District-wide Facility Assessments	--	20,700	20,700	20,700	--	85,435	64,735
District-wide Security Systems	870	1,163,037	1,163,907	1,163,037	870	1,551,367	387,460
District-wide Federal Impact Aid	--	--	--	--	--	499,838	499,838
District-wide Library Books	--	--	--	--	--	(130)	(130)
District-wide Underground Storage Tank Removal	303	469,535	469,838	469,535	303	519,449	49,611

(Continued)

## SCHEDULE OF EXPENDITURES - PROJECT

For the Period Ended June 30, 2016

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

	Prior Years	Total Current Expenditures	Total Expenditures	GFA Additions	Ending Balance	Project Authorization	Variance favorable (unfavorable)
District-wide							
Electric/Switch Upgrades	\$ 9,848	\$ 148,375	\$ 158,223	\$ 141,601	\$ 16,622	\$ 279,795	\$ 121,572
District-wide Maintenance							
Equipment	--	--	--	--	--	11,851	11,851
Data Center	(2,772)	873,545	870,773	873,545	(2,772)	1,144,821	274,048
District-wide Mechanical Upgrades	47,801	329,881	377,682	329,881	47,801	1,866,549	1,488,867
District-wide Relocatables	--	39,390	39,390	39,390	--	81,906	42,516
District-wide Roof Replacement	--	476	476	--	476	24,810	24,334
Facilities/Maintenance	--	--	--	--	--	71	71
Pupil Transportation	--	--	--	--	--	300,150	300,150
Southwest Area Site							
Acquisition	--	--	--	--	--	22,481	22,481
Special Ed Health Services	--	--	--	--	--	35,587	35,587
Student Nutrition	595	249,546	250,141	249,546	595	3,920,742	3,670,601
Warehouse	--	--	--	--	--	14,913	14,913
Retirement system employer relief	--	6,181	6,181	--	--	--	(6,181)
Total other capital outlays	609,458	3,333,047	3,942,505	3,319,616	616,708	14,063,681	10,121,176
Total capital outlays	\$ 845,039	\$ 78,840,171	\$ 79,685,210	\$ 78,518,980	\$ 1,019,719	\$ 195,385,216	\$ 115,700,006

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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, 2016  
With Comparative Totals for  
June 30, 2015

## INTERNAL SERVICE FUNDS

## COMBINING STATEMENT OF NET POSITION

	Equipment Replacement	Health Insurance	Compensated Absences	Total Internal Service Funds	
				2016	2015
<b>Assets</b>					
Current Assets:					
Investments	\$ 9,695,714	\$ 9,967,963	\$ 11,205,548	\$ 30,869,225	\$ 32,141,920
Accounts receivable	--	14,982	--	14,982	20,795
Total current assets	9,695,714	9,982,945	11,205,548	30,884,207	32,162,715
Non-current assets:					
Machinery and equipment	31,465,126	--	--	31,465,126	31,848,886
Accumulated depreciation	(23,965,332)	--	--	(23,965,332)	(23,789,160)
Total capital assets (net of accumulated depreciation)	7,499,794	--	--	7,499,794	8,059,726
Total assets	17,195,508	9,982,945	11,205,548	38,384,001	40,222,441
<b>Liabilities</b>					
Current liabilities:					
Medical claims and other payables	--	5,780,640	--	5,780,640	6,221,457
Accrued compensated absences	--	--	6,181,585	6,181,585	6,027,811
Total current liabilities	--	5,780,640	6,181,585	11,962,225	12,249,268
Non-current liabilities:					
Other contractual obligations payable	268,336	--	--	268,336	--
Accrued compensated absences	--	--	5,004,689	5,004,689	5,025,343
Total non-current liabilities	268,336	--	5,004,689	5,273,025	5,025,343
Total liabilities	268,336	5,780,640	11,186,274	17,235,250	17,274,611
<b>Net Position</b>					
Investment in capital assets	7,499,794	--	--	7,499,794	8,059,726
Unrestricted	9,427,378	4,202,305	19,274	13,648,957	14,888,104
Total net position	\$ 16,927,172	\$ 4,202,305	\$ 19,274	\$ 21,148,751	\$ 22,947,830

For the Year Ended June 30, 2016  
With Comparative Totals  
For the Year Ended June 30, 2015

## INTERNAL SERVICE FUNDS

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION

	Equipment Replacement	Health Insurance	Compensated Absences	Total Internal Service Funds	
				2016	2015
Operating revenues:					
Charges for services	\$ 1,545,131	\$ --	\$ --	\$ 1,545,131	\$ 1,516,326
Charges for health insurance services	--	35,464,501	--	35,464,501	34,285,197
Charges for accrued compensated absences	--	--	13,416,861	13,416,861	13,219,517
Total operating revenues	<u>1,545,131</u>	<u>35,464,501</u>	<u>13,416,861</u>	<u>50,426,493</u>	<u>49,021,040</u>
Operating expenses:					
Depreciation	1,545,131	--	--	1,545,131	1,516,326
Costs of services	--	112,075	--	112,075	120,900
Medical plan administration	--	5,540,449	--	5,540,449	5,413,714
Medical claims	--	34,992,619	--	34,992,619	31,116,612
Compensated absences expense	--	--	13,655,360	13,655,360	13,324,126
Total operating expenses	<u>1,545,131</u>	<u>40,645,143</u>	<u>13,655,360</u>	<u>55,845,634</u>	<u>51,491,678</u>
Operating gain (loss)	<u>--</u>	<u>(5,180,642)</u>	<u>(238,499)</u>	<u>(5,419,141)</u>	<u>(2,470,638)</u>
Non-operating revenues:					
Gain on sale of capital assets	2,598	--	--	2,598	24,618
Investment income	<u>166,451</u>	<u>164,227</u>	<u>257,773</u>	<u>588,451</u>	<u>240,354</u>
Total non-operating revenues	<u>169,049</u>	<u>164,227</u>	<u>257,773</u>	<u>591,049</u>	<u>264,972</u>
Total income (loss) before capital contributions and transfers	<u>169,049</u>	<u>(5,016,415)</u>	<u>19,274</u>	<u>(4,828,092)</u>	<u>(2,205,666)</u>
Capital contributions and transfers	29,013	--	--	29,013	715,618
Transfers in - General Fund	<u>--</u>	<u>3,000,000</u>	<u>--</u>	<u>3,000,000</u>	<u>727,849</u>
Total capital contributions and transfers	<u>29,013</u>	<u>3,000,000</u>	<u>--</u>	<u>3,029,013</u>	<u>1,443,467</u>
Changes in net position	198,062	(2,016,415)	19,274	(1,799,079)	(762,199)
Net position at beginning of year	<u>16,729,110</u>	<u>6,218,720</u>	<u>--</u>	<u>22,947,830</u>	<u>23,710,029</u>
Net position at end of year	<u>\$ 16,927,172</u>	<u>\$ 4,202,305</u>	<u>\$ 19,274</u>	<u>\$ 21,148,751</u>	<u>\$ 22,947,830</u>

For the Year Ended June 30, 2016  
With Comparative Totals  
For the Year Ended June 30, 2015

## INTERNAL SERVICE FUNDS

## STATEMENT OF CASH FLOWS

	Equipment Replacement	Health Insurance	Compensated Absences	Total Internal Service Funds	
				2016	2015
Cash flows from operating activities:					
Receipts from interfund activities	\$ 1,545,131	\$ 35,464,501	\$ 13,416,861	\$ 50,426,493	\$ 49,021,040
Payments for interfund services used	--	--	(13,522,240)	(13,522,240)	(13,132,590)
Payments for medical claims and other health insurance activity	--	(41,085,664)	--	(41,085,664)	(35,850,361)
Net cash flows provided by operating activities	<u>1,545,131</u>	<u>(5,621,163)</u>	<u>(105,379)</u>	<u>(4,181,411)</u>	<u>38,089</u>
Cash flows from non-capital financing activities:					
Transfer from other funds	--	3,000,000	--	3,000,000	727,849
Net cash provided by financing activities	<u>--</u>	<u>3,000,000</u>	<u>--</u>	<u>3,000,000</u>	<u>727,849</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(730,543)	--	--	(730,543)	(2,197,614)
Sale of capital assets	50,809	--	--	50,809	19,101
Net cash used in capital and financing activities	<u>(679,734)</u>	<u>--</u>	<u>--</u>	<u>(679,734)</u>	<u>(2,178,513)</u>
Cash flows from investing activities:					
Sales (Purchases) of investments	(1,031,848)	2,456,936	(152,394)	1,272,694	1,172,221
Interest earnings received	166,451	164,227	257,773	588,451	240,354
Net cash used in investing activities	<u>(865,397)</u>	<u>2,621,163</u>	<u>105,379</u>	<u>1,861,145</u>	<u>1,412,575</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	\$ --	\$ (5,180,642)	\$ (238,499)	\$ (5,419,141)	\$ (2,470,638)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	1,545,131	--	--	1,545,131	1,516,326
Change in assets and liabilities					
Receivables, net	--	295	--	295	1,242,500
Accounts and other payables	--	(440,816)	133,120	(307,696)	(250,099)
Net cash provided by operating activities	<u>\$ 1,545,131</u>	<u>\$ (5,621,163)</u>	<u>\$ (105,379)</u>	<u>\$ (4,181,411)</u>	<u>\$ 38,089</u>
Non-cash investing, capital and financing activities:					
Contributed capital and equipment	<u>\$ 29,013</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 29,013</u>	<u>\$ 715,618</u>

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Statistical Section



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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**REVENUE CAPACITY**

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

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For the Last Ten Years

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

Net Position							
Fiscal Year	Restricted for						
	Net Investment in Capital Assets	Debt Service	Authorized Construction Net of Authorized Unissued Bonds	Bond Rating	Federal Impact Aid 8003(d)	Unrestricted	Total Net Position
2006-2007	\$ 446,204,268	\$ 5,141,963	\$ --	\$ 16,415,939	\$ --	\$ 48,552,991	\$ 516,315,161
2007-2008	459,600,531	2,709,623	20,687,437	17,503,677	--	51,775,663	552,276,931
2008-2009	478,070,820	2,046,009	--	18,600,421	--	94,608,950	593,326,200
2009-2010	488,771,145	2,051,689	4,886,817	19,292,937	--	99,173,849	614,176,437
2010-2011	506,570,859	2,136,337	11,549,306	19,484,331	418,417	105,531,288	645,690,538
2011-2012	538,847,164	1,709,552	--	23,877,539	449,596	111,161,682	676,045,533
2012-2013	575,380,172	2,179,593	--	23,550,356	612,805	112,234,090	713,957,016
2013-2014	612,993,191	2,733,186	--	23,957,642	541,753	110,698,187	750,923,959
2014-2015	658,250,945	3,019,088	--	23,941,097	358,295	(140,201,596)	545,367,829
2015-2016	697,497,685	4,020,159	--	24,600,326	188,857	(236,765,876)	489,541,151

## Notes:

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

(2) GASB 68 implementation began in Fiscal Year 2014 - 2015.

For the Last Ten Years

## STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION

	2007	2008	2009	2010	2011
Program Expenses					
District-wide activities:					
General administration	\$ 18,449,790	\$ 27,232,757	\$ 27,132,910	\$ 31,243,745	\$ 24,167,797
Instruction	439,050,663	527,232,487	538,451,870	576,872,255	619,040,263
Pupil transportation	18,002,836	20,087,773	19,580,050	20,055,743	20,304,159
Operation and maintenance of plant	66,378,934	67,567,677	72,870,520	72,929,245	77,188,087
Community services	813,222	396,467	481,852	460,142	521,657
Food services	15,518,427	16,054,390	16,855,858	17,085,879	19,026,380
Interest expense	34,012,953	36,773,707	36,393,199	35,284,867	33,201,590
Total district-wide expenses	<u>592,226,825</u>	<u>695,345,258</u>	<u>711,766,259</u>	<u>753,931,876</u>	<u>793,449,933</u>
Program Revenues					
District-wide activities:					
Charges for services					
General administration	83,209	16,770	19,604	19,139	4,531
Instruction	1,431,789	1,752,350	1,606,288	1,612,977	4,004,871
Operation and maintenance of plant	--	--	(2,553)	(3,404)	--
Community services	568,108	849,453	580,448	658,036	770,435
Food services	4,977,713	5,081,541	4,911,270	4,469,455	3,902,383
Operating grants and contributions					
General administration	--	750,813	925,219	464,438	134,560
Instruction	47,202,793	139,878,408	126,529,115	132,107,431	161,861,300
Pupil transportation	17,082,693	17,249,338	18,645,611	19,740,997	19,796,188
Operation and maintenance of plant	362,868	3,097,712	3,186,546	2,363,241	1,948,927
Community services	422,052	101,188	77,725	37,494	9,496
Food services	9,246,111	10,140,621	11,627,527	12,790,612	13,795,005
Construction and facility acquisition	--	213,047	297,924	--	--
Capital grants and contributions					
Instruction	--	--	--	--	46,117,714
Construction and facility acquisition	37,976,770	41,082,316	46,810,987	47,466,227	--
Total district-wide revenues	<u>119,354,106</u>	<u>220,213,557</u>	<u>215,215,711</u>	<u>221,726,643</u>	<u>252,345,410</u>
Net expense					
District-wide activities	<u>(472,872,719)</u>	<u>(475,131,701)</u>	<u>(496,550,548)</u>	<u>(532,205,233)</u>	<u>(541,104,523)</u>
General Revenues and Other Changes in Net Position					
Unrestricted:					
Appropriation from					
Municipality of Anchorage	191,602,288	206,359,861	217,971,708	232,947,582	234,759,972
Investment income	7,862,943	8,523,023	3,148,355	5,552,323	2,376,959
Public School Funding Program	277,322,639	264,718,683	281,733,376	295,483,681	310,300,774
School improvement grant	--	7,890,604	--	--	--
Energy relief	--	6,656,602	--	--	--
Federal Impact Aid	13,042,523	14,150,178	15,333,815	17,952,860	23,992,347
Proceeds from sale of assets	--	--	12,982	--	--
Other	1,861,280	2,794,520	1,817,444	1,119,024	1,188,572
Special and extraordinary items	--	--	17,582,137	--	--
Total general revenues, special and extraordinary items	<u>491,691,673</u>	<u>511,093,471</u>	<u>537,599,817</u>	<u>553,055,470</u>	<u>572,618,624</u>
Change in net position	<u>18,818,954</u>	<u>35,961,770</u>	<u>41,049,269</u>	<u>20,850,237</u>	<u>31,514,101</u>
Net position at beginning of year	<u>497,496,207</u>	<u>516,315,161</u>	<u>552,276,931</u>	<u>593,326,200</u>	<u>614,176,437</u>
Net position at end of the year	<u>\$ 516,315,161</u>	<u>\$ 552,276,931</u>	<u>\$ 593,326,200</u>	<u>\$ 614,176,437</u>	<u>\$ 645,690,538</u>

For the Last Ten Years

## STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION

	AS RESTATED 2012	2013	AS RESTATED 2014	2015	2016
Program Expenses					
District-wide activities:					
General administration	\$ 29,412,334	\$ 31,000,400	\$ 27,427,601	\$ 29,622,367	\$ 37,543,112
Instruction	619,727,202	644,094,670	647,413,175	722,027,966	685,215,939
Pupil transportation	21,785,259	22,386,537	22,871,359	22,286,749	24,381,461
Operation and maintenance of plant	77,789,469	77,234,635	74,581,580	76,267,079	85,314,793
Community services	3,556,333	3,508,691	3,619,453	483,365	617,598
Food services	19,207,955	19,977,813	21,551,586	23,430,716	25,655,586
Interest expense	29,829,001	23,475,990	25,679,718	24,877,042	24,037,648
Total district-wide expenses	<u>801,307,553</u>	<u>821,678,736</u>	<u>823,144,472</u>	<u>898,995,284</u>	<u>882,766,137</u>
Program Revenues					
District-wide activities:					
Charges for services					
General administration	6,008	194,817	833,089	1,242	3,691
Instruction	1,984,242	2,632,871	1,635,123	1,884,066	3,457,729
Operation and maintenance of plant	--	--	--	--	--
Community services	734,693	830,974	--	676,985	714,073
Food services	3,354,879	2,744,845	2,425,156	2,246,794	2,111,325
Operating grants and contributions					
General administration	227,555	529,468	1,810,346	5,133,520	1,438,059
Instruction	165,895,621	171,614,178	170,720,668	239,705,331	120,725,921
Pupil transportation	21,169,073	21,722,271	22,477,906	22,621,368	23,110,415
Operation and maintenance of plant	2,304,852	2,473,163	5,373,291	3,737,885	3,571,590
Community services	14,961	1,875	33,865	19,199	22,849
Food services	14,751,122	16,987,806	16,645,062	20,178,890	19,782,765
Construction and facility acquisition	--	--	--	--	--
Capital grants and contributions					
Instruction	45,937,003	52,622,060	56,815,015	72,187,560	57,757,752
Construction and facility acquisition	--	--	--	--	--
Total district-wide revenues	<u>256,380,009</u>	<u>272,354,328</u>	<u>278,769,521</u>	<u>368,392,840</u>	<u>232,696,169</u>
Net expenses					
District-wide activities	<u>(544,927,544)</u>	<u>(549,324,408)</u>	<u>(544,374,951)</u>	<u>(530,602,444)</u>	<u>(650,069,968)</u>
General Revenues and Other Changes in Net Position					
Unrestricted:					
Appropriation from					
Municipality of Anchorage	237,587,445	232,606,002	233,284,280	239,576,423	239,410,965
Investment income	1,446,162	1,107,327	1,059,852	1,147,782	1,602,140
Public School Funding Program	311,645,866	325,447,016	318,661,242	327,797,266	329,831,634
School improvement grant	--	--	--	--	--
Energy relief	--	--	--	--	--
Federal Impact Aid	20,166,071	20,449,408	18,251,918	22,116,652	20,337,273
Proceeds from sale of assets	--	--	--	--	--
Other	8,009,165	7,626,118	10,084,602	13,587,963	3,061,278
Special and extraordinary items	--	--	--	--	--
Total general revenues, special and extraordinary items	<u>578,854,709</u>	<u>587,235,871</u>	<u>581,341,894</u>	<u>604,226,086</u>	<u>594,243,290</u>
Change in net position	<u>33,927,165</u>	<u>37,911,463</u>	<u>36,966,943</u>	<u>73,623,642</u>	<u>(55,826,678)</u>
Net position at beginning of year	<u>(3,572,149)</u>	<u>30,355,016</u>	<u>434,777,244</u>	<u>471,744,187</u>	<u>545,367,829</u>
Net position at end of the year	<u>\$ 30,355,016</u>	<u>\$ 68,266,479</u>	<u>\$ 471,744,187</u>	<u>\$ 545,367,829</u>	<u>\$ 489,541,151</u>

For the Last Ten Years

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

	2007	2008	2009	2010	2011
General Fund					
Fund balances:					
Non-spendable	\$ 5,420,392	\$ 10,192,198	\$ 12,522,607	\$ 11,741,766	\$ 10,812,950
Restricted	16,769,336	17,883,043	18,967,267	19,833,195	19,902,748
Committed	7,449,350	7,936,952	8,380,055	8,878,554	13,879,315
Assigned	47,691,577	59,224,835	55,861,747	60,600,998	60,074,795
Unassigned	34,468,976	24,442,307	23,509,451	25,928,239	24,798,698
Total General Fund	<u>\$ 111,799,631</u>	<u>\$ 119,679,335</u>	<u>\$ 119,241,127</u>	<u>\$ 126,982,752</u>	<u>\$ 129,468,506</u>
All Other Governmental Funds					
Fund balances:					
Non-spendable	\$ 1,558,594	\$ 917,461	\$ 933,685	\$ 780,478	\$ 763,583
Restricted	5,141,963	23,295,305	2,046,009	6,938,506	13,685,643
Committed	62,515,839	61,155,174	56,964,756	23,062,817	10,919,017
Assigned	3,244,663	4,495,510	4,741,443	6,269,224	6,967,027
Unassigned	(29,827)	(16,159)	(54,155)	(20,500)	(13,463)
Total all other government funds	<u>\$ 72,431,232</u>	<u>\$ 89,847,291</u>	<u>\$ 64,631,738</u>	<u>\$ 37,030,525</u>	<u>\$ 32,321,807</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)**

	2012	As Restated 2013	2014	2015	2016
<b>General Fund</b>					
Fund balances:					
Non-spendable	\$ 12,758,325	\$ 11,376,474	\$ 5,499,745	\$ 3,382,756	\$ 3,667,859
Restricted	24,327,135	24,163,161	24,499,395	24,299,392	24,789,183
Committed	11,888,710	1,451,148	5,276,897	10,046,919	12,519,248
Assigned	57,171,842	61,448,020	48,598,520	73,157,731	58,828,775
Unassigned	23,677,394	22,779,338	38,752,839	30,517,600	29,490,600
Total General Fund	<u>\$ 129,823,406</u>	<u>\$ 121,218,141</u>	<u>\$ 122,627,396</u>	<u>\$ 141,404,398</u>	<u>\$ 129,295,665</u>
<b>All Other Governmental Funds</b>					
Fund balances:					
Non-spendable	\$ 1,118,708	\$ 1,485,278	\$ 1,271,700	\$ 983,304	\$ 1,236,827
Restricted	1,709,552	2,179,593	2,733,186	3,019,088	4,020,159
Committed	14,556,862	11,932,590	25,467,438	39,895,743	55,633,395
Assigned	5,706,555	4,993,340	5,033,401	5,564,316	6,331,234
Unassigned	(48,001)	(9,559)	(1,689,985)	(17,852)	(673,425)
Total all other government funds	<u>\$ 23,043,676</u>	<u>\$ 20,581,242</u>	<u>\$ 32,815,740</u>	<u>\$ 49,444,599</u>	<u>\$ 66,548,190</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)**

	2007	2008	2009	2010	2011
<b>Revenues:</b>					
Local sources	\$ 214,888,704	\$ 233,669,852	\$ 240,046,875	\$ 256,186,939	\$ 253,899,166
State sources	335,377,434	434,882,555	428,811,942	428,035,882	452,943,504
Federal sources	60,491,468	62,409,670	66,255,684	90,054,656	115,379,897
Total revenues	610,757,606	730,962,077	735,114,501	774,277,477	822,222,567
<b>Expenditures:</b>					
Current:					
General administration	17,637,210	21,029,531	22,987,553	22,181,161	23,180,257
Instruction	408,016,532	497,955,761	509,914,670	543,875,057	579,025,698
Pupil transportation	17,236,133	18,982,195	19,234,255	20,137,537	20,239,375
Operation and maintenance of plant	62,611,368	67,154,630	72,019,066	72,256,844	76,933,872
Community services	359,537	379,713	443,763	445,989	508,686
Food services	15,112,931	15,693,492	16,594,195	16,694,742	18,017,232
Debt service:					
Refunding bond issuance cost	--	--	--	--	--
Principal	39,870,000	44,080,000	46,630,000	49,520,000	52,475,000
Interest	35,021,935	35,884,852	37,270,931	36,372,658	35,001,212
Fiscal agent fees	11,578	11,605	10,648	11,208	9,708
Bond issuance cost	425,618	119,483	219,481	134,674	174,096
Capital outlays	45,593,411	52,526,056	61,518,088	52,681,236	23,711,546
Total expenditures	641,896,253	753,817,318	786,842,650	814,311,106	829,276,682
Excess (deficiency) of revenues over (under) expenditures	(31,138,647)	(22,855,241)	(51,728,149)	(40,033,629)	(7,054,115)
<b>Other financing sources (uses):</b>					
Proceeds from sale of property and equipment	42,904	51,531	11,127	634	10,360
Issuance of general obligation bonds	48,495,000	63,790,000	29,840,000	20,025,000	4,940,000
Premium on issuance of general obligation bonds	1,152,350	1,335,234	395,335	136,396	97,062
Issuance of refunding bonds	251,745,000	--	--	--	28,310,000
Premium on issuance of refunding bonds	13,906,249	--	--	--	2,305,196
Payment to refunded bond escrow agent	(265,651,249)	--	--	--	(30,455,857)
Transfers in	894,501	1,298,003	342,889	13,734	9,031,500
Transfers out	(1,094,501)	(1,898,003)	(4,514,963)	(1,723)	(9,407,110)
Total other financing sources (uses)	49,490,254	64,576,765	26,074,388	20,174,041	4,831,151
Net change in fund balances	\$ 18,351,607	\$ 41,721,524	\$ (25,653,761)	\$ (19,859,588)	\$ (2,222,964)
<b>Debt service as a percentage of noncapital expenditures</b>	12.6%	11.4%	11.6%	11.3%	10.9%

**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)**

	2012	2013	2014	2015	2016
<b>Revenues:</b>					
Local sources	\$ 256,897,674	\$ 247,981,607	\$ 250,705,339	\$ 255,957,061	\$ 257,354,099
State sources	483,049,363	532,696,627	532,700,403	1,161,304,333	463,331,161
Federal sources	94,387,908	77,455,493	76,231,876	84,173,052	79,122,705
Total revenues	834,334,945	858,133,727	859,637,618	1,501,434,446	799,807,965
<b>Expenditures:</b>					
Current:					
General administration	28,638,280	30,119,251	26,964,679	35,074,968	29,325,141
Instruction	587,388,122	606,408,747	606,791,232	1,196,021,148	550,759,560
Pupil transportation	22,277,229	22,809,852	22,931,732	24,310,030	31,716,984
Operation and maintenance of plant	77,442,084	76,873,647	74,658,873	85,422,847	73,450,427
Community services	3,440,259	3,507,066	3,628,420	576,814	487,637
Food services	18,615,420	19,502,420	21,297,939	25,694,692	22,109,248
Debt service:					
Refunding bond issuance cost	--	69,405	--	80,973	149,156
Principal	54,875,000	55,425,000	57,340,000	59,290,000	58,940,000
Interest	31,722,282	29,504,017	27,354,466	27,385,338	25,649,885
Fiscal agent fees	9,403	9,330	8,950	6,547	4,425
Bond issuance cost	16,213	32,522	180,923	126,566	127,181
Capital outlays	16,345,054	30,083,083	48,043,764	81,556,784	78,840,171
Total expenditures	840,769,346	874,344,340	889,200,978	1,535,546,707	871,559,815
Excess (deficiency) of revenues over (under) expenditures	(6,434,401)	(16,210,613)	(29,563,360)	(34,112,261)	(71,751,850)
<b>Other financing sources (uses):</b>					
Proceeds from sale of property and equipment	--	4,892	16,561	28,563	30,822
Issuance of general obligation bonds	--	14,425,000	39,345,000	59,075,000	69,038,445
Premium on issuance of general obligation bonds	--	1,115,112	3,845,552	11,056,199	10,523,110
Issuance of refunding bonds	--	24,080,000	--	37,150,000	81,040,000
Premium on issuance of refunding bonds	--	1,139,945	--	5,966,834	13,189,654
Payment to refunded bond escrow agent	--	(25,150,540)	--	(43,030,625)	(94,075,323)
Transfers in	6,095	7,613	2,392,810	2,289,924	13,136,125
Transfers out	(2,494,925)	(7,613)	(2,392,810)	(3,017,773)	(16,136,125)
Total other financing sources (uses)	(2,488,830)	15,614,409	43,207,113	69,518,122	76,746,708
Net change in fund balances	\$ (8,923,231)	\$ (596,204)	\$ 13,643,753	\$ 35,405,861	\$ 4,994,858
<b>Debt service as a percentage of non-capital expenditures</b>	10.5%	10.1%	10.1%	6.0%	10.7%

## Notes:

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

Last Ten Years

**GOVERNMENT-WIDE  
EXPENSES BY FUNCTION**

Fiscal Year	General Administration (1)	Instruction (1)	Pupil Transportation	Operation and Maintenance of Plant (1)	Community Services	Food Services (1)	Interest Expense (2)	Total
2006-2007	\$ 18,449,790	\$ 439,050,663	\$ 18,002,836	\$ 66,378,934	\$ 813,222	\$ 15,518,427	\$ 34,012,953	\$ 592,226,825
2007-2008	27,232,757	527,232,487	20,087,773	67,567,677	396,467	16,054,390	36,773,707	695,345,258
2008-2009	27,132,910	538,451,870	19,580,050	72,870,520	481,852	16,855,858	36,393,199	711,766,259
2009-2010	31,243,745	576,872,255	20,055,743	72,929,245	460,142	17,085,879	35,284,867	753,931,876
2010-2011	24,167,797	619,040,263	20,304,159	77,188,087	521,657	19,026,380	33,201,590	793,449,933
2011-2012	29,412,334	619,727,202	21,785,259	77,789,469	3,556,333	19,207,955	29,829,001	801,307,553
2012-2013	31,000,400	644,094,670	22,386,537	77,234,635	3,508,691	19,977,813	23,475,990	821,678,736
2013-2014	27,427,601	647,413,175	22,871,359	74,581,580	3,619,453	21,551,586	25,679,718	823,144,472
2014-2015	29,622,367	722,027,966	22,286,749	76,267,079	483,365	23,430,716	24,877,042	898,995,284
2015-2016	37,543,112	685,215,939	24,381,461	85,314,793	617,598	25,655,586	24,037,648	882,766,137

## Notes:

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

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

## Loss on Disposal of Capital Assets

Fiscal Year	General Administration	Instruction	Pupil Transportation	Operation and Maintenance of Plant	Community Services	Food Services	Interest Expense	Total
2006-2007	\$ 3,342,264	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 3,342,264
2007-2008	5,485,017	--	--	--	--	--	--	5,485,017
2008-2009	3,988,190	--	--	--	--	--	--	3,988,190
2009-2010	8,652,636	--	--	--	--	--	--	8,652,636
2010-2011	--	8,524,769	--	--	--	--	--	8,524,769
2011-2012	--	5,526,884	--	--	--	--	--	5,526,884
2012-2013	--	1,260,294	--	--	--	--	--	1,260,294
2013-2014	--	4,511,350	--	--	--	51,856	--	4,563,206
2014-2015	14,081	4,318,154	--	5,148	--	--	--	4,337,383
2015-2016	--	288,320	--	--	--	1,283	--	289,603

Last Ten Years

**GOVERNMENT-WIDE  
REVENUES BY TYPE**

Program Revenues						
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total		
2006-2007	\$ 7,060,819	\$ 74,316,517	\$ 37,976,770	\$ 119,354,106		
2007-2008	7,700,114	171,431,127	41,082,316	220,213,557		
2008-2009	7,115,057	161,289,667	46,810,987	215,215,711		
2009-2010	6,756,203	167,633,175	47,466,227	221,855,605		
2010-2011	8,682,220	197,545,476	46,117,714	252,345,410		
2011-2012	6,079,822	204,363,184	45,937,003	256,380,009		
2012-2013	6,403,507	213,328,761	52,622,060	272,354,328		
2013-2014	4,893,368	213,075,640	60,800,513	278,769,521		
2014-2015	4,809,087	291,396,193	72,187,560	368,392,840		
2015-2016	6,286,818	168,651,599	57,757,752	232,696,169		

General Revenues						
Fiscal Year	Appropriation from Municipality of Anchorage	Investment Income	Public School Funding Program	Federal Impact Aid	Other	Total
2006-2007	\$ 191,602,288	\$ 7,862,943	\$ 273,377,337	\$ 13,042,523	\$ 5,806,582	\$ 491,691,673
2007-2008	206,359,861	8,523,023	264,718,683	14,150,178	17,341,726	511,093,471
2008-2009	217,971,708	3,148,355	281,733,376	15,333,815	19,412,563	537,599,817
2009-2010	232,947,582	5,552,323	295,483,681	17,952,860	1,119,024	553,055,470
2010-2011	234,759,972	2,376,959	310,300,774	23,992,347	1,188,572	572,618,624
2011-2012	237,587,445	1,446,162	311,645,866	20,166,071	8,009,165	578,854,709
2012-2013	232,606,002	1,107,327	325,447,016	20,449,408	7,626,118	587,235,871
2013-2014	233,284,280	1,059,852	318,661,242	18,251,918	10,084,602	581,341,894
2014-2015	239,576,423	1,147,782	327,797,266	22,116,652	13,587,963	604,226,086
2015-2016	239,410,965	1,602,140	329,831,634	20,337,273	3,061,278	594,243,290

For the Last Ten Years

**GENERAL EXPENDITURES  
BY FUNCTION (1)**

Fiscal Year	General Administration	Instruction	Pupil Transportation	Operation and Maintenance of Plant	Community Services	Food Services	Debt Service	Total (2)
2006-2007	\$ 17,637,210	\$ 408,016,532	\$ 17,236,133	\$ 62,611,368	\$ 359,537	\$ 15,112,931	\$ 74,903,513	\$ 595,877,224
2007-2008	21,029,531	497,955,761	18,982,195	67,154,630	379,713	15,693,492	79,976,458	701,171,780
2008-2009	22,987,553	509,914,670	19,234,255	72,019,066	443,763	16,594,195	83,911,579	725,105,081
2009-2010	22,181,161	543,875,057	20,137,537	72,256,844	445,989	16,694,742	85,903,866	761,495,196
2010-2011	23,180,257	579,025,698	20,239,375	76,933,872	508,686	18,017,232	87,645,259	805,550,379
2011-2012	28,638,280	587,388,122	22,277,229	77,442,084	3,440,259	18,615,420	86,606,685	824,408,079
2012-2013	30,119,251	606,408,747	22,809,852	76,873,647	3,507,066	19,502,420	85,007,752	844,228,735
2013-2014	26,964,679	606,791,232	22,931,732	74,658,873	3,628,420	21,297,939	84,703,416	840,976,291
2014-2015	35,074,968	1,196,021,148	24,310,030	85,422,847	576,814	25,694,692	86,762,858	1,453,863,357
2015-2016	29,325,141	550,759,560	31,716,984	73,450,427	487,637	22,109,248	84,743,466	792,592,463

## Notes:

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

(2) For comparative analysis transfers have not been included.

## GENERAL REVENUES BY SOURCE (1)

Fiscal Year	Local Sources	State Sources	Federal Sources	Total (2)
2006-2007	\$ 211,118,561	\$ 334,381,044	\$ 60,124,838	\$ 605,624,443
2007-2008	228,551,829	434,028,791	61,864,635	724,445,255
2008-2009	237,534,125	425,548,573	65,203,075	728,285,773
2009-2010	255,230,975	425,783,030	89,594,070	770,608,075
2010-2011	254,313,179	450,344,820	113,428,143	818,086,142
2011-2012	255,891,995	478,489,890	91,487,261	825,869,146
2012-2013	247,956,503	520,748,415	77,065,389	845,770,307
2013-2014	250,591,677	516,226,642	76,062,447	842,880,766
2014-2015	255,888,014	1,135,684,301	83,507,289	1,475,079,604
2015-2016	257,164,849	452,093,994	79,077,289	788,336,132

## 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				Total Taxable Assessed Value	Areawide Tax Rate (mils)
	Residential Property	Commercial Property	Total Real	Personal Property		
2006	\$ 17,043,312,074	\$ 6,622,078,149	\$ 23,665,390,223	\$ 2,178,724,534	\$ 25,844,114,757	7.59
2007	18,938,470,451	7,771,561,687	26,710,032,138	2,559,073,381	29,269,105,519	7.02
2008	19,467,058,556	8,706,338,583	28,173,397,139	2,407,424,007	30,580,821,146	7.31
2009	19,669,462,275	8,964,468,173	28,633,930,448	2,819,418,266	31,453,348,714	7.67
2010	19,538,749,838	8,982,605,974	28,521,355,812	2,942,321,080	31,463,676,892	7.89
2011	19,734,533,714	9,095,615,110	28,830,148,824	2,766,391,727	31,596,540,551	7.61
2012	19,617,776,607	9,152,490,728	28,770,267,335	2,944,070,041	31,714,337,376	7.28
2013	19,844,447,084	9,394,322,157	29,238,769,241	3,072,941,642	32,311,710,883	6.92
2014	20,727,659,820	9,726,237,558	30,453,897,378	3,218,472,804	33,672,370,182	6.71
2015	21,626,494,295	10,109,822,456	31,736,316,751	3,302,128,224	35,038,444,975	6.70

## 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Area Wide:										
Municipality of Anchorage	0.46	0.23	0.37	0.49	0.45	0.09	(0.29)	(0.43)	(0.35)	(0.14)
Anchorage School District	7.13	6.79	6.94	7.18	7.44	7.52	7.57	7.35	7.06	6.84
Property Tax Credit	--	--	(0.51)	(0.57)	--	--	--	--	--	--
Total Areawide	7.59	7.02	6.8	7.1	7.89	7.61	7.28	6.92	6.71	6.7
Former City Service Area	0.02	0.02	--	--	--	--	--	--	--	--
Chugiak Service Area	0.91	1.00	0.99	0.97	0.96	0.97	1.00	1.00	0.95	1.00
Glen Alps Service Area	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Girdwood Service Area	3.97	4.00	3.03	3.83	3.87	3.68	4.14	4.29	3.97	4.08
Anchorage Fire Service Area	1.76	1.73	1.77	1.75	1.83	2.09	2.13	2.21	2.44	2.22
Roads & Drainage Service Area	2.80	2.59	2.60	2.77	2.13	2.46	2.78	2.60	2.36	2.31
Limited Road Service Areas	1.21	1.28	1.30	1.32	1.33	1.33	1.31	1.29	1.29	1.3
Anchorage Police Service Area	2.57	2.60	2.56	2.61	2.67	2.70	2.76	3.23	2.95	2.93
Parks & Recreation Service Area	0.56	0.60	0.65	0.70	0.66	0.62	0.62	0.60	0.59	0.54
Chugiak/Eagle River Recreational Facilities Service Area	1.13	1.11	1.08	1.05	0.09	0.90	1.00	0.95	0.97	1.03

## Notes:

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



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

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
G.C.I. Communications Corp.	\$ 202,368,472	1	0.58 %	\$ 110,109,048	3	0.43 %
Calais Company, Inc.	186,322,140	2	0.53	106,943,521	5	0.41
ACS of Anchorage, Inc.	169,736,027	3	0.48	271,857,152	1	1.05
Galen Hospital Alaska, Inc.	143,894,702	4	0.41	103,422,501	6	0.40
WEC 2000A-Alaska L.L.C.	142,327,232	5	0.40	108,395,835	4	0.42
Fred Meyer Stores Inc.	138,547,623	6	0.40	133,817,630	2	0.52
Enstar Natural Gas Company	120,107,043	7	0.34	64,423,278	10	0.25
B.P. Exploration (Alaska) Inc.	115,554,734	8	0.33	91,724,813	7	0.35
Hickel Investment Company	115,014,672	9	0.33	71,748,976	9	0.28
Anchorage Fueling & Service Co.	82,818,701	10	0.24	86,322,647	8	0.33
	<u>\$ 1,416,691,346</u>		4.04 %	<u>\$ 1,148,765,401</u>		4.44 %

## 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
2006	\$ 357,895,662	\$ 353,993,904	98.9 %	\$ 3,900,372	\$ 357,894,276	100.0 %	\$ 1,386	0.0 %
2007	398,955,490	389,483,559	97.6	9,468,920	398,952,479	100.0	3,011	0.0
2008	386,615,505	378,829,566	98.0	7,659,884	386,459,450	100.0	156,055	0.0
2009	438,158,786	430,346,262	98.2	7,521,535	437,867,797	99.9	290,989	0.1
2010	463,732,284	454,799,895	98.1	8,634,507	463,434,402	99.9	297,882	0.1
2011	475,771,921	470,361,847	98.9	5,211,978	475,573,825	100.0	198,096	0.0
2012	477,009,470	477,142,831	100.0	(2,509,692)	474,633,139	99.5	2,376,331	0.5
2013	480,422,072	480,393,854	100.0	(7,365,626)	473,028,228	98.5	7,393,844	1.5
2014	503,962,630	500,381,108	99.3	(6,412,951)	493,968,157	98.0	9,994,473	2.0
2015	506,632,643	503,919,262	99.5	(3,735,743)	500,183,519	98.7	6,449,124	1.3

## Notes:

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

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

For the Last Ten Years

Fiscal Year	Population (1)	Average Daily Membership K-12 and Special Ed (2)	Assessed Valuation (3)	Gross Bonded Debt (4)(5)	Debt Service Monies Available	Net Bonded Debt	Total Personal Income
2006-2007	282,813	48,707	\$ 25,844,114,757	\$ 786,335,739	\$ 5,141,963	\$ 781,193,776	\$ 12,431,611
2007-2008	283,823	48,144	29,269,105,519	806,326,035	2,709,624	803,616,411	13,124,827
2008-2009	284,994	48,227	30,580,821,146	788,833,169	2,046,009	786,787,160	14,464,870
2009-2010	290,588	49,061	31,453,348,714	758,366,481	2,051,689	756,314,792	13,768,350
2010-2011	291,826	48,613	31,463,676,892	710,687,818	2,136,337	708,551,481	14,483,033
2011-2012	296,197	48,422	31,596,540,551	654,044,477	1,709,552	652,334,925	14,969,796
2012-2013	298,576	48,493	31,714,337,376	607,754,177	2,179,593	605,574,584	16,196,041
2013-2014	301,134	47,770	32,599,587,241	591,551,332	2,733,186	588,818,146	17,814,485
2014-2015	300,549	47,562	33,304,523,825	601,395,085	3,019,088	598,375,997	16,872,821
2015-2016	298,908	47,756	35,038,444,975	625,012,141	4,020,159	620,991,982	18,180,182

Fiscal Year	Ratio of Total Outstanding Debt to Personal Income	Ratio of Net Bonded Debt to Assessed Valuation	Gross Bonded Debt Per Capita	Net Bonded Debt Per Capita	Net Bonded Debt Per Student
2006-2007	63.3 %	3.0 %	\$ 2,780	\$ 2,762	\$ 16,039
2007-2008	61.4	2.7	2,841	2,831	16,692
2008-2009	54.5	2.6	2,768	2,761	16,314
2009-2010	55.1	2.4	2,610	2,603	15,416
2010-2011	49.1	2.3	2,435	2,428	14,575
2011-2012	43.7	2.1	2,208	2,202	13,472
2012-2013	37.5	1.9	2,036	2,028	12,488
2013-2014	33.2	1.8	1,964	1,955	12,326
2014-2015	35.6	1.8	2,001	1,991	12,581
2015-2016	34.4	1.8	2,091	2,078	13,003

## 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, 2016

**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	\$ 612,476,435	100 %	\$ 612,476,435
Direct:			
Anchorage School District	625,012,141	100	<u>625,012,141</u>
			<u><u>\$ 1,237,488,576</u></u>

## Notes:

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

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

For the Last Ten Years

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Fees</u>	<u>Total Debt Service</u>	<u>Total General Expenditures (1)</u>	<u>Ratio of Debt Service to General Expenditures (Percent)</u>
2006-2007	\$ 39,870,000	\$ 35,021,935	\$ 11,578	\$ 74,903,513	\$ 595,877,224	12.6 %
2007-2008	44,080,000	35,884,852	11,606	79,976,458	701,171,780	11.4
2008-2009	46,630,000	37,270,931	10,648	83,911,579	725,105,081	11.6
2009-2010	49,520,000	36,372,658	11,208	85,903,866	761,495,196	11.3
2010-2011	52,475,000	35,001,212	9,708	87,485,920	805,550,379	10.9
2011-2012	54,875,000	31,722,282	9,403	86,606,685	824,408,079	10.5
2012-2013	55,425,000	29,504,017	9,330	84,938,347	844,228,735	10.1
2013-2014	57,340,000	27,354,466	8,950	84,703,416	840,976,291	10.1
2014-2015	59,290,000	27,385,338	6,547	86,681,885	1,453,863,357	6.0
2015-2016	58,940,000	25,649,885	4,425	84,594,310	792,592,463	10.7

## 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>
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	54,196	16,196,041	48,493	6
2013	301,134	59,158	17,814,485	47,770	5
2014	300,549	56,140	16,872,821	47,562	5
2015	298,908	60,822	18,180,182	47,756	5

Notes:

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

Current Year  
and Nine Years Ago**MUNICIPALITY OF ANCHORAGE  
PRINCIPAL EMPLOYMENT BY INDUSTRY (1)(2)**

Industry	2015		2006	
	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	0.01 %
Oil and Gas	3,700	2.5	2,200	1.5
Construction	8,300	5.6	9,700	6.5
Manufacturing	2,100	1.4	1,900	1.3
Wholesale Trade	4,800	3.2	4,900	3.3
Retail Trade	18,100	12.2	17,400	11.7
Trans/Warehouse/Utilities (less Air Transportation)	1,100	0.7	7,600	5.1
Air Transportation	--	--	3,600	2.4
Information	4,100	2.8	4,400	3.1
Financial Activities	7,400	5	9,200	6.2
Professional And Business Services	20,300	13.7	17,100	11.5
Educational and Health Services (less Health Care)	6,200	4.2	5,000	3.4
Health Care	19,100	12.9	14,600	9.8
Leisure and Hospitality	17,200	11.6	15,300	10.3
Other Services	6,100	4.1	5,500	3.7
Federal Government	8,500	5.8	9,300	6.3
State Government (less State Education)	8,000	5.4	7,600	5.1
State Education	2,600	1.8	2,300	1.6
Local Government (less Local Education )	2,900	2.1	3,100	2.1
Local Education	7,300	4.9	7,600	5.1
	<u>148,000</u>	100 %	<u>148,400</u>	100.0 %

## Notes:

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

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

For the Last Ten Years

**AVERAGE GENERAL EXPENDITURES PER PUPIL**

<u>Fiscal Year</u>	<u>Total General Expenditures (1)</u>	<u>General Expenditures Percentage Increase (decrease) Over Prior Year</u>	<u>Average Daily Membership Grades K-12 and Special Education (2)</u>	<u>General Expenditures Per Student Capita</u>	<u>General Expenditures per Student Capita Percentage Increase (decrease) Over Prior Year</u>
2006-2007	\$ 595,877,224	5.92 %	48,707	\$ 12,234	7.25 %
2007-2008	701,171,780	17.67	48,144	14,564	19.05
2008-2009	725,105,080	3.41	48,227	15,035	3.24
2009-2010	761,495,196	5.02	49,061	15,521	3.23
2010-2011	805,550,379	5.79	48,613	16,571	6.76
2011-2012	824,408,079	2.34	48,422	17,025	2.74
2012-2013	844,228,735	2.40	48,493	17,409	2.25
2013-2014	840,976,291	(0.39)	47,770	17,605	1.12
2014-2015	1,453,863,357	72.88	47,562	30,568	73.63
2015-2016	792,592,463	(45.48)	47,756	16,597	(45.71)

## 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>
2006-2007	48,707	(1.24) %	\$ 25,844,114,757	17.00 %	\$ 530,604
2007-2008	48,144	(1.16)	29,269,105,519	13.25	607,949
2008-2009	48,227	0.17	30,580,821,146	4.48	634,102
2009-2010	49,061	1.73	31,453,348,714	2.85	641,107
2010-2011	48,613	(0.91)	31,463,676,892	0.03	647,228
2011-2012	48,422	(0.39)	31,596,540,551	0.42	652,524
2012-2013	48,493	0.15	31,714,337,376	0.37	653,998
2013-2014	47,770	(1.49)	32,599,587,241	2.79	682,428
2014-2015	47,562	(0.44)	33,304,523,825	2.16	700,234
2015-2016	47,756	0.41	35,038,444,975	5.21	733,697

## 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				
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Administration	145	189	190	202	197
Principals	144	149	151	151	149
Teachers	3,240	3,305	3,315	3,353	3,386
Technical	183	179	197	205	209
Clerical and teacher aides	1,000	1,030	1,089	1,118	1,136
Maintenance/warehouse	183	187	187	187	188
Custodial	353	361	361	371	370
Drivers/attendants	105	111	112	111	111
Noon attendants	74	74	74	75	75
Food service	200	205	207	208	211
Total authorized positions	<u>5,627</u>	<u>5,790</u>	<u>5,883</u>	<u>5,981</u>	<u>6,032</u>

Employee Category	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Administration	186	180	171	169	171
Principals	149	149	152	149	149
Teachers	3,318	3,342	3,302	3,273	3,309
Technical	231	230	221	209	211
Clerical and teacher aides	1,135	1,111	1,019	1,003	997
Maintenance/warehouse	184	181	174	164	160
Custodial	370	368	331	331	332
Drivers/attendants	112	111	112	110	122
Noon attendants	76	73	73	74	73
Food service	214	208	215	220	220
Total authorized positions	<u>5,975</u>	<u>5,953</u>	<u>5,770</u>	<u>5,702</u>	<u>5,744</u>

## Notes:

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

Current Year

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

<b>Education</b>	<b>Number of Teachers (2)</b>	<b>Low Salary</b>	<b>High Salary (3)</b>
Bachelor's Degree	320	\$ 48,402	\$ 63,217
Bachelor's Degree plus 18 semester credits	323	50,813	65,930
Bachelor's Degree plus 36 semester credits	386	53,224	70,920
Master's Equivalency with 54 semester credits	181	58,264	75,910
Master's Equivalency with 72 semester credits	131	60,673	79,598
Master's Equivalency with 90 semester credits	373	63,083	89,343
Master's Degree	335	53,808	71,650
Master's Degree with 54 semester credits	311	56,220	82,459
Master's Degree with 72 semester credits	280	58,628	87,749
Master's Degree with 90 semester credits	991	61,039	92,718
Doctorate Degree with 90 semester credits	28	62,796	94,561

## Notes:

- (1) Information furnished through Anchorage School District internal report.
- (2) Number of teachers (by FTE) as of May 2016. Does not include all authorized positions.
- (3) Salary amounts include salary schedule plus 6% additional for Related Services staff.

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

For the Last Ten Years

**AVERAGE DAILY MEMBERSHIP**

Fiscal Year	Average Daily Membership 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
2005-2006	26,011	0.18 %	23,309	0.80 %
2006-2007	26,255	0.93	22,452	(3.68)
2007-2008	25,412	(3.21)	22,732	1.25
2008-2009	25,894	1.90	22,333	(1.76)
2009-2010	26,544	2.51	22,517	0.82
2010-2011	25,910	(2.39)	22,703	0.83
2011-2012	26,515	2.34	21,907	(3.51)
2012-2013	26,525	0.03	21,968	0.28
2013-2014	26,267	(0.97)	21,503	(2.12)
2014-2015	26,306	0.14	21,256	(1.14)
2015-2016	26,555	0.95	21,201	(0.25)

## Notes:

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

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

Fiscal Year	Kindergarten (FTE)	Grade 1	Grades 2 - 3	Grades 4 - 6	Grades 7 - 12	Special Education
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	27.25 - 29.41 to 1	Various
2014-2015	20 to 1	21 to 1	24 to 1	26 to 1	27.25 - 29.41 to 1	Various
2015-2016	20 to 1	21 to 1	24 to 1	26 to 1	27.25 - 29.41 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>	<b>Elementary</b>				<b>Secondary</b>				<u>Students Graduated</u>
	<u>Gross Square Footage</u>	<u>Number of Classrooms</u>	<u>Program Capacity</u>	<u>Average Daily Membership</u>	<u>Gross Square Footage</u>	<u>Number of Classrooms</u>	<u>Program Capacity</u>	<u>Average Daily Membership</u>	
2006-2007	3,298,895	1,443	26,255	26,255	3,469,921	1,033	20,925	22,452	2,831
2007-2008	3,298,895	1,444	27,127	25,412	3,510,941	1,039	21,379	22,732	2,963
2008-2009	3,298,895	1,444	27,417	25,894	3,580,066	1,041	21,379	22,333	2,967
2009-2010	3,320,887	1,444	27,210	26,544	3,760,066	1,090	22,437	22,517	3,084
2010-2011	3,337,675	1,446	27,694	25,910	3,760,066	1,090	22,437	22,703	3,062
2011-2012	3,343,712	1,446	27,821	26,515	3,783,765	1,090	22,437	21,907	2,989
2012-2013	3,343,712	1,437	27,191	26,525	3,783,765	1,151	23,310	21,968	3,038
2013-2014	3,340,607	1,435	26,568	26,267	3,778,328	1,142	23,082	21,503	2,807
2014-2015	3,340,607	1,435	26,568	26,306	3,778,328	1,142	23,267	21,256	3,063
2015-2016	3,340,607	1,435	26,568	26,555	3,778,328	1,142	23,267	21,201	2,999

**SCHOOL BUILDINGS**

<u>Fiscal Year</u>	<u>High Schools</u>	<u>Middle Schools</u>	<u>Elementary Schools</u>	<u>Alternative Secondary Schools</u>	<u>Special Education Schools</u>	<u>Vocational Schools</u>	<u>Charter Schools</u>
2005-2006	8	9	60	6	2	1	6
2006-2007	8	9	60	6	2	1	6
2007-2008	8	9	60	6	2	1	7
2008-2009	8	10	60	6	2	1	8
2009-2010	8	10	60	6	2	1	8
2010-2011	8	10	60	6	2	1	8
2011-2012	8	10	60	6	2	1	8
2012-2013	8	10	60	7	2	1	8
2013-2014	8	10	60	7	2	1	8
2014-2015	8	10	60	7	2	1	8
2015-2016	8	10	60	7	2	1	9

Notes:

(1) Information furnished from Anchorage School District's 6-year Capital Improvement Plan 2015-2021.

For the Last Ten Years

**STUDENT NUTRITION LOCAL REVENUES (1)**

Fiscal Year	Lunch Sales Student	Lunch Sales Adult	Breakfast Program	Milk Program	A la Carte Program	Special Meals	Other Revenues	Total
2006-2007	\$ 2,704,353	\$ 66,034	\$ 111,429	\$ 61,749	\$ 1,939,316	\$ 94,831	\$ 269	\$ 4,977,981
2007-2008	2,936,022	58,203	129,579	83,407	1,777,953	96,377	24,240	5,105,781
2008-2009	3,101,173	62,789	162,447	87,592	1,401,884	95,386	97,043	5,008,314
2009-2010	2,854,711	32,329	169,837	71,482	1,241,874	99,223	117,191	4,586,647
2010-2011	2,418,659	38,012	110,489	76,205	1,179,231	79,788	79,603	3,981,987
2011-2012	2,212,106	6,306	133,988	76,624	880,255	33,967	49,792	3,393,038
2012-2013	1,777,761	30,978	142,910	29,476	751,712	3,466	53,125	2,789,428
2013-2014	1,699,282	15,577	148,385	3,224	70,476	473,817	115,527	2,526,288
2014-2015	1,688,934	22,636	133,316	74,169	300,676	--	54,820	2,274,551
2015-2016	1,578,682	28,689	129,383	61,072	287,786	--	78,369	2,163,981

## 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
2006-2007	1,129,042	1,417,381	385,667	21,761
2007-2008	1,397,294	1,174,379	310,784	31,451
2008-2009	1,015,940	1,594,965	369,837	27,904
2009-2010	900,291	1,729,615	424,749	18,246
2010-2011	842,922	1,872,472	350,103	15,291
2011-2012	771,537	1,978,760	318,368	11,034
2012-2013	697,198	1,980,407	313,853	6,437
2013-2014	653,996	1,931,623	290,795	4,789
2014-2015	638,916	2,390,256	153,041	27,031
2015-2016	719,268	2,233,285	128,071	15,099

## Pupil transportation statistics (1):

Fiscal Year	Number of Routes			
	Regular to and from schools District	Contracted	Special Education to and from school District	Contracted
2006-2007	49	95	28	63
2007-2008	53	95	28	63
2008-2009	53	95	28	63
2009-2010	51	96	28	63
2010-2011	51	91	29	68
2011-2012	51	91	29	69
2012-2013	51	91	29	69
2013-2014	51	91	29	69
2014-2015	50	91	29	69
2015-2016	49	91	29	70

## 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
2006-2007	\$ 30,377,068	\$ 19,111,501	\$ 2,586,220	\$ 771,668	\$ 18,042,551	\$ 70,889,008
2007-2008	36,299,128	22,467,313	2,985,731	913,298	90,100,424 (2)	152,765,894
2008-2009	40,196,860	25,221,558	3,369,982	1,008,895	86,145,444 (2)	155,942,739
2009-2010	45,849,570	32,884,058	3,904,788	1,120,094	69,895,943 (2)	153,654,453
2010-2011	51,221,082	36,712,647	4,242,853	1,276,105	66,526,816 (2)	159,979,503
2011-2012	55,796,248	37,838,928	4,787,536	1,406,654	66,648,278 (2)	166,477,644
2012-2013	58,116,015	34,929,173	5,229,978	1,490,836	93,762,731 (2)	193,528,733
2013-2014	59,293,542 (4)	31,926,745	5,182,153	1,657,997	93,972,863 (2)	192,033,300
2014-2015	60,421,659	32,558,294	5,327,780	1,654,275	417,437,931 (2)	517,399,939
2015-2016	55,420,017	33,073,011	5,477,156	1,634,707	49,276,112 (2)	144,881,003
Compound Annual Growth Rate	7.9%	6.1%	8.4%	8.8%	41.8%	24.7%

## Notes:

- (1) Includes: Superintendent, School Board, Local 959 (Maint. & Warehouse), Totem, APA, ACE, Exempt, Local 959 (Food Service) and Non-rep.
- (2) Includes incremental State of Alaska On-behalf payments for PERS/TRS for the health coverage cost component.
- (3) Information furnished from Anchorage School District internal report(s).
- (4) Includes waiver account funds used for employees share of health coverage premiums.



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
2006-2007	\$ --	\$ 12,362	\$ 103,381	\$ 690,528	\$ 299,635
2007-2008	--	195,779	210,032	1,058,541	507,252
2008-2009	1,475	190,340	176,307	1,061,944	495,508
2009-2010	8,509	135,549	135,865	829,651	525,700
2010-2011	118,304	139,478	125,356	445,095	636,166
2011-2012	214,694	207,036	218,037	207,422	798,198
2012-2013	243,659	217,374	212,096	115,182	855,361
2013-2014	189,432	144,015	274,091	175,926	890,631
2014-2015	803,944	775,373	758,422	977,677	1,090,945
2015-2016	1,074,362	1,028,503	976,282	1,301,984	842,012

Fiscal Year	Highland Tech Charter School	PAIDEIA Cooperative Charter School	Rilke Schule Charter School	Winterberry Charter School	Grand Total
2006-2007	\$ 118,008	\$ --	\$ --	\$ 15,187	\$ 1,239,101
2007-2008	206,258	--	190,819	91,359	2,460,040
2008-2009	112,539	--	29,388	18,770	2,086,271
2009-2010	167,071	--	54,612	15,980	1,872,937
2010-2011	168,290	--	4,965	11,911	1,649,565
2011-2012	166,763	--	46,831	7,577	1,866,558
2012-2013	24,568	--	582	47,023	1,715,845
2013-2014	49,482	--	31,481	49,123	1,804,181
2014-2015	378,080	--	393,522	516,885	5,694,848
2015-2016	209,067	110,831	669,760	818,753	7,031,554

June 30, 2016

## SCHEDULE OF INSURANCE IN FORCE

Carrier/Coverage	Policy Number	Limits	Expiration Date
Allied World GL/Auto/Educational Liability	Binder 1st XS	\$1,000,000 Each Occurrence \$3,000,000 Aggregate, except auto Self Insured Retention claim - \$1,500,000	7/1/2017
Allied World 2nd Excess Liability	Binder 2nd XS	\$9,000,000 Occurrence \$9,000,000 Aggregate	7/1/2017
National Casualty/Scottsdale 3rd Excess Liability	XC0000606	\$5,000,000 Occurrence \$5,000,000 Aggregate	7/1/2017
Navigator's Specialty Ins. Co. 4th Excess Liability	Binder 4th XS	\$25,000,000 Occurrence \$25,000,000 Aggregate	7/1/2017
State National Ins. Company Excess Workers Compensation & Employers Liability	NDE-086411616	Statutory Limits Part I \$1,000,000 Part II Self Insured Retention - \$1,000,000 \$50,000,000 Cap	7/1/2017
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	7/1/2017
ACE/Myers-Stevens Toohey Student Accident Athlete Catastrophic Insurance	SDAN0420512151993	\$1,000,000 Each Occurrence \$25,000 Deductible	7/1/2017
Hiscox Ins. Co. Crime Insurance	UC21272021.16	\$1,000,000 Bond Limit \$25,000 Deductable	7/1/2017
ACE American Ins. Co. Foreign Liability	D38442855	\$1,000,000 per Occurance \$2,000,000 Aggregate Limit	7/1/2017
Lloyds of London/Beazley Illinois Insurance Co. Cyber Liability Insurance	Binder Cyber	\$1,000,000	7/1/2017
Hartford Accident & Indemnity Treasurer Bond/Kathleen Plunkett	52BSBHL8161	\$50,000	4/27/2017
Nautilus Insurance CO. Storage Tank Liability	CST200199916	\$1,000,000 Each Incident \$1,000,000 Aggregate	3/23/2017
FM Global Insurance Company Property Insurance excluding Quake	1013599	\$1,000,000,000 Limit	7/1/2017
Travelers Commercial Insurance	QT6603H548555TIL16	\$500,000	7/1/2017

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