



Anchorage School District Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2017

A Component Unit of the Municipality of Anchorage
Anchorage, AK

Comprehensive Annual
Financial Report

ANCHORAGE SCHOOL DISTRICT

for the Fiscal Year Ended
June 30, 2017

Dr. Deena Bishop
Superintendent

Prepared by Business Management Division

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Treasurer

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Senior Director, OMB

Susan Colligan
Controller



A Component Unit of the Municipality of Anchorage
Anchorage, Alaska

Non Discrimination Statement

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

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

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

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Introductory Section



Anchorage School District

Education Center

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

February 20, 2018

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

The Comprehensive Annual Financial Report (CAFR) of the Anchorage School District (district) for the year ended June 30, 2017, 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, 2017. The independent auditor’s report can be found at the front of the financial section of this report.

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

DISTRICT PROFILE

The Anchorage School District (district) was established by the Home Rule Charter of the Municipality of Anchorage (municipality) on September 16, 1975. The most recent State of Alaska Department of Labor estimate of population in the Municipality of Anchorage was 299,037 (2016) – an increase of 0.04 percent over the prior year. The district primarily serves 47,703 students from Kindergarten through the 12th grade.

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

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

The district operates 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.

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, migrated down toward 4.8 percent (October 2016), and declined to 4.1 percent (October 2017). This fall, the Alaska unemployment rate is currently at 6.7 percent (October 2017).

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 6.7 percent (October 2017).

In fiscal year 2016-2017 the Municipal Assembly authorized the collection of a 6.82 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 0.5 percent from 2016 to 2017.

LONG-TERM FINANCIAL PLANNING

The district saw flat funding for fiscal year 2017-2018 with the base student allocation of \$5,930 staying the same as the previous year.

Current statutes provide for no funding increases in fiscal year 2018-2019 the most recent appropriations bill contained only funding for the current fiscal year with no proposed forward funding. 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 2018-2019. For fiscal years 2019-2020 and 2020-2021, the district expects to contend with the same current revenue challenges as well as medical and workers' compensation cost increases above the rate of inflation, normal inflation on salaries, benefits, services and supplies, and excise taxes imposed on the district in accordance with the Affordable Care Act. The budget shortfall over the next three years is expected to be between \$40 and \$60 million and result in the elimination of up to 600 positions in order close the fiscal gap and balance the budgets.

ENROLLMENT

The majority of the district's funding is derived from the State of Alaska Public School Foundation Program, which provides formula funding based on adjusted average daily membership (ADM). The district's ADM decreased by 721 students (1.5 percent) from the prior fiscal year to 46,964 for fiscal year 2017-2018. Projections for fiscal years 2018-2019 and 2019-2020, anticipate slight decreases in enrollment to 47,487 and 47,287 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. A new grade K-2 English Language Arts curriculum was adopted for fiscal year 2017-2018 with the district preparing to adopt the grade 3-5 for fiscal year 2018-2019.

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.

The district opened Alaska Middle College School in fiscal year 2017-2018 in a partnership with the University of Alaska, Anchorage which serves students who are ready to take college level courses. Juniors and Seniors can enroll in college classes and receive dual credits toward their college degree and high school diploma.

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, 2016.

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, 2016.

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

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

ACKNOWLEDGEMENTS


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

Respectfully submitted,



Dr. Deena Bishop
Superintendent

Prepared by,



James E. Anderson
Chief Financial Officer

The Anchorage School Board



Tam Agosti-Gisler
President



Starr Marsett
Vice President



Kathleen Plunkett
Clerk



Elisa Snelling
Treasurer



Bettye Davis



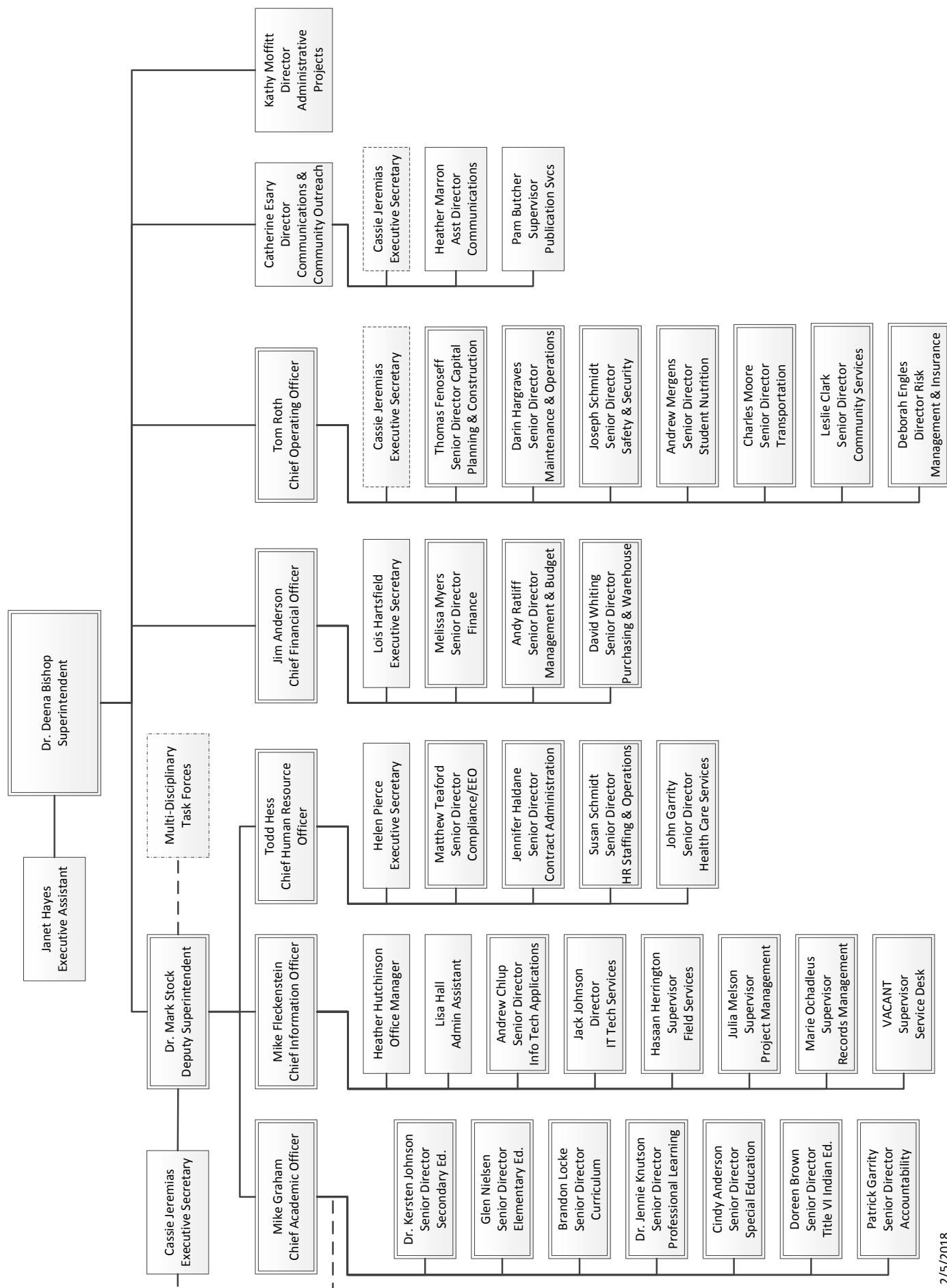
Dave Donley



Andy Holleman

The Anchorage School Board is the governing body of the Anchorage School District and is composed of seven members. The board meets twice a month. 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.

2017-2018





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, 2016

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Anchorage School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE
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, 2017, 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, 2017, 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, 2016, 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 15, 67 through 70 and 71 through 77, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated February 20, 2018 on our consideration of the Anchorage School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Anchorage School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Anchorage School District's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
February 20, 2018

Management's Discussion and Analysis

As management of the Anchorage School District (district), we offer readers of the district's financial statements this narrative overview and analysis of the financial activities of the district for the year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v-viii of this report. Professional standards require the inclusion of certain comparative information in the Management's Discussion and Analysis (MD&A).

Financial Highlights

Net Position

The net position of the district for fiscal year 2016-2017 was \$381.2 million consisting of \$717 million in net investment in capital assets, \$25.7 million in restricted net position and a negative \$361.9 million in unrestricted net position. The negative \$361.9 million in unrestricted net position is primarily a result of recognizing the district's \$579.3 million share of the unfunded liability in the State's retirement systems.

The district's net position decreased by \$108.3 million which represents an overall change in net position (expenses exceeding revenues) of the governmental activities of \$108.3 million. The decrease in net position is reflected as decreases in current assets of \$61.2 million, an increase of deferred outflows of \$20.9 million, and an increase of deferred inflows of \$7.7 million; which were offset by an increase in capital assets of \$13.8 million and an increase in liabilities of \$74.1 million.

Revenues and Expenses

Total government-wide program and general revenues decreased by \$30.8 million with a \$16.7 million decrease from operating grants and contributions, \$20.96 million decrease in capital grants revenue. The decreases were partially offset by an increase in general revenues in the amount of \$5.6 million from appropriation from the Municipality of Anchorage, investment income, Public School Funding Program, and Federal Impact Aid, and a \$1.2 million increase in charges for services.

The increase in general revenues of \$5.6 million is primarily driven by an increase of \$6.6 million in the appropriation from the Municipality of Anchorage, with a minimal increase of \$355,876 million in the State Public School Funding Program. This was partially offset by a decrease in other revenue of \$1.1 million and a decrease of \$557,209 in Federal Impact Aid.

Total government-wide expenses increased from the previous fiscal year, changing from \$882.8 million to \$904.5 million, or 2.5 percent. Expenses were increased in instruction, pupil transportation, operation and maintenance of plant, community services and food services for a total year over year increase of \$26 million. Expenses were decreased in general administration and interest expense by \$3.7 million and \$833,051, respectively.

Fund Balance

At the close of the fiscal year, the district's governmental funds reported a combined ending fund balance of \$148.7 million, which includes:

- \$4.1 million in inventory and prepaid items.
- \$25.7 million in restricted funds associated with the bond rating and Federal Impact Aid Section 8003(d).

- \$88.3 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, food service, and debt service requirements.
- \$30.6 million of unassigned funds that are available for spending at the district's discretion which represents 5 percent of the total annual general fund expenditures.
- The district is maintaining a level of unrestricted fund balance in the general fund of 9.88 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 decrease in fund balance of \$47.2 million were spending down capital project reserves from prior year bond sales and using reserves for one time operating expenditures for a \$10 million shortfall in the debt service fund due to the Governor's veto of the State Bond Debt Reimbursement Program; \$1.7 million of fund balance usage to support the pupil transportation fund; and another \$502,198 transfer out to the internal service funds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the district's basic financial statements. The district's basic financial statements are comprised of three components:

1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

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

The government-wide financial statements can be found on pages 17-18 of this report.

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

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

Fund financial statements – a fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The district, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the district can be divided into two categories: governmental funds and proprietary funds.

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

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

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

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

The basic governmental fund financial statements can be found on pages 19-21 of this report.

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

The Internal Service Funds are presented in a single, aggregated presentation on pages 23-25 of this report. Individual fund data for each internal service fund can be found in the form of combining and individual fund statements and schedules elsewhere in this report.

Notes to the basic financial statements – the notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-66 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 67-77 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 79-127 of this report. Detailed information on the district's Internal Service Funds can also be found on pages 129-131.

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 \$381,218,432 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	
	2016-2017	2015-2016
ASSETS		
Current and other assets	\$ 327,758,931	\$ 389,007,248
Capital assets	1,291,938,766	1,278,129,460
Total assets	1,619,697,697	1,667,136,708
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	125,711,709	104,890,233
Deferred charges on refundings	8,146,058	8,032,282
Total deferred outflows of resources	133,857,767	112,922,515
LIABILITIES		
Bonds payable, net of premium/discount	531,839,336	568,567,141
Net pension liability	579,323,265	454,712,187
Other liabilities	121,202,526	134,993,581
Total liabilities	1,232,365,127	1,158,272,909
DEFERRED INFLOWS OF RESOURCES		
Pension related	15,666,113	9,243,530
Tax appropriations	124,305,792	123,001,633
Total deferred inflows of resources	139,971,905	132,245,163
NET POSITION		
Invested in capital assets	717,402,083	697,497,685
Restricted	25,676,010	28,809,342
Unrestricted	(361,859,661)	(236,765,876)
Total net position	\$ 381,218,432	\$ 489,541,151

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 \$717,402,083. 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 \$361,859,661 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 \$124.6 million, up to \$579 million - the net of \$125.7 million in deferred outflows, \$15.7 million in deferred inflows and the \$579 million net pension liability.

Table 2 highlights the district's revenues and expenses for the fiscal year 2016-2017. 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 capital grants and contributions revenues, partially offset by increases in charges for services. The net increase in general revenues are mainly attributable to the increase in appropriations from the Municipality of Anchorage, offset by decreases in the other program revenues and Federal Impact Aid.

Government-wide expenses were \$904,456,176 a 2.5 percent increase from the prior year. Increases were made in instruction, transportation, operation and maintenance of plant and food services, which were partially offset by decreases in general administration and interest expense.

Table 2 – Program Revenues and Expenses

	Governmental Activities	
	2016-2017	2015-2016
Revenues:		
Program revenues:		
Charges for services and sales	\$ 7,480,617	\$ 6,286,818
Operating grants and contributions	151,974,370	168,651,599
Capital grants and contributions	36,798,741	57,757,752
General revenues:		
Appropriation from		
Municipality of Anchorage	246,003,265	239,410,965
Investment income	1,976,485	1,602,140
Public school funding program	330,187,510	329,831,634
Federal impact aid	19,780,064	20,337,273
Other	1,932,405	3,061,278
Total revenues	<u>\$ 796,133,457</u>	<u>\$ 826,939,459</u>
Program expenses:		
General administration	\$ 33,833,671	\$ 37,543,112
Instruction	707,221,741	685,215,939
Pupil transportation	25,948,005	24,381,461
Operation and maintenance of plant	87,007,105	85,314,793
Community services	626,343	617,598
Food services	26,614,714	25,655,586
Interest expense	23,204,597	24,037,648
Total expenses	<u>904,456,176</u>	<u>882,766,137</u>
Increase (decrease) in net position	(108,322,719)	(55,826,678)
Net position beginning of year	489,541,151	545,367,829
Net positions ending	<u>\$ 381,218,432</u>	<u>\$ 489,541,151</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 2016-2017	Program Revenues 2016-2017	Net Cost of Services 2016-2017
Governmental Activities			
General administration	\$ 33,833,671	\$ 607,460	\$ 33,226,211
Instruction	707,221,741	147,936,890	559,284,851
Pupil transportation	25,948,005	20,994,722	4,953,283
Operation and maintenance of plant	87,007,105	2,087,922	84,919,183
Community service	626,343	762,670	(136,327)
Food service	26,614,714	23,864,064	2,750,650
Interest expense	23,204,597	--	23,204,597
Total expenses	<u>\$ 904,456,176</u>	<u>\$ 196,253,728</u>	<u>\$ 708,202,448</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 decreased by \$47,171,539 for the year ended June 30, 2017. This is attributable to decreases in the fund balances within General, Capital, Debt Service and non-major governmental funds.

General Operating Fund

The General Fund is the primary operating fund of the district. At the end of the current fiscal year, the unassigned fund balance was \$31,450,228 while total fund balance was \$116,374,733. Total fund balance decreased by \$12,920,932 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 \$88,306,463 or 14.54 percent of expenditures. In addition, the level of unrestricted fund balance to expenditures as calculated

on a state basis was 9.88 percent, which is within the School Board's adopted fund balance policy range of 8 to 10 percent and below the 10 percent maximum allowed under state law.

Actual revenues on the budgetary basis were 100.3 percent of budgeted revenues while actual expenditures on the budgetary basis were 99.05 percent of budgeted expenditures. Actual expenditures for general administration and instructional related purchased services, salaries, benefits and supplies and materials were lower than anticipated, after factoring in the \$18,852,560 million attrition offset included in General Administration.

The General Fund expenditure budget for the year ended June 30, 2017 was \$562,970,701 a decrease of \$1,026,340 from the prior year budget of \$563,997,041.

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 \$47,109,378, an increase of six percent from the prior year amount of \$44,442,963.

Debt Service Fund

The Debt Service Fund has a total fund balance of \$1,920,859 all of which is committed 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 offset by the district receiving less revenue from the State Debt Reimbursement Program as a result of Governor Walker announcing a 25% reduction for fiscal year 2017. This required the district to do a funds transfer of \$5,648,542 plus use available fund balance to make up the shortfall. The State Department of Education and Early Development was able to make an additional, proportionate share, payment at fiscal year end of remaining available funds in the Debt Reimbursement Program. The net result was an overall positive budget variance of \$3,125,158.

Capital Projects Fund

The Capital Projects Fund closed the fiscal year with \$58,937,817 in expenditures. Proceeds from the current year general obligation bond sale and funds from state legislative grants primarily financed the activity for the year. Expenditures were in excess of current year revenues, which resulted in a decrease to the total fund balance on June 30, 2017 of \$23,969,678 from \$55,634,096.

Capital Assets and Debt Administration

Capital assets – the district's investment in capital assets for its governmental activities as of June 30, 2017 amounts to \$1,291,938,766 (net of accumulated depreciation). This investment in capital assets includes land, land improvement, buildings, equipment and vehicles, and construction in progress. The total increase in the district's investment in capital assets for the current year net of related debt was 1.1 percent.

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

Gladys Wood Elementary Construction
Huffman Elementary School Renovation
Martin Luther King Jr. Career Center Renovation
Rogers Park Elementary School Construction

Turnagain Elementary School Construction
West High/Romig Middle Schools Renovation
Willow Crest Elementary School Construction

The following table shows ending balances of capital assets (net of accumulated depreciation) invested in various categories. The district recognized a total increase of \$13,809,306 in capital assets net of accumulated depreciation in part due to new construction projects.

Table 4 – Capital Assets as of June 30, 2017 (Net of Depreciation)

	Governmental Activities	
	2016-2017	2015-2016
Land	\$ 42,357,063	\$ 42,357,063
Land improvements	23,208,531	24,658,796
Buildings, equipment and vehicles	1,225,550,329	1,210,093,882
Construction in progress	822,843	1,019,719
Totals	<u>\$ 1,291,938,766</u>	<u>\$ 1,278,129,460</u>

Long-term debt – as of June 30, 2017 the district had outstanding general obligation bonds totaling \$541,595,000. This entire amount of \$541,595,000 comprises debt backed by the full faith and credit of the municipality. Over the fiscal year, the district paid \$56,445,000 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, 2017

	Governmental Activities		
	2016-2017	2015-2016	Maturity
General obligation bonds	<u>\$ 541,595,000</u>	<u>\$ 581,075,000</u>	2037

As of June 30, 2017, the district's available authorized but unissued general obligation school bonds amounted to \$84,602,000.

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, 2016.

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 21, 2017 the Anchorage Assembly approved ordinance AO 2017-39 which provided local funding of \$248,611,584 and an upper limit of \$789,688,247.

Although many bills that would have changed the district's operations and funding were introduced during the 2017 legislative session, the Alaska State Legislature nor the Governor made any significant funding changes for K-12 education. The following bill was passed that providing funding for the operating expenses of State government:

- House Bill 57 – provided funding to school districts with no increases to the Base Student Allocation (BSA). The BSA remained at \$5,930, the same as fiscal year 2016-2017. For fiscal year 2017-2018, there were no Governor's vetoes which reduced appropriations to school districts as had happened in the prior year.

In addition to the funding reductions above, the State chose not to provide any direct legislative grants to schools for the third 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 0.56 percent in fiscal year 2017-2018. Maturing of the Anchorage population coupled with an overall decline in birth rates has generally resulted in a gradual decline in student enrollment which has been mitigated by increased regional in-migration from outlying communities and immigration from other countries. Economic impacts resulting from sustained low oil

prices 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 47,703 students which was 637 fewer students than in fiscal year 2016-2017, about 367 students below what was projected. This preliminary enrollment data is below projected enrollment by approximately 0.76 percent, which represents a decrease in State Public School Foundation Formula and local municipal tax funding of roughly \$3.5 million, although offset by increases to the formula funding for students with intensive needs.

The State of Alaska is primarily dependent on oil taxes and royalties to pay for state government, including education. As the price of oil remains depressed, the state is expected to contend with multibillion dollar budget deficits and will be tasked with the difficult decision of prioritizing programs and projects with limited revenue. The Legislature has, so far, been unable to come to an agreement on fundamental changes to increase State revenues to cover future deficits including the use of Alaska Permanent Fund earnings, statewide income and/or sales taxes, and increases to the tax structure of natural resource extraction.

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

The local heating 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. For fiscal year 2017-2018, rates are expected to increase anywhere from 3 to 15 percent depending on the utility provider. The district budget for fiscal year 2017-2018 includes \$12.25 million for electricity across district facilities and \$5.2 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.¹ The rates are designed to cover necessary general and administrative expenses that are not readily identifiable to a particular grant, contract, program or activity and generally include an allocation from cost centers that includes utilities, accounting, human resources, information technology, facilities personnel, etc.

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

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 2017-2018 is 4.75 percent.

The state allows an indirect rate of up to 9 percent for capital grants for fiscal year 2017-2018. The district generally charges the full 9 percent for design, planning, and building life extension projects, while large capital renewals, renovations, additions and replacement projects are typically charged 5 percent.

Requests for Information

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

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Basic Financial Statements

June 30, 2017
With Comparative Totals for
June 30, 2016

STATEMENT OF NET POSITION

	Governmental Activities	
	2017	2016
Assets		
Current assets:		
Cash and investments	\$ 160,580,200	\$ 227,032,966
Cash and investments with paying agent	11,560,611	10,821,603
Accounts receivable, net of allowances	2,865,466	1,740,479
Interest receivable	7,027	46,826
Due from other governments	148,407,252	144,017,138
Prepaid items	1,095,044	1,546,671
Inventory	3,243,331	3,801,565
Total current assets	327,758,931	389,007,248
Non-current assets:		
Capital assets:		
Non-depreciable:		
Land	42,357,063	42,357,063
Construction in progress	822,843	1,019,719
Depreciable:		
Land improvements	70,616,275	70,141,766
Buildings and equipment	1,828,582,343	1,775,046,190
Pupil transportation equipment	20,630,348	20,159,540
Accumulated depreciation	(671,070,106)	(630,594,818)
Capital assets, net of accumulated depreciation	1,291,938,766	1,278,129,460
Total assets	1,619,697,697	1,667,136,708
Deferred outflows of resources		
Pension related	125,711,709	104,890,233
Deferred charges on refunding loss	8,146,058	8,032,282
Total deferred outflows of resources	133,857,767	112,922,515
Liabilities		
Current liabilities:		
Accounts payable	2,857,181	4,089,515
Contracts payable	2,900,448	8,072,454
Medical claims payable, including IBNR	6,095,255	6,294,661
Interest payable	8,612,079	9,227,724
Accrued salaries and related items:		
Wages and salaries payable	2,667,163	3,604,059
Payroll taxes, other accrued and withheld items	14,482,752	19,672,093
Accrued compensated absences	6,192,131	6,181,585
Workers' compensation payable	4,888,342	4,549,254
Bonds payable	56,500,000	56,445,000
Unearned revenue	2,958,253	3,593,746
Total current liabilities	108,153,604	121,730,091
Non-current liabilities:		
Accrued compensated absences	4,939,407	5,004,689
Workers' compensation payable	8,109,515	8,258,801
Bonds payable, net	531,839,336	568,567,141
Net pension liability	579,323,265	454,712,187
Total non-current liabilities	1,124,211,523	1,036,542,818
Total liabilities	1,232,365,127	1,158,272,909
Deferred inflows of resources		
Pension related	15,666,113	9,243,530
General property tax receipts	104,739,311	102,641,939
Debt service tax receipts	19,566,481	20,359,694
Total deferred inflows of resources	139,971,905	132,245,163
Net Position		
Net investment in capital assets	717,402,083	697,497,685
Restricted for:		
Bond rating	24,861,158	24,600,326
Debt service	--	4,020,159
Federal Impact Aid 8003(d)	814,852	188,857
Unrestricted	(361,859,661)	(236,765,876)
Total net position	\$ 381,218,432	\$ 489,541,151

See accompanying notes to basic financial statements

For the Year Ended June 30, 2017

STATEMENT OF ACTIVITIES

		Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	Expenses				
<u>Functions/Programs</u>					
District-wide activities					
General administration	\$ (33,833,671)	\$ 988	\$ 606,472	\$ --	\$ (33,226,211)
Instruction	(707,221,741)	4,566,505	106,571,644	36,798,741	(559,284,851)
Pupil transportation	(25,948,005)	--	20,994,722	--	(4,953,283)
Operation and maintenance of plant	(87,007,105)	--	2,087,922	--	(84,919,183)
Community services	(626,343)	753,599	9,071	--	136,327
Food services	(26,614,714)	2,159,525	21,704,539	--	(2,750,650)
Interest expense	(23,204,597)	--	--	--	(23,204,597)
Total district-wide activities	<u>\$ (904,456,176)</u>	<u>\$ 7,480,617</u>	<u>\$ 151,974,370</u>	<u>\$ 36,798,741</u>	<u>\$ (708,202,448)</u>
General revenues:					
Unrestricted:					
Appropriation from Municipality of Anchorage					\$ 246,003,265
Investment income					1,976,485
Public School Funding Program					330,187,510
Federal Impact Aid					19,780,064
Other					<u>1,932,405</u>
Total general revenues					<u>599,879,729</u>
Change in net position					(108,322,719)
Net position at beginning of year					<u>489,541,151</u>
Net position at end of the year					<u>\$ 381,218,432</u>

June 30, 2017
With Comparative Totals for
June 30, 2016

BALANCE SHEET - GOVERNMENTAL FUNDS

						Totals	
	General	Grants Special Revenue	Debt Service	Capital Projects	Non-Major Governmental	2017	2016
Assets							
Cash and investments	\$ 129,792,176	\$ --	\$ --	\$ 304,658	\$ 2,816,946	\$ 132,913,780	\$ 162,713,741
Cash and investments with paying agent	--	--	20	11,558,156	10,122	11,568,298	44,271,603
Accounts receivable (net of any allowances for uncollectables)	1,989,917	8,934	--	--	162,961	2,161,812	1,725,497
Interest receivable	--	--	--	7,027	--	7,027	46,826
Due from other funds	17,179,792	--	--	14,631,472	2,743,439	34,554,703	35,977,651
Due from other governments	104,739,311	18,247,985	21,822,428	1,458,320	2,139,208	148,407,252	144,017,138
Prepaid items	1,043,767	37,316	--	300	13,661	1,095,044	1,546,671
Inventory	1,348,493	--	--	--	1,894,837	3,243,330	3,801,565
Total assets	<u>\$ 256,093,456</u>	<u>\$ 18,294,235</u>	<u>\$ 21,822,448</u>	<u>\$ 27,959,933</u>	<u>\$ 9,781,174</u>	<u>\$ 333,951,246</u>	<u>\$ 394,100,692</u>
Liabilities							
Accounts payable	\$ 1,653,628	\$ 249,767	\$ --	\$ 833,636	\$ 120,150	\$ 2,857,181	\$ 3,821,179
Contracts payable	--	--	--	2,900,448	--	2,900,448	8,072,454
Medical claims and other contracts payable	552,638	--	--	--	--	552,638	514,021
Due to other funds	17,374,911	15,175,343	335,108	--	1,669,341	34,554,703	35,977,651
Accrued salaries and related items	15,387,086	1,590,417	--	54,529	117,883	17,149,915	23,276,152
Unearned revenue	11,149	1,278,708	--	201,642	1,466,754	2,958,253	3,593,747
Total liabilities	<u>34,979,412</u>	<u>18,294,235</u>	<u>335,108</u>	<u>3,990,255</u>	<u>3,374,128</u>	<u>60,973,138</u>	<u>75,255,204</u>
Deferred inflows of resources							
General property tax appropriation	104,739,311	--	--	--	--	104,739,311	102,641,939
Debt service tax appropriation	--	--	19,566,481	--	--	19,566,481	20,359,694
Total deferred inflows of resources	<u>104,739,311</u>	<u>--</u>	<u>19,566,481</u>	<u>--</u>	<u>--</u>	<u>124,305,792</u>	<u>123,001,633</u>
Fund balances:							
Non-spendable	2,392,260	37,316	--	300	1,674,842	4,104,718	4,904,686
Restricted	25,676,010	--	--	--	--	25,676,010	28,809,342
Committed	3,843,138	--	1,920,859	23,969,378	--	29,733,375	68,152,643
Assigned	53,013,097	--	--	--	5,525,727	58,538,824	65,160,009
Unassigned	31,450,228	(37,316)	--	--	(793,523)	30,619,389	28,817,175
Total fund balances	<u>116,374,733</u>	<u>--</u>	<u>1,920,859</u>	<u>23,969,678</u>	<u>6,407,046</u>	<u>148,672,316</u>	<u>195,843,855</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 256,093,456</u>	<u>\$ 18,294,235</u>	<u>\$ 21,822,448</u>	<u>\$ 27,959,933</u>	<u>\$ 9,781,174</u>	<u>\$ 333,951,246</u>	<u>\$ 394,100,692</u>

See accompanying notes to basic financial statements

June 30, 2017
With Comparative Totals for
June 30, 2016

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

	2017	2016
Total governmental fund balances	\$ 148,672,316	\$ 195,843,855
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	1,284,124,736	1,270,629,667
Other long-term liabilities not due and payable in the current period, and therefore not reported in the funds:		
Workers' compensation payable	(12,997,857)	(12,808,055)
General obligation debt	(541,595,000)	(581,075,000)
Accrued interest on general obligation debt	(8,612,079)	(9,227,724)
Unamortized loss/(gain) on refunding bonds	8,146,057	8,032,282
Unamortized general obligation bond premium	(46,744,336)	(43,937,141)
Net pension liability	(579,323,265)	(454,712,187)
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	125,711,709	104,890,233
Deferred inflows of resources related to pensions	(15,666,113)	(9,243,530)
Internal service fund net position	19,502,264	21,148,751
Total reconciling items	232,546,116	293,697,296
Net position of governmental activities	<u>\$ 381,218,432</u>	<u>\$ 489,541,151</u>

See accompanying notes to basic financial statements

For the Year Ended June 30, 2017
With Comparative Totals
For the Year Ended June 30, 2016

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

	General	Grants Special Revenue	Debt Service	Capital Projects	Non-Major Governmental Funds	Totals	
						2017	2016
Revenues:							
Local sources	\$ 210,485,253	\$ 778,644	\$ 40,719,706	\$ 147,510	\$ 10,176,176	\$ 262,307,289	\$ 257,354,099
State sources	371,923,003	4,592,828	34,081,747	2,562,834	21,471,818	434,632,230	463,331,161
Federal sources	21,452,537	41,737,906	257,577	429,624	21,324,920	85,202,564	79,122,705
Total revenues	603,860,793	47,109,378	75,059,030	3,139,968	52,972,914	782,142,083	799,807,965
Expenditures:							
Current:							
General administration	27,101,599	--	--	--	--	27,101,599	29,325,141
Instruction	502,146,540	47,109,378	--	--	7,765,387	557,021,305	550,759,560
Pupil transportation	--	--	--	--	23,704,287	23,704,287	31,716,984
Operation and maintenance of plant	77,544,041	--	--	--	--	77,544,041	73,450,427
Community services	481,496	--	--	--	--	481,496	487,637
Food services	--	--	--	--	23,679,018	23,679,018	22,109,248
Debt service:							
Refunding bond issuance cost	--	--	131,362	--	--	131,362	149,156
Principal	--	--	56,445,000	--	--	56,445,000	58,940,000
Interest	--	--	26,374,289	--	--	26,374,289	25,649,885
Fiscal agent fees	--	--	3,050	--	--	3,050	4,425
Bond issuance cost	--	--	--	63,281	--	63,281	127,181
Capital outlays	--	--	--	58,874,536	--	58,874,536	78,840,171
Total expenditures	607,273,676	47,109,378	82,953,701	58,937,817	55,148,692	851,423,264	871,559,815
Excess (deficiency) of revenues over (under) expenditures	(3,412,883)	--	(7,894,671)	(55,797,849)	(2,175,778)	(69,281,181)	(71,751,850)
Other financing sources (uses):							
Proceeds from sale of property and equipment	31,580	--	--	170,100	--	201,680	30,822
Issuance of general obligation bonds	--	--	--	20,270,000	--	20,270,000	69,038,445
Premium on issuance of general obligation bonds	--	--	--	1,999,723	--	1,999,723	10,523,110
Issuance of refunding bonds	--	--	41,960,000	--	--	41,960,000	81,040,000
Premium on issuance of refunding bonds	--	--	4,497,070	--	--	4,497,070	13,189,654
Payments to refunding escrow	--	--	(46,316,633)	--	--	(46,316,633)	(94,075,323)
Transfers in	--	--	5,654,934	1,700,000	1,688,889	9,043,823	13,136,125
Transfers out	(9,539,629)	--	--	(6,392)	--	(9,546,021)	(16,136,125)
Total other financing sources (uses)	(9,508,049)	--	5,795,371	24,133,431	1,688,889	22,109,642	76,746,708
Net change in fund balances	(12,920,932)	--	(2,099,300)	(31,664,418)	(486,889)	(47,171,539)	4,994,858
Fund balances at beginning of year	129,295,665	--	4,020,159	55,634,096	6,893,935	195,843,855	190,848,997
Fund balances at end of year	\$ 116,374,733	\$ --	\$ 1,920,859	\$ 23,969,678	\$ 6,407,046	\$ 148,672,316	\$ 195,843,855

See accompanying notes to basic financial statements

For the Year Ended June 30, 2017
 With Comparative Totals
 For the Year Ended June 30, 2016

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

	2017	2016
Net change in fund balances - total governmental funds (page 21)	\$ (47,171,539)	\$ 4,994,858
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	58,816,311	88,469,584
Current depreciation expense	(42,738,849)	(40,385,928)
Loss on disposal of assets	(2,582,393)	(289,603)
Net adjustment for change in fund balance, total government funds to arrive at changes in net position of governmental activities	13,495,069	47,794,053
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	(20,270,000)	(69,038,445)
Premium on issuance of general obligation bonds	(1,999,723)	(10,523,110)
Issuance of refunding general obligation bonds	(41,960,000)	(81,040,000)
Payment to escrow agent for refunding	46,316,633	94,075,323
Premium on issuance of refunding general obligation bonds	(4,497,070)	(13,189,654)
Principal payments on general obligation bonds and refunded bonds	56,445,000	58,940,000
Net change in refunding loss	(937,858)	--
Net change in general obligation bonds premium	3,689,598	2,304,950
Accrued interest	615,645	(411,951)
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	(189,802)	1,039,858
Pension contributions	10,526,703	24,801,667
Cost of benefits earned net of employee contributions	(120,738,888)	(113,775,148)
Change in net position - Internal Service Funds	(1,646,487)	(1,799,079)
Total reconciling items	(61,151,180)	(60,821,536)
Change in net position of governmental activities (page 18)	\$ (108,322,719)	\$ (55,826,678)

See accompanying notes to basic financial statements

June 30, 2017
With Comparative Totals for
June 30, 2016

INTERNAL SERVICE FUNDS

STATEMENT OF NET POSITION

	Governmental Activities	
	2017	2016
Assets		
Current Assets:		
Investments	\$ 27,658,732	\$ 30,869,225
Accounts receivable	703,656	14,982
Total current assets	28,362,388	30,884,207
Non-current assets:		
Machinery and equipment	33,035,581	31,465,126
Accumulated depreciation	(25,221,551)	(23,965,332)
Capital assets (net of accumulated depreciation)	7,814,030	7,499,794
Total assets	36,176,418	38,384,001
Liabilities		
Current liabilities:		
Medical claims and other payables	5,542,617	5,780,640
Accrued compensated absences	6,192,130	6,181,585
Total current liabilities	11,734,747	11,962,225
Non-current liabilities		
Other contractual obligations payable	--	268,336
Accrued compensated absences	4,939,407	5,004,689
Total non-current liabilities	4,939,407	5,273,025
Total liabilities	16,674,154	17,235,250
Net Position		
Net investment in capital assets	7,814,030	7,499,794
Unrestricted	11,688,234	13,648,957
Total net position	\$ 19,502,264	\$ 21,148,751

See accompanying notes to basic financial statements

For the Year Ended June 30, 2017
 With Comparative Totals
 For the Year Ended June 30, 2016

INTERNAL SERVICE FUNDS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

	Governmental Activities	
	2017	2016
Operating revenues:		
Charges for services	\$ 1,597,161	\$ 1,545,131
Charges for health insurance services	36,992,486	35,464,501
Charges for accrued compensated absences	13,532,598	13,416,861
Total operating revenues	<u>52,122,245</u>	<u>50,426,493</u>
Operating expenses:		
Depreciation	1,597,161	1,545,131
Costs of services	124,026	112,075
Medical plan administration	4,813,819	5,540,449
Medical claims	34,677,774	34,992,619
Compensated absences expense	13,682,544	13,655,360
Total operating expenses	<u>54,895,324</u>	<u>55,845,634</u>
Operating gain (loss)	<u>(2,773,079)</u>	<u>(5,419,141)</u>
Non-operating revenues:		
Gain on sale of capital assets	(1,542)	2,598
Investment income	295,513	588,451
Total non-operating revenues	<u>293,971</u>	<u>591,049</u>
Total income (loss) before capital contributions and transfers	<u>(2,479,108)</u>	<u>(4,828,092)</u>
Capital contributions	330,423	29,013
Transfers in - General Fund	<u>502,198</u>	<u>3,000,000</u>
Total capital contributions and transfers	<u>832,621</u>	<u>3,029,013</u>
Changes in net position	(1,646,487)	(1,799,079)
Net position at beginning of year	<u>21,148,751</u>	<u>22,947,830</u>
Net position at end of year	<u>\$ 19,502,264</u>	<u>\$ 21,148,751</u>

See accompanying notes to basic financial statements

For the Year Ended June 30, 2017
 With Comparative Totals
 For the Year Ended June 30, 2016

INTERNAL SERVICE FUNDS

STATEMENT OF CASH FLOWS

	Governmental Activities	
	2017	2016
Cash flows from operating activities:		
Receipts from interfund activities	\$ 52,122,245	\$ 50,426,493
Payments for interfund services used	(13,737,281)	(13,522,240)
Payments for medical claims and other health insurance activity	(40,172,392)	(41,085,664)
Net cash flows provided by operating activities	(1,787,428)	(4,181,411)
Cash flows from non-capital financing activities:		
Transfers from other funds	500,000	3,000,000
Net cash flows provided by non-capital and related financing activities	500,000	3,000,000
Cash flow from capital and related financing activities:		
Acquisition of capital assets	(2,232,140)	(730,543)
Sale of capital assets	11,364	50,809
Net cash used in capital and related financing activities	(2,220,776)	(679,734)
Cash flows from investing activities:		
Sale of investments	3,212,691	1,272,694
Interest earnings received	295,513	588,451
Net cash provided by investing activities	3,508,204	1,861,145
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	\$ (2,773,078)	\$ (5,419,141)
Adjustments to reconcile operating income to net cash used by operating activities	--	--
Depreciation expense	1,597,161	1,545,131
Change in assets and liabilities		
Receivables, net	(318,750)	295
Accounts and other payables	(292,761)	(307,696)
Net cash used by operating activities	\$ (1,787,428)	\$ (4,181,411)
Non-cash investing, capital, and financing activities:		
Contributed capital and equipment	\$ 330,423	\$ 29,013

See accompanying notes to basic financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Basis of Presentation

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

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

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

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

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

C. Fund Accounting

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

Governmental Funds

The district reports major governmental funds based on quantitative criteria:

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

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

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

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

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

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

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

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

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

Proprietary Funds

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

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

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

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

D. Basis of Accounting/Measurement Focus

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

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

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

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

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

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

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

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Balance/Net Position

Cash and Investments

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

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

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

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

The district is also authorized to secure investments through the Municipality of Anchorage either by trading in the open market or participating in the Municipal Investment Pool. The Municipal Investment Pool is not registered with the Securities and Exchange Commission. The fair value of the pool is the same as the value of pool shares. As of June 30, 2017, the district holds equity total of \$146,188,473, 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	\$ 2,595,226	\$ 2,644,744
Time deposits:		
Student Activities Special Revenue Fund	221,720	221,720
Total	<u>2,816,946</u>	<u>2,866,464</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	11,574,779	19,961,882
Grand total	<u>\$ 14,391,725</u>	<u>\$ 22,828,346</u>

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

The district has the following recurring fair value measurements as of June 30, 2017:

- *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, 2017, 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, 2017				
U.S. government securities	\$ --	\$ 398,176	\$ --	\$ 398,176
Municipal Investment Pool	--	146,188,473	--	146,188,473
Total investments	\$ --	\$ 146,586,649	\$ --	\$ 146,586,649

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	\$ 11,152,313
United States Treasury	9,989
Total investments through the municipality	\$ 11,162,302

As of June 30, 2017 the district's investments had the following maturities:

Investment Type	Value	Investment Maturities (in years)		
		Less than 1	1 to 5	More than 5
United States Agency	\$ 11,152,313	\$ 11,152,313	\$ --	\$ --
United States Treasury	9,989	9,989	--	--
U.S. government securities	398,176	398,176	--	--
Municipal Investment Pool	146,188,473	146,188,473	--	--
Total	\$ 157,748,951	\$ 157,748,951	\$ --	\$ --

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, 2017. All discounted notes issued by the U.S. Government agencies have implied ratings of "A-1+" by S&P, "P-1" by Moody's or "F1+" by Fitch.

	<u>Date Acquired</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Carrying Amount</u>
General Fund				
Municipal Investment Pool				\$ 118,217,397
Capital Projects Fund				
United States Agency				
FHLB Discount Note	6/8/2017	0.75%	8/28/2017	\$ 300,000
FHLB Discount Note	6/8/2017	1.00%	8/31/2017	3,700,000
FHLB Discount Note	6/8/2017	1.00%	8/31/2017	2,990,000
FNMA Discount Note	6/8/2017	1.00%	9/20/2017	2,690,000
FHLB Discount Note	6/12/2017	0.96%	9/29/2017	1,480,000
Total United States Agency				<u>11,160,000</u>
Accrued Interest				6,453
Investment premium				(14,140)
Municipal Investment Pool				312,345
Total Capital Projects Fund				<u><u>\$ 11,464,658</u></u>
Internal Service Fund				
Municipal Investment Pool				
Health Insurance Fund				\$ 7,379,069
Equipment Replacement Fund				9,148,126
Compensated Absences Fund				11,131,537
Total Internal Service Funds				<u><u>\$ 27,658,732</u></u>
Special Revenue Fund				
US Treasury Discount Note	6/8/2017	0.63%	6/30/2018	\$ 10,000
Accrued Interest				5
Investment Premium				(16)
Total Special Revenue Fund				<u><u>\$ 9,989</u></u>

Cash with Paying Agent

The total amount of cash with paying agent at June 30 is \$398,350, which is recorded in the Capital Projects Fund, Student Activities Special Revenue Fund and Debt Service Fund.

Due from Other Governments

The amounts due from the Municipality of Anchorage are generally for funds appropriated from local property taxes levied by Municipal Ordinance in support of the district. The amounts recorded in the General Fund and Debt Service Fund at June 30 are \$104,739,311 and \$19,566,481, respectively. In addition, there is \$1,478,718 due from the Municipality and State of Alaska for State of Alaska Legislative grants which are passed through the Municipality for the district.

The amounts due from the State of Alaska in the Special Revenue Funds include \$523,152 for fiscal year 2016-2017 reimbursements under cost reimbursable grants and \$2,139,208 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 \$2,255,947 for fiscal year 2016-2017 reimbursements under the Aid for School Construction Program. The amounts due from the United States Government in the Grants Special Revenue Fund includes \$17,704,435 for fiscal year 2016-2017 reimbursements under cost reimbursable grants.

Property Taxes

The Anchorage Assembly has approved an ordinance, which levied taxes on real and personal properties for calendar year 2017 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 2017, taxes were levied on April 25. Real property taxes are payable in two installments on June 15 and August 15, and personal property taxes in two installments on August 31 and October 31.

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

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

Contribution from Real and Personal Property Taxes

Amount required by the district to fund the second half of the fiscal year 2016-2017 budget:

January 1, 2017 through June 30, 2017	\$246,003,266 x 50%	=	\$123,001,633
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Amount required by the district to fund the first half of the fiscal year 2017-2018 budget:

July 1, 2017 through December 31, 2017	\$248,611,584 x 50%	=	<u>\$124,305,792</u>
--	---------------------	---	----------------------

Total amount required by the district for calendar year 2017			<u>\$247,307,425</u>
--	--	--	----------------------

Computation of Mill Rate Required to Fund Calendar Year 2017

Total amount required by the district for calendar year 2017	\$247,307,425
--	---------------

Assessed valuation	\$36,244,250,816
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Mill rate assessment for schools during calendar year 2017	6.82
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The district has accrued the taxes of \$104,739,311 and \$19,566,481 for funding of the first half of the fiscal year 2017-2018 budget as of June 30, 2017 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 \$892,433 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 \$456,060 and \$1,661,181, respectively, and are equally offset as non-spendable fund balance. The value of USDA food commodities under the consumption method was \$233,656 at June 30. This amount is also reported as unearned revenue at June 30. The total non-spendable fund balance for inventory in the General Fund is \$1,348,493.

Capital Assets

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

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

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

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

Compensated Absences

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

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

Pensions

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

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

Unearned Revenue

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

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

Long-term Obligations

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

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

Fund Balance Classifications

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

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

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

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

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

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

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

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

The following shows the composition of fund balance of the governmental funds as of June 30, 2017:

	General Fund	Grants Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	Totals
Non-spendable						
Inventory	\$ 1,348,494	\$ --	\$ --	\$ --	\$ 1,661,181	\$ 3,009,675
Prepaid items	1,043,766	37,316	--	300	13,661	1,095,043
Total non-spendable	2,392,260	37,316	--	300	1,674,842	4,104,718
Restricted						
Bond rating	24,861,158	--	--	--	--	24,861,158
Federal Impact Aid - 8003(d)	814,852	--	--	--	--	814,852
Total restricted	25,676,010	--	--	--	--	25,676,010
Committed						
Debt service	--	--	1,920,859	--	--	1,920,859
Services [1]	905,909	--	--	--	--	905,909
Supplies [1]	2,854,369	--	--	--	--	2,854,369
Equipment [1]	82,860	--	--	--	--	82,860
Authorized construction - other	--	--	--	23,969,378	--	23,969,378
Total committed	3,843,138	--	1,920,859	23,969,378	--	29,733,375
Assigned						
Federal Impact Aid - 8003(b)	16,744,011	--	--	--	--	16,744,011
Self-insurance	18,921,926	--	--	--	--	18,921,926
Subsequent year's expenditures	4,000,000	--	--	--	--	4,000,000
Services [1]	9,949,956	--	--	--	--	9,949,956
Supplies [1]	2,512,488	--	--	--	--	2,512,488
Equipment [1]	884,716	--	--	--	--	884,716
Pupil Transportation	--	--	--	--	112	112
Student activities	--	--	--	--	5,525,615	5,525,615
Total assigned	53,013,097	--	--	--	5,525,727	58,538,824
Unassigned	31,450,228	(37,316)	--	--	(793,523)	30,619,389
Total fund balance	\$ 116,374,733	\$ --	\$ 1,920,859	\$ 23,969,678	\$ 6,407,046	\$ 148,672,316

[1] All items in these categories have been encumbered as of June 30, 2017

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 \$6,392 from the Capital Projects Fund to the Debt Service Fund obtained from unused cost of issuance funds. A transfer of \$5,648,542 was made from the General Fund to the Debt Service Fund to make up a shortfall created when the Governor vetoed State Bond Debt Reimbursement funds. Another transfer of \$1,688,889 was made from the General Fund to the Pupil Transportation Fund to support planned operational expenses. Additional transfers of \$502,198 and \$1,700,000 were made from the General Fund to the Internal Service and Capital Projects Funds, respectively, to fund startup costs of an employer sponsored health clinic and for school consolidation.

A summary of interfund receivables and payables as of June 30, 2017 is as follows:

	Interfund receivable	Interfund payable
Major funds		
General Fund	\$ 17,179,792	\$ 17,374,911
Grants Special Revenue Fund	--	15,175,343
Debt Service Fund	--	335,108
Capital Projects Fund	14,631,472	--
Non-major funds	2,743,439	1,669,341
Total	<u>\$ 34,554,703</u>	<u>\$ 34,554,703</u>

A summary of interfund transfers for the year ended June 30, 2017 is as follows:

	Transfers In	Transfers Out
Major funds		
General Fund	\$ --	\$ 9,539,629
Debt Service Fund	5,654,934	--
Capital Projects Fund	1,700,000	6,392
Non-major funds	1,688,889	--
Internal service funds	502,198	--
Total	<u>\$ 9,546,021</u>	<u>\$ 9,546,021</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, 2017, from which the summarized information was derived.

NOTE 2 – CHANGES IN CAPITAL ASSETS

The capital assets activity for the fiscal year ended June 30, 2017 is as follows:

	Balance July 1, 2016	Additions/ Transfers	Deductions/ Transfers	Balance June 30, 2017
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 42,357,063	\$ --	\$ --	\$ 42,357,063
Construction in progress	1,019,719	58,770,819	58,967,695	822,843
Total capital assets not being depreciated	43,376,782	58,770,819	58,967,695	43,179,906
Capital assets being depreciated:				
Land improvements	70,141,766	474,509	--	70,616,275
Buildings and equipment	1,775,046,190	59,992,175	6,456,022	1,828,582,343
Pupil transportation equipment	20,159,540	470,808	--	20,630,348
Total capital assets being depreciated	1,865,347,496	60,937,492	6,456,022	1,919,828,966
Less accumulated depreciation for:				
Land improvements	(45,482,970)	(1,924,774)	--	(47,407,744)
Buildings and equipment	(576,414,156)	(41,523,594)	(3,860,722)	(614,077,028)
Pupil transportation equipment	(8,697,692)	(887,642)	--	(9,585,334)
Total accumulated depreciation	(630,594,818)	(44,336,010)	(3,860,722)	(671,070,106)
Total capital assets, being depreciated, net	1,234,752,678	16,601,482	2,595,300	1,248,758,860
Governmental activities capital assets, net	\$ 1,278,129,460	\$ 75,372,301	\$ 61,562,995	\$ 1,291,938,766

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

Governmental activities:	Amount
General administration	\$ 968,377
Instruction	41,609,160
Pupil transportation	872,344
Operation and maintenance of plant	614,441
Community services	567
Food services	271,121
Total depreciation expense, governmental activities	\$ 44,336,010

Construction in progress, less projects completed in 2017 is comprised of the following:

	Project Authorization	Expended to 6/30/2017	Committed
Secondary schools:			
Bartlett High School Kitchen Renovation	\$ 5,563,679	\$ (604)	\$ 3,953,199
Begich Middle School Construction	79,694	1	4,552
Benny Benson Intercom Upgrades	34,057	--	24,850
Central Middle School Improvements	3,235,491	2,355	1,067,795
Chugiak High School HVAC	1,239,028	2,253	61,180
Clark Middle School HVAC	13,401	--	--
Dimond High School Sidewalk	403,227	2,100	33,409
Eagle River Stadium Lighting	49,313	24,094	--
East High School Stadium Seating/Scoreboard	771,225	6,990	219,520
Goldenview Middle School	1,220,527	3,120	705,794
Gruening Middle School Planning	2,929,588	1	345,649
Hanshew Middle School Lighting Upgrades	185,873	3,000	7,279
Martin Luther King Jr. Career Center	6,092,988	1,461	1,406,484
Mears Middle School Fire Alarm Upgrades	375,788	76	9,730
Mirror Lake Middle School Construction	(1,184)	35	--
Romig Middle School Electrical Upgrades	72,030	1,051	--
Save High School Security Upgrades	99,251	1,498	--
Service High School Renovations	439,194	31,555	36,968
South High School Field Improvements	300,101	--	--
Steller Secondary School Electrical Upgrades	59,782	4,885	--
Wendler Middle School Technology Lab	364,625	7,555	4,756
West HS & Romig MS CTE	29,125,914	14,708	5,004,834
Whaley Middle School	869,844	947	53,906
Total secondary school	53,523,436	107,081	12,939,905

Construction in progress (continued):

	Project Authorization	Expended to 6/30/2017	Committed
Elementary schools:			
Abbott Loop Elementary School	\$ 27,880	\$ 217	\$ --
Airport Heights Cable Upgrades	1,394,424	1,963	201,342
Aplenglow Elem Heat Upgrades	278,890	18,690	75,120
Aquarian Charter School Lighting Upgrades	24,485	7,666	--
Aurora Elem Gym	704,524	--	173,065
Baxter Elem Renovation	99,478	2,990	--
Bayshore Elementary School	212,855	37	132,004
Bear Valley Elem Boiler Upgrades	119,417	--	7,409
Birchwood Elem Gym	77,663	500	6,900
Bowman Elem Ice Rink	180,067	(64)	--
Campbell Elem Ice Rink	192,407	--	10,623
Chester Valley Elementary ADA	4,091	--	--
Chinook Elementary School Lighting	55,956	1,440	2
Chugach Elementary School Playground	97,515	--	--
Chugiak Elem Doors & Windows Upgrades	5,268	1	--
College Gate Elem HVAC	140	--	--
Creekside Park Renovations	176,495	669	10,357
Denali Elem Security Upgrades	17,223	(120)	--
Eagle River Elem Renew Doors & Windows	10,524	1	--
Fairview Elem Site Improvement	39,407	--	--
Fire Lake Elem Roof	7,950	1	2,524
Girdwood Elem Construction	856,696	320	164,271
Gladys Wood Addition	5,390,044	1,700	3,899,092
Government Hill Security Cameras	169,144	--	--
Homestead Elementary School	(63,159)	--	--
Huffman Renovation	3,226,727	1,927	1,250,695
Inlet View Elem Equipment & Upgrades	90,029	--	7,411
Kasuun CCTV Upgrades	62,583	121	875
Kincaid Elementary SRTS	9,469	--	--
Klatt Elementary School	263,825	1,200	12,895
Lake Hood Elem Fire Upgrades	92,731	--	--
Lake Otis Elementary School	9,502	2,267	--
Mountain View Elementary Renovation	461,180	456	262,253
Mt. Illiamna Fire Alarm Upgrades	60,117	56,024	--

Construction in progress (continued):

	Project Authorization	Expended to 6/30/2017	Committed
Mt. Spurr Elem Emergency Upgrades	\$ 150,383	\$ (22)	\$ --
Muldoon Elementary School	876,884	--	--
North Star Elem HVAC	170,635	19	--
Northern Lights ABC Elementary School	21,424	--	--
Northwood Elem Doors and Windows	2,283,727	--	8,100
Nunaka Valley Elem Gym	2,845,311	1,785	8,700
Ocean View Elementary School	95,631	411	--
O'Malley Elem School Design	1,118,029	336	31,593
Orion Elem Fire Alarm Upgrades	225,324	--	157,368
Polaris Elementary School	445,422	936	--
Ptarmigan Elementary School	96,545	2,000	--
Rabbit Creek Elem Renovation	174,188	--	81,795
Ravenwood Elem Security Cameras	50,300	--	3,076
Rogers Park Elementary School	10,196,070	--	47,888
Russian Jack Elementary School	97,095	501	--
Sand Lake Elem Wall Replacement	16,092	--	2,151
Scenic Park Elem CCTV Upgrades	112,479	(2,694)	875
Spring Hill Elem CCTV Upgrades	220,956	--	3,332
Susitna Elem School Renovation	397,763	--	110,662
Taku Elementary School	4,406	100	--
Trailside Elem Playgrounds	131,446	1,923	--
Tudor Elementary School	574,280	779	--
Turnagain Elementary School	3,435,816	--	2,463,868
Ursa Major Elem HVAC	519,654	--	271
Ursa Minor Elem Stair Upgrades	248,626	--	175,611
William Tyson Elem Roof	148,414	--	--
Willwaw Elementary School	3,210	3,541	--
Willow Crest Elementary School	10,989,660	(1,016)	7,200
Wonder Park Elem Security System Upgrades	855,718	--	857
Total elementary schools	50,861,035	106,605	9,320,185

Construction in progress (continued):

	Project Authorization	Expended to 6/30/2017	Committed
Other capital projects:			
District-wide Asbestos, ADA	\$ 179,801	\$ 168,051	\$ --
District-wide Building Life Extension	2,170,901	276,757	927,534
District-wide CTE	--	--	--
District-wide Efficiency	--	--	--
District-wide Electric Upgrades	5,029,153	9,848	154,584
District-wide Emergency Prep	289,166	--	--
District-wide Facility Assessments	--	--	--
District-wide Federal Impact Aid	90,199	--	--
District-wide Library Books	--	--	--
District-wide Maintenance Equip	11,852	--	--
District-wide Mechanical Upgrades	847,467	47,801	372,459
District-wide Relocatables	--	--	--
District-wide Roof and Replacements	21,935	--	--
District-wide Safety/Security	384,706	871	197,252
District-wide Site Acquisition	22,482	--	--
District-wide Traffic Safety	--	--	--
District-wide Underground Storage Tank	--	--	--
Other capital projects	5,590,034	105,829	424,227
Total other capital projects	14,637,696	609,157	2,076,056
Total construction in progress	\$ 119,022,167	\$ 822,843	\$ 24,336,146

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, 2017 (in thousands):

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017
General obligation bonds	\$ 581,075	\$ 62,230	\$ 101,710	\$ 541,595
Unamortized premium/discount on bonds	43,937	6,497	3,690	46,744
	<u>\$ 625,012</u>	<u>\$ 68,727</u>	<u>\$ 105,400</u>	<u>\$ 588,339</u>

B. Defeasance of Debt

The district has defeased certain general obligation bonds by placing the proceeds of new bonds and other available funds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for defeased bonds are not included in the district's financial statements. At June 30, 2017 the amount of general obligation bonds considered defeased is \$161,870,000.

C. Bonds Payable

Bonds payable at June 30, 2017 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	\$ 18,740	\$ 18,740
\$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	154,500	15,010
\$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	2,975	2,975
\$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	2,705	1,320
\$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	14,320	905
\$4,940,000 2011 series B school construction serial bonds due in annual installments of \$460,000 to \$550,000 through August 2021; interest at 2.0 percent to 3.0 percent	2,605	495
\$28,310,000 2011 series C school construction refunding bonds due in annual installments of \$1,285,000 to \$10,050,000 through August 2020; interest at 4.0 percent to 5.0 percent	3,295	--
\$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	12,105	595
\$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	35,885	1,400
\$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	55,430	1,945
\$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	2,120
\$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	67,075	2,170
\$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	79,780	8,160
\$20,270,000 2016 series B school construction serial bonds due in annual installments of \$665,000 to \$1,500,000 through September 2036; interest at 2.0 percent to 5.0 percent	20,270	665
\$41,960,000 2016 series C school construction refunding bonds due in annual installments of \$7,660,000 to \$13,015,000 through September 2021; interest at 5.0 percent	41,960	--
	<u>\$ 541,595</u>	<u>\$ 56,500</u>

Bonds payable (continued):

The annual requirements to amortize all general obligation debt outstanding for the year ended June 30, 2017, including interest payments in the amount of \$162,987,433 are as follows (in thousands):

	Principal	Interest	Total
2018	\$ 56,500	\$ 24,758	\$ 81,258
2019	55,080	22,013	77,093
2020	53,535	19,342	72,877
2021	56,170	16,646	72,816
2022	44,445	14,178	58,623
2023-2027	157,345	43,663	201,008
2028-2032	72,220	18,627	90,847
2033-2037	46,300	3,760	50,060
	<u>\$ 541,595</u>	<u>\$ 162,987</u>	<u>\$ 704,582</u>

D. Bonds Authorized But Unissued

For the year ended June 30, 2017, 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	\$ 53,365	\$ 5,712
Construction/renovation/ replacement/major maintenance	April 02, 2013	none	54,825	47,035	7,790
Construction/renovation/ replacement/major maintenance	April 01, 2014	none	57,285	51,785	5,500
Construction/renovation/ replacement/major maintenance	April 07, 2015	none	59,250	52,100	7,150
Construction/renovation/ replacement/major maintenance	April 07, 2017	none	58,450	--	58,450
			<u>\$ 288,887</u>	<u>\$ 204,285</u>	<u>\$ 84,602</u>

E. Refunded Bonds

In the fiscal year ended June 30, 2017, the Municipality of Anchorage issued \$41,960,000 general obligation refunding school bonds to refund \$45,265,000 of general obligation school bonds, resulting in a decrease of \$4,444,132 in total debt service. The economic gain of this refunding is \$4,297,132. The bonds refunded are as follows (in thousands):

	Total Issue	Refunded Principal
2006 General Obligation School Bonds, Series B	\$ 28,885	\$ 8,890
2006 General Obligation School Bonds, Series C	51,705	36,375
	<u>\$ 80,590</u>	<u>\$ 45,265</u>

F. Compensated Absences

Beginning in 2014, the district began recording compensated absences in the Compensated Absences Internal Service Fund. The balance of compensated absences for the fiscal year ended June 30, 2017 is as follows:

Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
\$ 11,186,274	\$ 13,627,807	\$ 13,682,544	\$ 11,131,537	\$ 6,192,130

G. Workers' Compensation Payable

General Fund, Grants Special Revenue Fund, Food Service Special Revenue Fund and Capital Projects Fund will liquidate the liability of workers' compensation. The balance of workers' compensation for the fiscal year ended June 30, 2017 is as follows:

Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
\$ 12,808,055	\$ 4,845,366	\$ 4,655,564	\$ 12,997,857	\$ 4,888,342

NOTE 4 – RETIREMENT PLANSHistorical Context and Special Funding Situation

As of June 30, 2017, substantially all employees of the district are either members of the Alaska Public Employees' Retirement System (PERS) or the Alaska Teachers' Retirement System (TRS). Both plans are either defined benefit or defined contribution pension plans, dependent on the date of membership. The TRS is a cost-sharing multiple employer plan which covers teachers and other eligible participants.

The PERS was originally established as an agent multiple employer plan, but was converted by legislation to a cost-sharing plan, effective July 1, 2008. PERS covers eligible state and local government employees, other than teachers. Both plans were established and are administered by the State of Alaska to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by state law and may be amended only by the state legislature. In addition to PERS, the Alaska Teamster-Employer Pension Trust Fund also covers bus drivers and attendants. The Alaska Teamster-Employer Pension Trust Fund Plan is a multi-employer cost-sharing defined benefit plan created and administered by Teamster Local 959.

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

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

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

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

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

A. State Retirement Systems

Public Employees' Retirement System (PERS)

Plan Description and Provisions

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

Pension Benefits

Benefits vest after five years of credited service. Employees hired prior to July 1, 1986 with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 55 or early retirement age 50. For employees hired after June 30, 1986 the normal and early

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

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

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

Postemployment Health Care Benefits

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

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

PERS Conversion to Cost Sharing

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

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

Teachers Retirement System (TRS)

Plan Description and Provisions

The Alaska Teachers' Retirement System is created and administered by the State of Alaska to provide benefits for teachers of the State of Alaska. Benefit and contribution provisions are established by Alaska law and may be amended only by the Alaska State Legislature. All the district's certificated employees are participants in TRS. Similar to PERS, TRS is also a tiered retirement system. Employees hired before July 1, 2006 participate in Tiers I-II, a multi-employer cost-sharing defined benefit public retirement plan. Employees hired on or after July 1, 2006 participate in Tiers III, a defined contribution retirement plan. The payroll for employees covered by TRS for the year ended June 30, 2017 was \$263,540,009 which compares to the district's total payroll of \$387,959,539.

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

GASB Rate

This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. Additionally, the rate disregards all future Medicare Part D payments. For fiscal year 2016-2017, the

GASB rate uses an 8.00% pension discount rate and a 4.3% healthcare discount rate for PERS and a 4.43% 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, 2017 were determined as part of the June 30, 2015 actuarial valuation and are as follows:

	Contractual		ARM Board		State		GASB
	Rate		Adopted Rate		Contribution		Rate
PERS							
Pension	14.96 %		20.34 %		4.14 %		24.49 %
Postemployment healthcare	7.04		5.80		--		56.64
Total contribution rate	<u>22.00 %</u>		<u>26.14 %</u>		<u>4.14 %</u>		<u>81.13 %</u>

	Contractual		ARM Board		State		GASB
	Rate		Adopted Rate		Contribution		Rate
TRS							
Pension	7.58 %		22.40 %		15.46 %		37.86 %
Postemployment healthcare	4.98		5.62		--		64.72
Total contribution rate	<u>12.56 %</u>		<u>28.02 %</u>		<u>15.46 %</u>		<u>102.58 %</u>

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

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

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

Annual Pension and Postemployment Healthcare Cost – PERS

The district is required to contribute 22% of covered payroll, subject to a wage floor. In addition, the State of Alaska contributed approximately 4.14% 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 \$4,460,798 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, 2017, 2016, and 2015, 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
2017	\$ 15,029,796	\$ 6,752,517	\$ 21,782,313	\$ 21,782,313	100
2016	12,779,616	8,519,744	21,299,360	21,299,360	100
2015	11,797,452	8,899,832	20,697,284	20,697,284	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 15.46% 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 \$39,726,835 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, 2017, 2016, and 2015, 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
2017	\$ 20,829,853	\$ 12,233,406	\$ 33,063,259	\$ 33,063,259	100
2016	18,525,291	14,555,585	33,080,876	33,080,876	100
2015	18,797,804	13,905,404	32,703,208	32,703,208	100

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

At June 30, 2017, the district reported a liability for its proportionate share of the net pension liability that reflected a reduction for State support provided to the District. The amount recognized by the district as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability associated with the District, were as follows:

Net Pension Liability	PERS	TRS
District's proportionate share of NPL	\$ 218,993,759	\$ 360,329,506
State's proportionate share of NPL		
associated with the district	27,597,059	428,284,379
Total net pension liability	\$ 246,590,818	\$ 788,613,885

The net pension liabilities were measured as of June 30, 2016, 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, 2016, the district's proportion of PERS was 3.91788 percent, which was a decrease of 0.28241 from its proportion measured as of June 30, 2015. For TRS the district's proportion was 15.78078 percent, representing an increase of 2.28955 from the prior year.

For the year ended June 30, 2017, the district recognized a pension expense of \$54,825,799 for PERS and \$133,840,441 for TRS. In addition, the district recognized on-behalf revenue from the State of Alaska in the amounts of \$3,720,113 and \$50,994,223 for PERS and TRS, respectively. At June 30, 2017, 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	\$ 20,135	\$ (7,086,584)
Changes in assumptions	2,188,752	--
Net difference between projected and actual earnings on pension plan investments	76,585,810	--
Changes in proportion and differences between District contributions and proportionate share of contributions	23,125,945	(8,579,529)
District contributions subsequent to the measurement date	23,791,067	--
Total	\$ 125,711,709	\$ (15,666,113)

The \$23,791,067 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, 2017. 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,	
2018	\$ 23,201,454
2019	13,899,828
2020	29,557,280
2021	19,595,967
2022	--
Thereafter	--

Actuarial Assumptions

The total pension liabilities were determined by actuarial valuations as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled

forward to the measurement date of June 30, 2016. The actuarial valuations for the year ended June 30, 2015 were prepared by Buck Consultants. The actuarial assumptions used in the June 30, 2015 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	<p>Amounts for FY14 and FY13 were allocated to employers based on actual contributions made in FY14 and FY13, respectively</p> <p>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</p> <p>Amounts for FY16 were allocated to employers based on the present value of contributions for FY18-FY39, as determined by projections based on the June 30, 2015 valuation. The liability is expected to go to zero at 2039.</p>
Inflation	Measured by the consumer price index for urban and clerical workers for Anchorage and is assumed to increase 3.12% annually.
Salary Increases	<p>Inflation – 3.12% per year</p> <p>Productivity – 0.50% per year</p> <p>Teachers in TRS – graded by years of services from 8.11% to 3.87%</p> <p>All others – graded by age and years of service from 8.55% to 4.34%</p>
Investment Return / Discount Rate	8.00% per year (geometric), compounded annually, net of expenses for pension; and 4.3% for healthcare
Mortality	<p>Pre-termination – Based on the 2010-2013 actual mortality experience</p> <p>Post-termination – 95% of all rates of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB</p>

Long-term Expected Rate of Return

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

The best estimates of arithmetic real rates of return for each major asset class are summarized in the following table (note that the rates shown below exclude the inflation component):

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	5.35%
Global equity (non-U.S.)	5.55%
Private equity	6.25%
Fixed income composite	0.80%
Real estate	3.65%
Alternative equity	4.70%

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The Actuarial Value of Assets after June 30, 2015 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%)
PERS				
District's proportionate share of the net pension liability	3.91788%	\$ 282,052,865	\$ 218,993,759	\$ 165,806,300
TRS				
District's proportionate share of the net pension liability	15.78078%	\$ 490,993,580	\$ 360,329,506	\$ 250,779,012

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	1.18		1.05	
Occupational death and disability benefits	0.17		--	
	<u>6.35</u>	%	<u>8.05</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, 2017 were \$5,882,462 and \$4,074,655 respectively. The district and employee contributions to TRS for the year ended June 30, 2017 were \$11,571,285 and \$8,269,395, respectively.

District contributions are recognized as pension expense/expenditures.

Investment - PERS, TRS and Teamster Pension

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

B. Alaska Teamster – Employer Pension Trust Fund

The Alaska Teamster-Employer Pension Trust Fund is a cost-sharing multi-employer defined benefit plan for bus drivers and attendants. Under the Teamster Local 959 collective bargaining agreement, which has an expiration date of June 30, 2018, the district contributes three dollars (\$3.08) for each

hour of compensation earned by each permanent bus driver and attendant with more than 6 years of continuous regular experience with the district, and one dollar (\$1.54) for each hour of compensation earned by each permanent bus driver and attendant with 6 or fewer years of continuous regular experience with the district. The district contributed \$307,268 in 2015, \$324,973 in 2016, and \$317,391 in 2017 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, 2017 was \$3,290,538, which compares to the district's total of \$387,959,539. 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 37 as of June 30, 2017. The cost of the retiree supplemental health benefits is recognized as expenditure when incurred. The total amount expended for the year ended June 30, 2017 is \$133,638.

NOTE 6 – RISK MANAGEMENT

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

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

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

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

The district has reflected an assignment of fund balance in the General Fund to account for workers' compensation and other liability claims and incurred but not reported claims. The assignment for self-insurance in the General Fund also provides for emergency funds to cover the self-insured retention in the event of multiple losses. The portion has been set at \$18,921,926. 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, 2017 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 2017, 2016, and 2015 are as follows:

		Liability Balance July 1	Current Year Claims and Changes in Estimates	Claims Payment	Liability Balance June 30
2017	Health	\$ 6,294,661	\$ 34,478,368	\$ 34,677,774	\$ 6,095,255
	Unemployment	35,197	224,302	213,850	45,649
	Workers' Comp	12,808,055	4,845,366	4,655,564	12,997,857
		<u>\$ 19,137,913</u>	<u>\$ 39,548,036</u>	<u>\$ 39,547,188</u>	<u>\$ 19,138,761</u>
2016	Health	\$ 7,872,203	\$ 33,415,077	\$ 34,992,619	\$ 6,294,661
	Unemployment	48,881	164,272	177,956	35,197
	Workers' Comp	13,847,913	3,292,765	4,332,623	12,808,055
		<u>\$ 21,768,997</u>	<u>\$ 36,872,114</u>	<u>\$ 39,503,198</u>	<u>\$ 19,137,913</u>
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>

NOTE 7 – COMMITMENTS

Commitments under lease agreements for the various administration buildings provide for minimum annual rental payments of \$3,321,260. Rent expenditures for the year ended June 30, 2017 were \$7,006,353.

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, 2017 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	\$ 205,283,878
Debt Service Fund	40,719,387
Charges for services:	
Operations of swimming pools	\$ (249,645)
Joint property and liability insurance:	
Purchase of a single property and liability policy, which covers both the municipality and district	\$ (1,497,654)

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.

GASB 80 – Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14 in January 2016. – Effective June 30, 2017. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39.

GASB 81 – Irrevocable Split-Interest Agreements – Effective June 30, 2017, This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement.

GASB 82 – *Pension Issues* – Effective June 30, 2017 -- The objective of this Statement is to address certain issues that have been raised with respect to Statements 67, 68, and 73.



Required Supplementary Information

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

For the Year Ended June 30, 2017

	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	\$ 205,283,878	\$ --	\$ 205,283,878	\$ 205,283,878	\$ 205,283,878	\$ --
Reimbursement for school facilities rental	753,599	--	753,599	725,000	725,000	28,599
Nonresident tuition	10,894	--	10,894	15,000	15,000	(4,106)
Investment income	1,157,190	--	1,157,190	1,000,000	1,000,000	157,190
E-Rate	1,199,461	--	1,199,461	1,355,176	1,355,176	(155,715)
Other revenues	2,080,231	4,638,151	6,718,382	6,065,150	8,765,150	(2,046,768)
Total revenues from local sources	210,485,253	4,638,151	215,123,404	214,444,204	217,144,204	(2,020,800)
Revenues from state sources:						
Public school funding program	330,187,510	--	330,187,510	329,920,497	329,920,497	267,013
Retirement systems employer relief	41,327,009	(41,327,009)	--	--	--	--
On-Base tuition	408,484	--	408,484	405,000	405,000	3,484
Total revenues from state sources	371,923,003	(41,327,009)	330,595,994	330,325,497	330,325,497	270,497
Revenues from federal sources:						
Reserve Officers Training Corps	971,013	--	971,013	760,000	760,000	211,013
Federal Impact Aid	19,350,440	--	19,350,440	16,589,000	16,589,000	2,761,440
Medicaid reimbursement	1,131,084	--	1,131,084	500,000	500,000	631,084
Total revenues from federal sources	21,452,537	--	21,452,537	17,849,000	17,849,000	3,603,537
Total revenues	603,860,793	(36,688,858)	567,171,935	562,618,701	565,318,701	1,853,234
Expenditures:						
Current:						
General administration	27,101,599	(957,301)	26,144,298	9,666,824	9,279,335	(16,864,963)
Instruction	502,146,540	(46,769,783)	455,376,757	471,148,116	474,240,742	18,863,985
Operation and maintenance of plant	77,544,041	(1,926,943)	75,617,098	78,984,987	78,972,311	3,355,213
Community services	481,496	(12,289)	469,207	470,774	478,313	9,106
Total expenditures	607,273,676	(49,666,316)	557,607,360	560,270,701	562,970,701	5,363,341
Excess (deficiency) of revenues over (under) expenditures	(3,412,883)	12,977,458	9,564,575	2,348,000	2,348,000	7,216,575

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

For the Year Ended June 30, 2017

	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	\$ 31,580	\$ --	\$ 31,580	\$ 2,000	\$ 2,000	\$ 29,580
Transfers out - Capital Projects Fund	(1,700,000)	--	(1,700,000)	--	--	(1,700,000)
Transfers out - Debt Service Fund	(5,648,542)	--	(5,648,542)	--	--	(5,648,542)
Transfers out - Health Insurance Fund	(500,000)	--	(500,000)	--	--	(500,000)
Transfers out - Pupil Transportation Fund	(1,688,889)	--	(1,688,889)	(2,350,000)	(2,350,000)	661,111
Transfers out - Compensated Absences Fund	(2,198)	--	(2,198)	--	--	(2,198)
Total other financing sources (uses)	(9,508,049)	--	(9,508,049)	(2,348,000)	(2,348,000)	(7,160,049)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(12,920,932)	\$ 12,977,458	\$ 56,526	\$ --	\$ --	\$ 56,526
Fund balance at beginning of year	129,295,665					
Fund balance at end of year	\$ 116,374,733					

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		\$ 603,860,793
Add: budgeted fund balance	\$ 4,638,151	
Deduct: retirement systems employer relief	(41,327,009)	
		(36,688,858)
Revenues reported on the basis of budgeting		567,171,935
Expenditures reported on the basis of GAAP		607,273,676
Add: current year encumbrances	\$ 7,447,875	
Deduct: retirement systems employer relief	(41,327,009)	
Deduct: expenditures on prior year's encumbrances	(15,787,182)	
		(49,666,316)
Expenditures and encumbrances reported on the basis of budgeting		557,607,360
Excess (deficiency) of revenues over (under) expenditures on the basis of budgeting		\$ 9,564,575

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

For the Year Ended June 30, 2017

	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	\$ 15,764	\$ --	\$ 15,764	\$ 16,593	\$ 16,593	\$ 829
Donations From Local Agencies	502,738	(23,368)	479,370	909,232	909,232	429,862
NoVo Foundation Social and Emotional Learning	260,060	(51,594)	208,466	--	--	(208,466)
Partners in Homeless Education	1	--	1	--	--	(1)
Reading is Fundamental	81	--	81	--	--	(81)
Contingency	--	--	--	--	1,842,321	1,842,321
Total revenues from local grants	778,644	(74,962)	703,682	925,825	2,768,146	2,064,464
Revenues from state grants:						
Designated Legislative Grants						
Senate Bill 18	186,126	(27,021)	159,105	--	--	(159,105)
Senate Bill 46	--	(460)	(460)	--	--	460
Senate Bill 119	244,892	2,225	247,117	--	--	(247,117)
Senate Bill 160	356,950	(25,579)	331,371	--	--	(331,371)
Total Designated Legislative Grants	787,968	(50,835)	737,133	--	--	(737,133)
Alaska Historical Commission	7,018	(500)	6,518	--	--	(6,518)
Alaska Railroad Summer Youth Program	19,987	--	19,987	20,000	20,000	13
Alaska Science and Technology Program	24	--	24	--	--	(24)
Alaska State School for the the Deaf	315,284	--	315,284	319,000	319,000	3,716
Alternative Schools Health and Wellness	63,779	--	63,779	63,840	63,840	61
ANSEP Grant	6,472	--	6,472	8,000	8,000	1,528
Big Brothers Big Sisters Mentoring	2,906	--	2,906	40,000	40,000	37,094
Charter School Supplemental Grants	36,000	--	36,000	36,000	36,000	--
Confucius Grant	8,979	--	8,979	20,000	20,000	11,021
Cultural Collaboration Project	19,772	5,436	25,208	13,831	13,831	(11,377)
Farm to School	1,163	--	1,163	--	--	(1,163)
Pre-school Kindergarten Program	342,812	--	342,812	364,563	364,563	21,751
Providence Heights	113,313	--	113,313	145,000	145,000	31,687
Retirement Systems Employer Relief	2,257,541	(2,257,541)	--	--	--	--
Safe Children's Act	63,703	--	63,703	68,763	68,763	5,060
Suicide Awareness	27,261	--	27,261	33,660	33,660	6,399
Youth Behavior Risk Survey	31,197	--	31,197	29,646	29,646	(1,551)
Youth in Detention	487,649	17,876	505,525	546,578	546,578	41,053
Total revenues from state grants	4,592,828	(2,285,564)	2,307,264	1,708,881	1,708,881	(598,383)
Revenues from federal grants:						
Access to Education for Homeless Children Program	40,406	--	40,406	54,754	54,754	14,348
Alaska Family Directory Website	28,336	--	28,336	29,000	29,000	664
Alaska Mental Health Trust	1,930	--	1,930	1,930	1,930	--
Alaska Mentorship Project	360,405	--	360,405	311,967	311,967	(48,438)
Alaska Sea Grant	4,414	--	4,414	--	--	(4,414)
Alaska State School for Deaf Program	61,778	--	61,778	65,000	65,000	3,222
Artists in Schools	9	--	9	--	--	(9)
Big Brothers Big Sisters Mentoring	12,559	--	12,559	40,000	40,000	27,441
Carl Perkins Vocational Education Basic	1,203,521	24,500	1,228,021	1,208,954	1,208,954	(19,067)
Centennial Challenge	24,901	--	24,901	27,538	27,538	2,637
CITC SEL Grant	292,906	6,343	299,249	232,768	232,768	(66,481)
Community Centers Learning Program	1,556,868	(261)	1,556,607	169,000	1,690,000	133,393
ESEA Consolidated	965,089	--	965,089	978,686	978,686	13,597
Military Impacted Students	714,204	(107,770)	606,434	1,500,000	1,500,000	893,566
Presidential Award Program	129	--	129	--	--	(129)
Pre-School Handicapped	323,346	--	323,346	326,047	326,047	2,701
Project Aware	408,943	(25,000)	383,943	545,289	545,289	161,346
Project Ki'l	473,759	25,531	499,290	609,454	609,454	110,164
Refugee Support Services	42,999	--	42,999	--	--	(42,999)
School Health Program	1,478	--	1,478	--	--	(1,478)
StarTalk - Language Culture Summer Camp	97,781	915	98,696	89,893	89,893	(8,803)
Ticket to Ride Grant	524	--	524	--	--	(524)

See accompanying notes to required supplementary information
(Continued)

For the Year Ended June 30, 2017

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	\$ 75,062	\$ 1,052	\$ 76,114	\$ 111,240	\$ 111,240	\$ 35,126
District-wide	12,797,175	8,252	12,805,427	18,347,483	18,347,483	5,542,056
McLaughlin Youth Center	203,432	--	203,432	224,344	224,344	20,912
Parent Involvement Program	122,782	--	122,782	228,351	228,351	105,569
School Improvement Program	25,103	--	25,103	55,780	55,780	30,677
Total Title I - No Child Left Behind	13,223,554	9,304	13,232,858	18,967,198	18,967,198	5,734,340
Title I - Migrant Education						
Book Program	25,839	--	25,839	25,839	25,839	--
Data	5,550	--	5,550	5,550	5,550	--
District-wide	1,580,257	(55)	1,580,202	1,589,663	1,589,663	9,461
Parent Involvement Program	--	--	--	500	500	500
Summer Program	216,714	(23,486)	193,228	433,243	433,243	240,015
Total Title I - Migrant Education	1,828,360	(23,541)	1,804,819	2,054,795	2,054,795	249,976
Title II-A - Professional Development Program	3,447,427	2,199	3,449,626	5,388,781	5,388,781	1,939,155
Title III - English Language Acquisition	491,525	33,920	525,445	601,296	601,296	75,851
Title VI-B - Education of All Handicapped Children Act	13,085,487	(7,287)	13,078,200	15,831,568	15,831,568	2,753,368
Title VII - Indian, Native Hawaiian, and Alaska Native Education	3,045,229	22,520	3,067,749	3,058,055	3,058,055	(9,694)
We Can	39	--	39	--	--	(39)
Total revenues from federal grants	41,737,906	(38,627)	41,699,279	52,091,973	53,612,973	11,913,694
Total revenues	\$ 47,109,378	\$ (2,399,153)	\$ 44,710,225	\$ 54,726,679	\$ 58,090,000	\$ 13,379,775
Expenditures:						
Current:						
Instruction:						
Local grants	\$ 778,644	\$ (74,962)	\$ 703,682	\$ 925,825	\$ 2,768,146	\$ 2,064,464
State grants	4,592,828	(2,285,564)	2,307,264	1,708,881	1,708,881	(598,383)
Federal grants	41,737,906	(38,627)	41,699,279	52,091,973	53,612,973	11,913,694
Total expenditures	47,109,378	(2,399,153)	44,710,225	54,726,679	58,090,000	13,379,775
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		\$ 47,109,378
Add revenues from current year encumbrances	\$ 241,138	
Deduct retirement systems employer relief	(2,257,541)	
Deduct revenues on prior year encumbrances	(382,750)	
		(2,399,153)
Revenues reported on the basis of budgeting		44,710,225
Expenditures reported on the basis GAAP		47,109,378
Add current year encumbrances	\$ 241,138	
Deduct retirement systems employer relief	(2,257,541)	
Deduct expenditures on prior year encumbrances	(382,750)	
		(2,399,153)
Expenditures and encumbrances reported on the basis of budgeting		44,710,225
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, 2017

<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	2.18564%	\$ 101,941,409	\$ 92,597,159	\$ 194,538,568	\$ 92,324,124	110.42%	62.37%
2015-2016	4.20029%	203,714,484	54,563,611	258,278,095	93,835,892	217.10%	63.96%
2016-2017	3.91788%	218,993,759	27,597,059	246,590,818	93,208,546	234.95%	59.55%

See accompanying notes to required supplementary information

SCHEDULE OF DISTRICT CONTRIBUTIONS

For the Year Ended June 30, 2017

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

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

See accompanying notes to required supplementary information

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

For the Year Ended June 30, 2017

<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%
2016-2017	15.78078%	360,329,506	428,284,379	788,613,885	263,081,928	136.96%	68.40%

SCHEDULE OF DISTRICT CONTRIBUTIONS

For the Year Ended June 30, 2017

TEACHERS RETIREMENT SYSTEM (TRS)

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

See accompanying notes to required supplementary information

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>
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
2016-2017	317,391	317,391	100

BUDGETARY DATA

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

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

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

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

On March 22, 2016, the Assembly approved Assembly Ordinance AO NO. 2016-20 determining and approving the district's combined budget of \$768,401,726 with \$246,003,265 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 August 15, 2016 the School Board approved the revised financial plan with ASD Memorandum No. 006 (2016-2017) to account for decreases in State funding, offset by the use of fund balance. The School Board approved a second revision to the financial plan on January 23, 2017 with ASD Memorandum No. 128 (2016-2017) to account for using additional fund balance for one-time expenditures.

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, 2017, the plan measurement date is June 30, 2016.

Schedule of District Contributions – Public Employees Retirement System - PERS

This table reports the District's pension contributions to PERS during fiscal year 2017. These contributions are reported as a deferred outflow on the June 30, 2017 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, 2017, the plan measurement date is June 30, 2016.

Schedule of District Contributions – Public Employees Retirement System - TRS

This table reports the District's pension contributions to TRS during fiscal year 2017. These contributions are reported as a deferred outflow on the June 30, 2017 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 54% for every dollar contributed in fiscal year 2016-2017. Additionally, the district was required to make supplemental contributions of 44 percent in fiscal year 2015-2016, 34 percent in fiscal year 2014-2015, and 24 percent in fiscal year 2013-2014.

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Combining and Individual Fund Statements and Schedules



General Fund

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

June 30, 2017
With Comparative Totals for
June 30, 2016

BALANCE SHEET

	2017	2016
Assets		
Cash and investments	\$ 129,792,176	\$ 159,272,539
Accounts receivable (net of any allowances for uncollectables)	1,989,917	1,675,931
Due from other funds:		
State and Federal Grants Special Revenue Fund	15,175,343	11,895,665
Student Activity Special Revenue Fund	4,615	65,887
Food Service Special Revenue Fund	1,598,896	402,579
Pupil Transportation Special Revenue Fund	65,830	--
Debt Service Fund	335,108	--
Due from other governments:		
Municipality of Anchorage	104,739,311	102,641,939
United States Government	--	604,651
Prepaid items	1,043,767	1,492,004
Inventory, at weighted average cost	1,348,493	2,175,855
Total assets	<u>\$ 256,093,456</u>	<u>\$ 280,227,050</u>
Liabilities		
Accounts payable	\$ 1,653,628	\$ 2,976,759
Medical claims and other contracts payable	552,638	514,021
Due to other funds:		
Debt Service Fund	--	2,445,530
Student Activity Special Revenue Fund	2,743,439	2,267,694
Capital Projects Fund	14,631,472	17,834,601
Pupil Transportation Special Revenue Fund	--	1,065,695
Accrued salaries and related items:		
Wages and salaries payable	1,859,495	2,467,994
Payroll taxes, other accrued and withheld items	13,527,591	18,705,983
Unearned revenue	11,149	11,169
Total liabilities	<u>34,979,412</u>	<u>48,289,446</u>
Deferred inflows of resources		
General property tax appropriations	104,739,311	102,641,939
Total deferred inflows of resources	<u>104,739,311</u>	<u>102,641,939</u>
Fund balance		
Non-spendable	2,392,260	3,667,859
Restricted	25,676,010	24,789,183
Committed	3,843,138	12,519,248
Assigned	53,013,097	58,828,775
Unassigned	31,450,228	29,490,600
Total fund balance	<u>116,374,733</u>	<u>129,295,665</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u>\$ 256,093,456</u>	 <u>\$ 280,227,050</u>

For the Year Ended June 30, 2017
 With Comparative Totals
 For the Year Ended June 30, 2016

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

	2017	2016
Revenues:		
Revenues from local sources:		
Appropriation from Municipality of Anchorage	\$ 205,283,878	\$ 200,602,533
Reimbursement for school facilities rental	753,599	714,073
Non-resident tuition	10,894	26,621
Investment income	1,157,190	2,689,587
E-Rate	1,199,461	1,382,411
Other revenues	2,080,231	2,183,087
Total revenues from local sources	210,485,253	207,598,312
Revenues from state sources:		
Public school funding program	330,187,510	329,831,634
Retirement systems employer relief	41,327,009	46,502,795
On-Base tuition	408,484	408,484
Total revenues from state sources	371,923,003	376,742,913
Revenues from federal sources:		
Reserve Officers Training Corps	971,013	782,520
Federal Impact Aid	19,350,440	20,291,845
Medicaid reimbursement	1,131,084	242,289
Total revenues from federal sources	21,452,537	21,316,654
Total revenues	603,860,793	605,657,879
Expenditures:		
Current:		
General administration	27,101,599	29,325,141
Instruction	502,146,540	498,400,779
Operation and maintenance of plant	77,544,041	73,450,427
Community services	481,496	487,637
Total expenditures	607,273,676	601,663,984
Excess (deficiency) of revenues over (under) expenditures	(3,412,883)	3,993,895
Other financing sources (uses):		
Proceeds from sale of property and equipment	31,580	29,080
Transfers out - Capital Projects Fund	(1,700,000)	(3,676,734)
Transfers out - Debt Service Fund	(5,648,542)	--
Transfers out - Health Insurance Fund	(500,000)	(3,000,000)
Transfers out - Pupil Transportation Fund	(1,688,889)	(9,454,974)
Transfers out - Compensated Absences Fund	(2,198)	--
Transfers out - Equipment Replacement Fund	--	--
Total other financing sources (uses)	(9,508,049)	(16,102,628)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(12,920,932)	(12,108,733)
Fund balance at beginning of year	129,295,665	141,404,398
Fund balance at end of year	\$ 116,374,733	\$ 129,295,665

For the Year Ended June 30, 2017
 With Comparative Totals
 For the Year Ended June 30, 2016

SCHEDULE OF EXPENDITURES - GAAP BASIS

	2017	2016
Current:		
General administration:		
Anchorage School Board	\$ 711,638	\$ 701,907
Superintendent	1,517,549	1,656,909
Instruction	339,511	585,636
Support services	4,100,997	4,222,083
Planning, communications and development	837,353	867,106
Business management	2,943,999	2,921,437
Employee relations	3,648,903	3,472,817
Assessment and evaluation	1,024,971	1,267,617
Technology/management information systems	12,673,960	12,628,106
Other general administration	(697,282)	1,001,523
Total general administration	<u>27,101,599</u>	<u>29,325,141</u>
Instruction:		
Instructional support:		
Curriculum and staff development	11,692,333	12,942,544
Instructional media	1,358,493	1,609,934
Technology/management information systems	10,748,215	2,496,610
Total instructional support	23,799,041	17,049,088
Elementary education	174,369,644	178,710,602
Charter schools	22,026,751	20,496,244
Middle school education	52,905,426	53,025,998
High school education	101,822,590	104,357,293
Special education services:		
Special services	25,677,880	25,047,997
Special education	81,211,921	80,163,658
Total special education services	106,889,801	105,211,655
English language learners	13,063,433	12,764,998
Gifted education	5,387,835	5,507,579
Native education	630,506	707,922
Other instruction	1,251,513	569,400
Total instruction	<u>502,146,540</u>	<u>498,400,779</u>

(Continued)

For the Year Ended June 30, 2017
 With Comparative Totals
 For the Year Ended June 30, 2016

SCHEDULE OF EXPENDITURES - GAAP BASIS (Continued)

	<u>2017</u>	<u>2016</u>
Operation and maintenance of plant:		
Elementary schools	\$ 12,620,360	\$ 12,093,336
Charter schools	3,749,749	3,627,993
Middle schools	4,015,781	3,755,031
High schools	7,971,648	7,610,813
Custodial services	19,506,684	19,114,442
Facilities	21,878,815	19,995,252
Vehicle maintenance	1,326,580	1,331,212
Other operations and maintenance of plant	<u>6,474,424</u>	<u>5,922,348</u>
Total operations and maintenance of plant	<u>77,544,041</u>	<u>73,450,427</u>
Community services	<u>481,496</u>	<u>487,637</u>
Total expenditures	<u><u>\$ 607,273,676</u></u>	<u><u>\$ 601,663,984</u></u>

GENERAL FUND

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

For the Year Ended June 30, 2017

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Current:						
General administration:						
Anchorage school board:						
Salaries	\$ 263,567	\$ --	\$ 263,567	\$ 253,173	\$ 256,290	\$ (7,277)
Employee benefits	92,658	(8,996)	83,662	83,606	84,578	916
Purchased services	347,484	(36,369)	311,115	319,587	330,167	19,052
Supplies and materials	7,929	(1,033)	6,896	3,948	7,275	379
Total anchorage school board	711,638	(46,398)	665,240	660,314	678,310	13,070
Superintendent:						
Salaries	454,275	--	454,275	424,635	438,973	(15,302)
Employee benefits	191,354	(46,141)	145,213	162,545	148,323	3,110
Purchased services	855,537	53,411	908,948	934,200	935,250	26,302
Supplies and materials	16,383	(2,653)	13,730	7,972	14,756	1,026
Total superintendent	1,517,549	4,617	1,522,166	1,529,352	1,537,302	15,136
Instruction:						
Salaries	226,598	--	226,598	223,333	224,046	(2,552)
Employee benefits	107,034	(25,723)	81,311	80,752	81,281	(30)
Purchased services	5,137	--	5,137	3,500	5,352	215
Supplies and materials	742	--	742	1,460	743	1
Total instruction	339,511	(25,723)	313,788	309,045	311,422	(2,366)
Support services:						
Salaries	2,345,202	--	2,345,202	2,464,812	2,447,838	102,636
Employee benefits	1,443,637	(101,601)	1,342,036	1,476,082	1,442,484	100,448
Purchased services	145,895	(189)	145,706	99,481	175,375	29,669
Supplies and materials	65,552	(13,217)	52,335	158,556	83,910	31,575
Capital outlay	100,711	--	100,711	46,000	46,000	(54,711)
Total support services	4,100,997	(115,007)	3,985,990	4,244,931	4,195,607	209,617
Planning, communications and development:						
Salaries	419,767	--	419,767	418,525	381,947	(37,820)
Employee benefits	230,992	(16,242)	214,750	239,652	215,603	853
Purchased services	113,486	3,833	117,319	187,320	172,087	54,768
Supplies and materials	53,257	(1,031)	52,226	24,560	31,273	(20,953)
Capital outlay	19,851	(19,115)	736	5,100	13,669	12,933
Total planning, communications and development	837,353	(32,555)	804,798	875,157	814,579	9,781
Business management:						
Salaries	1,787,327	--	1,787,327	1,918,852	1,927,993	140,666
Employee benefits	1,039,498	(78,490)	961,008	1,097,176	1,100,026	139,018
Purchased services	78,444	(66,263)	12,181	8,813	14,649	2,468
Supplies and materials	38,730	(26,655)	12,075	13,901	13,808	1,733
Total business management	2,943,999	(171,408)	2,772,591	3,038,742	3,056,476	283,885
Employee relations:						
Salaries	2,160,475	--	2,160,475	1,996,085	2,176,560	16,085
Employee benefits	1,302,824	(93,904)	1,208,920	1,173,438	1,267,638	58,718
Purchased services	163,430	(107,985)	55,445	94,550	94,966	39,521
Supplies and materials	22,174	(9,172)	13,002	15,180	14,931	1,929
Total employee relations	3,648,903	(211,061)	3,437,842	3,279,253	3,554,095	116,253
Assessment and evaluation:						
Salaries	420,334	--	420,334	493,079	436,362	16,028
Employee benefits	231,998	(28,071)	203,927	246,039	209,391	5,464
Purchased services	84,670	(65,000)	19,670	33,045	32,045	12,375
Supplies and materials	287,969	(5,515)	282,454	287,000	288,000	5,546
Total assessment and evaluation	1,024,971	(98,586)	926,385	1,059,163	965,798	39,413
Technology/management information systems:						
Salaries	6,338,434	--	6,338,434	6,667,673	6,786,070	447,636
Employee benefits	3,755,096	(277,733)	3,477,363	3,788,166	3,858,740	381,377
Purchased services	1,493,073	177,066	1,670,139	1,712,899	1,799,808	129,669
Supplies and materials	432,477	(11,544)	420,933	268,184	434,187	13,254
Capital outlay	654,880	21,309	676,189	563,200	563,200	(112,989)
Total technology/management information systems	12,673,960	(90,902)	12,583,058	13,000,122	13,442,005	858,947

(continued)

GENERAL FUND

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

For the Year Ended June 30, 2017

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Other general administration						
Salaries	\$ 206,514	\$ --	\$ 206,514	\$ (7,415,201)	\$ (7,590,944)	\$ (7,797,458)
Employee benefits	164,460	(16,896)	147,564	(10,501,247)	(10,741,247)	(10,888,811)
Purchased services	(2,342,895)	(89,921)	(2,432,816)	(2,331,125)	(2,486,502)	(53,686)
Supplies and materials	68,329	(65,634)	2,695	104,500	29,246	26,551
Capital outlay	2,500	--	2,500	50,000	48,600	46,100
Other	1,203,810	2,173	1,205,983	1,763,818	1,464,588	258,605
Total other general administration	(697,282)	(170,278)	(867,560)	(18,329,255)	(19,276,259)	(18,408,699)
Total general administration	27,101,599	(957,301)	26,144,298	9,666,824	9,279,335	(16,864,963)
Instruction:						
Instructional support:						
Curriculum & staff development:						
Salaries	5,768,609	--	5,768,609	6,439,581	6,450,006	681,397
Employee benefits	2,566,508	(741,146)	1,825,362	2,265,962	2,248,721	423,359
Purchased services	503,169	(58,241)	444,928	361,336	475,919	30,991
Supplies and materials	2,833,887	(58,292)	2,775,595	710,762	2,728,335	(47,260)
Capital outlay	20,160	(17,788)	2,372	25,000	25,000	22,628
Total curriculum & staff development	11,692,333	(875,467)	10,816,866	9,802,641	11,927,981	1,111,115
Instructional media:						
Salaries	656,931	--	656,931	658,381	658,166	1,235
Employee benefits	430,210	(28,240)	401,970	408,466	408,401	6,431
Purchased services	134,354	(39,674)	94,680	151,031	148,952	54,272
Supplies and materials	136,998	(34,284)	102,714	120,977	123,056	20,342
Total instructional media	1,358,493	(102,198)	1,256,295	1,338,855	1,338,575	82,280
Technology/management information systems:						
Salaries	592,119	--	592,119	579,632	582,711	(9,408)
Employee benefits	295,107	(83,729)	211,378	231,163	232,123	20,745
Purchased services	4,015,339	(2,634,592)	1,380,747	1,784,444	1,383,809	3,062
Supplies and materials	5,821,366	(5,812,175)	9,191	9,525	9,525	334
Capital outlay	24,284	(22,665)	1,619	--	--	(1,619)
Total technology/management information systems	10,748,215	(8,553,161)	2,195,054	2,604,764	2,208,168	13,114
Total instructional support	23,799,041	(9,530,826)	14,268,215	13,746,260	15,474,724	1,206,509
Elementary education:						
Salaries	113,737,470	--	113,737,470	114,522,521	114,736,020	998,550
Employee benefits	58,254,784	(15,533,287)	42,721,497	46,268,729	46,288,548	3,567,051
Purchased services	415,223	(11,907)	403,316	786,603	425,494	22,178
Supplies and materials	1,962,167	(253,042)	1,709,125	1,824,838	1,848,215	139,090
Total elementary education	174,369,644	(15,798,236)	158,571,408	163,402,691	163,298,277	4,726,869
Charter schools:						
Salaries	12,431,604	--	12,431,604	12,455,270	12,429,809	(1,795)
Employee benefits	6,558,631	(1,555,404)	5,003,227	5,438,332	5,003,765	538
Purchased services	2,209,128	2,377,997	4,587,125	2,873,451	4,712,169	125,044
Supplies and materials	823,060	(11,021)	812,039	1,199,019	812,492	453
Other	4,328	--	4,328	15,000	4,329	1
Total charter schools	22,026,751	811,572	22,838,323	21,981,072	22,962,564	124,241
Middle school education:						
Salaries	34,041,598	--	34,041,598	35,581,712	35,795,398	1,753,800
Employee benefits	17,784,258	(4,638,425)	13,145,833	14,795,419	14,841,012	1,695,179
Purchased services	426,963	(6,318)	420,645	493,398	439,267	18,622
Supplies and materials	626,835	(10,322)	616,513	648,191	637,176	20,663
Capital outlay	25,772	(7,674)	18,098	--	20,000	1,902
Total middle school education	52,905,426	(4,662,739)	48,242,687	51,518,720	51,732,853	3,490,166
High school education:						
Salaries	64,696,679	--	64,696,679	64,314,383	64,497,991	(198,688)
Employee benefits	32,887,885	(8,600,404)	24,287,481	26,103,563	26,068,116	1,780,635
Purchased services	2,289,102	108,663	2,397,765	2,656,106	2,726,741	328,976
Supplies and materials	1,727,204	(52,612)	1,674,592	2,001,619	1,965,475	290,883
Capital outlay	43,473	--	43,473	--	30,307	(13,166)
Other	178,247	--	178,247	173,406	178,248	1
Total high school education	101,822,590	(8,544,353)	93,278,237	95,249,077	95,466,878	2,188,641

(continued)

GENERAL FUND

For the Year Ended June 30, 2017

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Special education services:						
Special services:						
Salaries	\$ 15,187,803	\$ --	\$ 15,187,803	\$ 15,821,991	\$ 15,096,751	\$ (91,052)
Employee benefits	8,206,894	(1,747,678)	6,459,216	7,727,117	7,343,900	884,684
Purchased services	2,068,907	(20,220)	2,048,687	976,637	2,313,926	265,239
Supplies and materials	190,768	(16,730)	174,038	161,321	179,733	5,695
Capital outlay	23,508	(6,045)	17,463	--	16,521	(942)
Total special services	25,677,880	(1,790,673)	23,887,207	24,687,066	24,950,831	1,063,624
Special education:						
Salaries	49,686,245	--	49,686,245	51,278,332	50,819,806	1,133,561
Employee benefits	29,964,342	(5,341,152)	24,623,190	28,720,823	28,200,743	3,577,553
Purchased services	1,181,380	4,928	1,186,308	670,944	1,363,171	176,863
Supplies and materials	379,954	(159,514)	220,440	274,106	257,674	37,234
Total special education	81,211,921	(5,495,738)	75,716,183	80,944,205	80,641,394	4,925,211
Total special education services	106,889,801	(7,286,411)	99,603,390	105,631,271	105,592,225	5,988,835
English language learners:						
Salaries	7,722,170	--	7,722,170	7,799,386	7,794,160	71,990
Employee benefits	5,201,793	(756,943)	4,444,850	4,962,196	4,949,826	504,976
Purchased services	57,851	9,611	67,462	73,140	72,569	5,107
Supplies and materials	81,619	(21,774)	59,845	55,674	55,977	(3,868)
Total English language learners	13,063,433	(769,106)	12,294,327	12,890,396	12,872,532	578,205
Gifted program:						
Salaries	3,493,918	--	3,493,918	3,391,858	3,389,858	(104,060)
Employee benefits	1,772,397	(495,527)	1,276,870	1,403,351	1,403,047	126,177
Purchased services	45,627	4,220	49,847	27,747	50,442	595
Supplies and materials	62,737	(29,174)	33,563	57,579	34,884	1,321
Capital outlay	13,156	(12,940)	216	--	--	(216)
Total gifted program	5,387,835	(533,421)	4,854,414	4,880,535	4,878,231	23,817
Native education:						
Salaries	341,422	--	341,422	394,438	404,838	63,416
Employee benefits	284,384	(15,448)	268,936	359,043	360,415	91,479
Purchased services	3,182	--	3,182	300	2,790	(392)
Supplies and materials	1,518	--	1,518	--	1,500	(18)
Total native education	630,506	(15,448)	615,058	753,781	769,543	154,485
Other instruction:						
Salaries	541,827	--	541,827	753,154	814,156	272,329
Employee benefits	183,920	(27,146)	156,774	181,659	219,259	62,485
Purchased services	411,335	(408,152)	3,183	10,000	9,000	5,817
Supplies and materials	9,809	(5,517)	4,292	5,500	6,500	
Capital outlay	104,622	--	104,622	144,000	144,000	39,378
Total other instruction	1,251,513	(440,815)	810,698	1,094,313	1,192,915	382,217
Total instruction	502,146,540	(46,769,783)	455,376,757	471,148,116	474,240,742	18,863,985
Operations and maintenance of plant:						
Elementary education:						
Salaries	2,511,557	--	2,511,557	2,347,079	2,347,079	(164,478)
Employee benefits	1,939,261	(109,808)	1,829,453	1,917,408	1,917,408	87,955
Purchased services	8,143,880	1	8,143,881	9,551,116	9,558,187	1,414,306
Supplies and materials	25,662	(135)	25,527	24,752	29,249	3,722
Total elementary education	12,620,360	(109,942)	12,510,418	13,840,355	13,851,923	1,341,505
Charter schools:						
Salaries	268,292	--	268,292	195,384	268,296	4
Employee benefits	158,748	(9,200)	149,548	157,826	149,551	3
Purchased services	3,280,425	(746,761)	2,533,664	3,563,695	2,533,674	10
Supplies and materials	42,284	(4,656)	37,628	25,000	37,631	3
Total charter schools	3,749,749	(760,617)	2,989,132	3,941,905	2,989,152	20
Middle school education:						
Salaries	467,614	--	467,614	437,949	437,949	(29,665)
Employee benefits	346,594	(20,479)	326,115	333,928	333,928	7,813
Purchased services	3,181,823	--	3,181,823	3,638,176	3,634,136	452,313
Supplies and materials	19,750	--	19,750	25,225	23,805	4,055
Total middle school education	4,015,781	(20,479)	3,995,302	4,435,278	4,429,818	434,516

(continued)

GENERAL FUND

For the Year Ended June 30, 2017

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
High school education:						
Salaries	\$ 608,211	\$ --	\$ 608,211	\$ 536,943	\$ 546,943	\$ (61,268)
Employee benefits	440,291	(26,790)	413,501	404,866	408,615	(4,886)
Purchased services	6,899,677	--	6,899,677	8,283,399	8,242,599	1,342,922
Supplies and materials	23,469	--	23,469	33,225	33,378	9,909
Total high school education	7,971,648	(26,790)	7,944,858	9,258,433	9,231,535	1,286,677
Custodial services:						
Salaries	10,248,823	--	10,248,823	10,125,426	10,183,225	(65,598)
Employee benefits	8,356,206	(444,868)	7,911,338	8,112,095	8,112,183	200,845
Purchased services	130,040	(2,376)	127,664	175,893	128,229	565
Supplies and materials	708,925	(424)	708,501	738,291	748,729	40,228
Capital outlay	62,690	--	62,690	26,250	26,250	(36,440)
Total custodial services	19,506,684	(447,668)	19,059,016	19,177,955	19,198,616	139,600
Facilities:						
Salaries	9,414,846	--	9,414,846	9,307,449	9,442,724	27,878
Employee benefits	5,957,762	(410,227)	5,547,535	6,035,440	6,088,345	540,810
Purchased services	2,781,444	(369,929)	2,411,515	2,520,291	2,477,434	65,919
Supplies and materials	3,165,556	42,724	3,208,280	2,471,953	2,429,621	(778,659)
Capital outlay	559,207	(39,627)	519,580	510,200	586,683	67,103
Total facilities	21,878,815	(777,059)	21,101,756	20,845,333	21,024,807	(76,949)
Vehicle maintenance:						
Salaries	490,260	--	490,260	486,291	486,291	(3,969)
Employee benefits	292,968	(21,454)	271,514	301,552	301,552	30,038
Purchased services	72,716	--	72,716	87,749	87,749	15,033
Supplies and materials	444,190	(51,600)	392,590	493,138	493,138	100,548
Capital outlay	26,446	--	26,446	--	--	(26,446)
Total vehicle maintenance	1,326,580	(73,054)	1,253,526	1,368,730	1,368,730	115,204
Other operations and maintenance of plant:						
Salaries	517,416	--	517,416	450,813	471,451	(45,965)
Employee benefits	338,367	(22,530)	315,837	306,513	314,450	(1,387)
Purchased services	4,853,762	292,469	5,146,231	4,515,363	5,307,672	161,441
Supplies and materials	7,470	18,727	26,197	6,841	26,748	551
Other	757,409	--	757,409	837,468	757,409	--
Total other operations and maintenance of plant	6,474,424	288,666	6,763,090	6,116,998	6,877,730	114,640
Total operations and maintenance of plant	77,544,041	(1,926,943)	75,617,098	78,984,987	78,972,311	3,355,213
Community services:						
Community services:						
Salaries	256,558	--	256,558	250,064	255,592	(966)
Employee benefits	158,851	(10,877)	147,974	152,560	154,227	6,253
Purchased services	50,000	--	50,000	53,150	53,150	3,150
Supplies and materials	8,718	(1,412)	7,306	15,000	15,344	8,038
Capital outlay	7,369	--	7,369	--	--	(7,369)
Total community services	481,496	(12,289)	469,207	470,774	478,313	9,106
Total current	\$ 607,273,676	\$ (49,666,316)	\$ 557,607,360	\$ 560,270,701	\$ 562,970,701	\$ 5,363,341

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

For the Year Ended June 30, 2017

	Personnel Services	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other	Total
Current:							
General administration:							
Anchorage School Board	\$ 263,567	\$ 92,658	\$ 347,484	\$ 7,929	\$ --	\$ --	\$ 711,638
Superintendent	454,275	191,354	855,537	16,383	--	--	1,517,549
Instruction	226,598	107,034	5,137	742	--	--	339,511
Support services	2,345,202	1,443,637	145,895	65,552	100,711	--	4,100,997
Planning, communications and development	419,767	230,992	113,486	53,257	19,851	--	837,353
Business management	1,787,327	1,039,498	78,444	38,730	--	--	2,943,999
Employee relations	2,160,475	1,302,824	163,430	22,174	--	--	3,648,903
Assessment and evaluation	420,334	231,998	84,670	287,969	--	--	1,024,971
Technology/management information systems	6,338,434	3,755,096	1,493,073	432,477	654,880	--	12,673,960
Other general administration	206,514	164,460	(2,342,895)	68,329	2,500	1,203,810	(697,282)
Total general administration	14,622,493	8,559,551	944,261	993,542	777,942	1,203,810	27,101,599
Instruction:							
Instructional support:							
Curriculum and staff development	5,768,609	2,566,508	503,169	2,833,887	20,160	--	11,692,333
Instructional media	656,931	430,210	134,354	136,998	--	--	1,358,493
Technology/management information systems	592,119	295,107	4,015,339	5,821,366	24,284	--	10,748,215
Total instructional support	7,017,659	3,291,825	4,652,862	8,792,251	44,444	--	23,799,041
Elementary education	113,737,470	58,254,784	415,223	1,962,167	--	--	174,369,644
Charter schools	12,431,604	6,558,631	2,209,128	823,060	--	4,328	22,026,751
Middle school education	34,041,598	17,784,258	426,963	626,835	25,772	--	52,905,426
High school education	64,696,679	32,887,885	2,289,102	1,727,204	43,473	178,247	101,822,590
Special education services:							
Special services	15,187,803	8,206,894	2,068,907	190,768	23,508	--	25,677,880
Special education	49,686,245	29,964,342	1,181,380	379,954	--	--	81,211,921
Total special education services	64,874,048	38,171,236	3,250,287	570,722	23,508	--	106,889,801
English language learners	7,722,170	5,201,793	57,851	81,619	--	--	13,063,433
Gifted education	3,493,918	1,772,397	45,627	62,737	13,156	--	5,387,835
Native education	341,422	284,384	3,182	1,518	--	--	630,506
Other instruction	541,827	183,920	411,335	9,809	104,622	--	1,251,513
Total instruction	308,898,395	164,391,113	13,761,560	14,657,922	254,975	182,575	502,146,540
Pupil transportation							
Operation and maintenance of plant:							
Elementary schools	2,511,557	1,939,261	8,143,880	25,662	--	--	12,620,360
Charter schools	268,292	158,748	3,280,425	42,284	--	--	3,749,749
Middle schools	467,614	346,594	3,181,823	19,750	--	--	4,015,781
High schools	608,211	440,291	6,899,677	23,469	--	--	7,971,648
Custodial services	10,248,823	8,356,206	130,040	708,925	62,690	--	19,506,684
Facilities	9,414,846	5,957,762	2,781,444	3,165,556	559,207	--	21,878,815
Vehicle maintenance	490,260	292,968	72,716	444,190	26,446	--	1,326,580
Other operations and maintenance of plant:	517,416	338,367	4,853,762	7,470	--	757,409	6,474,424
Total operation and maintenance of plant	24,527,019	17,830,197	29,343,767	4,437,306	648,343	757,409	77,544,041
Community services	256,558	158,851	50,000	8,718	7,369	--	481,496
Total expenditures	\$ 348,304,465	\$ 190,939,712	\$ 44,099,588	\$ 20,097,488	\$ 1,688,629	\$ 2,143,794	\$ 607,273,676

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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, 2017
With Comparative Totals for
June 30, 2016

BALANCE SHEET

	<u>2017</u>	<u>2016</u>
Assets		
Accounts receivable	\$ 8,934	\$ 7,473
Due from other governments:		
Municipality of Anchorage	20,398	48,404
State of Alaska	523,152	777,139
United States Government	17,704,435	14,493,481
Prepaid items	37,316	53,804
Total assets	<u>\$ 18,294,235</u>	<u>\$ 15,380,301</u>
Liabilities		
Accounts payable	\$ 249,767	\$ 376,880
Due to General Fund	15,175,343	11,895,665
Accrued salaries and related items:		
Wages and salaries payable	712,039	965,761
Payroll taxes, other accrued and withheld items	878,378	867,702
Unearned revenues	1,278,708	1,274,293
Total liabilities	<u>18,294,235</u>	<u>15,380,301</u>
Fund balance		
Non-spendable	37,316	53,804
Unassigned	<u>(37,316)</u>	<u>(53,804)</u>
Total fund balance	--	--
 Total liabilities and fund balance	 <u>\$ 18,294,235</u>	 <u>\$ 15,380,301</u>

For the Year Ended June 30, 2017
With Comparative Totals
For the Year Ended June 30, 2016

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

	2017	2016
Revenues:		
Revenues from local grants:		
Charter School Supplemental Grants	\$ 15,764	\$ 16,185
Donations From Local Agencies	502,738	259,221
NoVo Foundation Social and Emotional Learning	260,060	343,768
Partners in Homeless Education	1	--
Reading is Fundamental	81	--
Total revenues from local grants	778,644	619,174
Revenues from state grants:		
Designated Legislative Grants		
Senate Bill 18	186,126	415,721
Senate Bill 46	--	111,157
Senate Bill 119	244,892	593,221
Senate Bill 160	356,950	98,518
Total Designated Legislative Grants	787,968	1,218,617
Alaska Historical Commission	7,018	7,982
Alaska Railroad Summer Youth Program	19,987	19,813
Alaska Science and Technology Program	24	16
Alaska State School for Deaf	315,284	298,480
Alternative Schools Health and Wellness	63,779	59,259
Anchorage Construction Academy	--	174,968
ANSEP Grant	6,472	13,180
Big Brothers Big Sisters Mentoring	2,906	18,810
Charter School Supplemental Grants	36,000	49,645
Confucius Grant	8,979	18,383
Cultural Collaboration Project	19,772	27,171
Farm to School	1,163	--
Pre-School Kindergarten Program	342,812	327,874
Providence Heights	113,313	140,520
Retirement Systems Employer Relief	2,257,541	2,515,430
Safe Children's Act	63,703	--
Suicide Awareness	27,261	21,590
Youth Behavior Risk Survey	31,197	--
Youth in Detention	487,649	511,569
Total revenues from state grants	4,592,828	5,423,307
Revenues from federal grants:		
Access to Education for Homeless Children Program	40,406	49,066
Alaska Family Directory Website	28,336	27,305
Alaska Mental Health Trust	1,930	--
Alaska Mentorship Project	360,405	389,781
Alaska Sea Grant	4,414	1,554
Alaska State School for the Deaf	61,778	54,252
Artists in Schools	9	3,166
Big Brothers Big Sisters Mentoring	12,559	--
Carl Perkins Vocational Education	1,203,521	1,166,727
Centennial Challenge	24,901	25,062
CITC SEL Grant	292,906	162,358
Community Centers Learning Program	1,556,868	1,541,843
ESEA Consolidated	965,089	905,904
Military Impacted Students	714,204	516,392
NMSI Grant	--	19,999
Pre-School Handicapped Public Law 99-457	323,346	313,831
Presidential Award Program	129	--

(Continued)

For the Year Ended June 30, 2017
With Comparative Totals
For the Year Ended June 30, 2016

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

	2017	2016
Project Aware	\$ 408,943	\$ 282,130
Project Ki'l	473,759	--
Project Puqigtut	--	239,893
Refugee Support Services	42,999	21,554
School Health Program	1,478	3
StarTalk - Language Culture Summer Camp	97,781	75,070
Ticket to Ride Grant	524	3,627
Title I - No Child Left Behind Act		
Delinquent and At-Risk Youth Program	75,062	192,853
District-wide	12,797,175	11,678,964
Highly Qualified Program	--	1,758
McLaughlin Youth Center	203,432	184,163
Parent Involvement Program	122,782	105,971
School Improvement Program	25,103	23,013
Total Title I - No Child Left Behind Act	13,223,554	12,186,722
Title I - Migrant Education		
Book Program	25,839	11,547
Data	5,550	--
District-wide	1,580,257	1,538,419
Parent Involvement Program	--	2,697
Summer Program	216,714	256,678
Total Title I - Migrant Education	1,828,360	1,809,341
Title II A - Professional Development Program	3,447,427	3,149,736
Title III - English Language Acquisition	491,525	407,004
Title VI B - Education of All Handicapped Children	13,085,487	11,915,242
Title VII - Indian, Native Hawaiian, and Alaska Native Education	3,045,229	3,132,920
We Can	39	--
Total revenues from federal grants	41,737,906	38,400,482
Total revenues	47,109,378	44,442,963
Expenditures:		
Current:		
Instruction:		
Local grants	778,644	619,174
State grants	4,592,828	5,423,307
Federal grants	41,737,906	38,400,482
Total expenditures	47,109,378	44,442,963
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, 2017
With Comparative Totals
For the Year Ended June 30, 2016

SCHEDULE OF EXPENDITURES - GAAP BASIS

	2017	2016
Current:		
Instruction:		
Local grants:		
Charter School Supplemental Grants	\$ 15,764	\$ 16,185
Donations From Local Agencies	502,738	259,221
NoVo Foundation Social and Emotional Learning	260,060	343,768
Partners in Homeless Education	1	--
Reading is Fundamental	81	--
Total local grants	778,644	619,174
State grants:		
Designated Legislative Grants		
Senate Bill 18	186,126	415,721
Senate Bill 46	--	111,157
Senate Bill 119	244,892	593,221
Senate Bill 160	356,950	98,518
Total Designated Legislative Grants	787,968	1,218,617
Alaska Historical Commission	7,018	7,982
Alaska Railroad Summer Youth Program	19,987	19,813
Alaska Science and Technology Program	24	16
Alaska State School for Deaf	315,284	298,480
Alternative Schools Health and Wellness	63,779	59,259
Anchorage Construction Academy	--	174,968
ANSEP Grant	6,472	13,180
Big Brothers Big Sisters Mentoring	2,906	18,810
Charter School Supplemental Grants	36,000	49,645
Confucius Grant	8,979	18,383
Cultural Collaboration Project	19,772	27,171
Farm to School	1,163	--
Pre-School Kindergarten Program	342,812	327,874
Providence Heights	113,313	140,520
Retirement Systems Employer Relief	2,257,541	2,515,430
Safe Childrens Act	63,703	--
Suicide Awareness	27,261	21,590
Youth Behavior Risk Survey	31,197	--
Youth in Detention	487,649	511,569
Total state grants	4,592,828	5,423,307
Federal grants:		
Access to Education for Homeless Children Program	40,406	49,066
Alaska Family Directory Website	28,336	27,305
Alaska Mental Health Trust	1,930	--
Alaska Mentorship Project	360,405	389,781
Alaska Sea Grant	4,414	1,554
Alaska State School for the Deaf	61,778	54,252
Artists in Schools	9	3,166
Big Brothers Big Sisters Mentoring	12,559	--
Carl Perkins Vocational Education	1,203,521	1,166,727
Centennial Challenge	24,901	25,062
CITC SEL Grant	292,906	162,358
Community Centers Learning Program	1,556,868	1,541,843

(Continued)

For the Year Ended June 30, 2017
With Comparative Totals
For the Year Ended June 30, 2016

SCHEDULE OF EXPENDITURES - GAAP BASIS (Continued)

	2017	2016
ESEA Consolidated	\$ 965,089	\$ 905,904
Military Impacted Students	714,204	516,392
NMSI Grant	--	19,999
Pre-School Handicapped Public Law 99-457	323,346	313,831
Presidential Award Program	129	--
Project Aware	408,943	282,130
Project Ki'l	473,759	--
Project Puqigtut	--	239,893
Refugee Support Services	42,999	21,554
School Health Program	1,478	3
StarTalk - Language Culture Summer Camp	97,781	75,070
Ticket to Ride Grant	524	3,627
Title I - No Child Left Behind Act		
Delinquent and At-Risk Youth Program	75,062	192,853
District-wide	12,797,175	11,678,964
Highly Qualified Program	--	1,758
McLaughlin Youth Center	203,432	184,163
Parent Involvement Program	122,782	105,971
School Improvement Program	25,103	23,013
Total Title I - No Child Left Behind Act	13,223,554	12,186,722
Title I - Migrant Education		
Book Program	25,839	11,547
Data	5,550	--
District-wide	1,580,257	1,538,419
Parent Involvement Program	--	2,697
Summer Program	216,714	256,678
Total Title I - Migrant Education	1,828,360	1,809,341
Title II A - Professional Development Program	3,447,427	3,149,736
Title III - English Language Acquisition	491,525	407,004
Title VI B - Education of All Handicapped Children	13,085,487	11,915,242
Title VII - Indian, Native Hawaiian, and Alaska Native Education	3,045,229	3,132,920
We Can	39	--
Total federal grants	41,737,906	38,400,482
Total expenditures	\$ 47,109,378	\$ 44,442,963

For the Year Ended June 30, 2017

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	\$ 15,764	\$ --	\$ 15,764	\$ 16,593	\$ 829
Total Charter School Supplemental Grants	15,764	--	15,764	16,593	829
Donations from Local Agencies					
Salaries	142,426	--	142,426	152,998	10,572
Employee benefits	38,087	--	38,087	40,886	2,799
Purchased services	161,956	31,548	193,504	589,916	396,412
Supplies and materials	160,269	(54,916)	105,353	125,432	20,079
Total Donations from Local Agencies	502,738	(23,368)	479,370	909,232	429,862
NoVo Foundation Social and Emotional Learning					
Salaries	105,108	--	105,108	--	(105,108)
Employee benefits	18,033	--	18,033	--	(18,033)
Purchased services	117,701	(51,594)	66,107	--	(66,107)
Supplies and materials	19,218	--	19,218	--	(19,218)
Total NoVo Foundation Social and Emotional Learning	260,060	(51,594)	208,466	--	(208,466)
Partners in Homeless Education					
Supplies and materials	1	--	1	--	(1)
Total Partners in Homeless Education	1	--	1	--	(1)
Reading is Fundamental					
Supplies and materials	81	--	81	--	(81)
Total Reading is Fundamental	81	--	81	--	(81)
Contingency	--	--	--	1,842,321	1,842,321
Total Local Grants	778,644	(74,962)	703,682	2,768,146	2,064,464
State grants:					
Designated Legislative Grants:					
Senate Bill 18					
Purchased services	24,139	(20,312)	3,827	--	(3,827)
Supplies and materials	156,327	(6,709)	149,618	--	(149,618)
Capital outlay	5,660	--	5,660	--	(5,660)
Total Senate Bill 18	186,126	(27,021)	159,105	--	(159,105)
Senate Bill 46					
Supplies and materials	--	(460)	(460)	--	460
Total Senate Bill 46	--	(460)	(460)	--	460
Senate Bill 119					
Salaries	5,849	--	5,849	--	(5,849)
Employee benefits	872	--	872	--	(872)
Purchased services	3,468	--	3,468	(1,900)	(5,368)
Supplies and materials	234,703	2,225	236,928	1,900	(235,028)
Total Senate Bill 119	244,892	2,225	247,117	--	(247,117)
Senate Bill 160					
Salaries	4,265	--	4,265	--	(4,265)
Employee benefits	1,540	--	1,540	--	(1,540)
Purchased services	17,602	(19,720)	(2,118)	--	2,118
Supplies and materials	333,543	(5,859)	327,684	--	(327,684)
Total Senate Bill 160	356,950	(25,579)	331,371	--	(331,371)
Total Designated Legislative Grants	787,968	(50,835)	737,133	--	(737,133)
Alaska Historical Commission					
Salaries	4,325	--	4,325	--	(4,325)
Employee benefits	646	--	646	--	(646)
Purchased services	500	(500)	--	--	--
Supplies and materials	1,547	--	1,547	--	(1,547)
Total Alaska Historical Commission	7,018	(500)	6,518	--	(6,518)
Alaska Railroad Summer Youth Program					
Salaries	15,427	--	15,427	15,427	--
Employee benefits	2,347	--	2,347	2,347	--
Supplies and materials	2,213	--	2,213	2,226	13
Total Alaska Railroad Summer Youth Program	19,987	--	19,987	20,000	13
Alaska Science and Technology Program					
Supplies and materials	24	--	24	--	(24)
Total Alaska Science and Technology Program	24	--	24	--	(24)

(Continued)

For the Year Ended June 30, 2017

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Final Budget	Variance - Positive (Negative)
Alaska State School for the Deaf					
Salaries	\$ 179,568	\$ --	\$ 179,568	\$ 182,535	\$ 2,967
Employee benefits	73,389	--	73,389	73,977	588
Purchased services	61,232	--	61,232	61,392	160
Supplies and materials	1,095	--	1,095	1,096	1
Total Alaska State School for the Deaf	315,284	--	315,284	319,000	3,716
Alternative Schools Health and Wellness					
Salaries	22,695	--	22,695	22,696	1
Employee benefits	3,474	--	3,474	3,534	60
Purchased services	14,407	--	14,407	14,410	3
Supplies and materials	23,203	--	23,203	23,200	(3)
Total Alternative Schools Health and Wellness	63,779	--	63,779	63,840	61
ANSEP Grant					
Salaries	4,277	--	4,277	5,512	1,235
Employee benefits	1,920	--	1,920	2,149	229
Purchased services	275	--	275	339	64
Total ANSEP Grant	6,472	--	6,472	8,000	1,528
Big Brothers Big Sisters Mentoring					
Salaries	2,171	--	2,171	20,231	18,060
Employee benefits	612	--	612	15,322	14,710
Purchased services	123	--	123	2,916	2,793
Supplies and materials	--	--	--	1,531	1,531
Total Big Brothers Big Sisters Mentoring	2,906	--	2,906	40,000	37,094
Charter School Supplemental Grants					
Purchased services	1,527	--	1,527	1,527	--
Supplies and materials	34,473	--	34,473	34,473	--
Total Charter School Supplemental Grants	36,000	--	36,000	36,000	--
Confucious Grant					
Supplies and materials	8,979	--	8,979	20,000	11,021
Total Confucious Grant	8,979	--	8,979	20,000	11,021
Cultural Collaboration Project					
Salaries	--	--	--	(298)	(298)
Purchased services	18,526	5,436	23,962	14,380	(9,582)
Supplies and materials	1,246	--	1,246	(251)	(1,497)
Total Cultural Collaboration Project	19,772	5,436	25,208	13,831	(11,377)
Farm to School					
Supplies and materials	1,163	--	1,163	--	(1,163)
Total Farm to School	1,163	--	1,163	--	(1,163)
Pre-School Kindergarten					
Salaries	208,637	--	208,637	215,022	6,385
Employee benefits	87,425	--	87,425	88,455	1,030
Purchased services	15,678	--	15,678	19,710	4,032
Supplies and materials	31,072	--	31,072	41,376	10,304
Total Pre-School Kindergarten	342,812	--	342,812	364,563	21,751
Providence Heights					
Salaries	78,655	--	78,655	87,815	9,160
Employee benefits	22,843	--	22,843	44,026	21,183
Purchased services	4,807	--	4,807	6,151	1,344
Supplies and materials	7,008	--	7,008	7,008	--
Total Providence Heights	113,313	--	113,313	145,000	31,687
Retirement Systems Employer					
Employee benefits	2,257,541	(2,257,541)	--	--	--
Total Retirement Systems Employer	2,257,541	(2,257,541)	--	--	--
Safe Children's Act					
Salaries	5,500	--	5,500	5,500	--
Employee benefits	837	--	837	838	1
Supplies and materials	57,366	--	57,366	62,425	5,059
Total Safe Children's Act	63,703	--	63,703	68,763	5,060
Suicide Awareness					
Salaries	11,118	--	11,118	12,288	1,170
Employee benefits	1,927	--	1,927	1,856	(71)
Purchased services	3,113	--	3,113	5,410	2,297
Supplies and materials	11,103	--	11,103	14,106	3,003
Total Suicide Awareness	27,261	--	27,261	33,660	6,399

(Continued)

For the Year Ended June 30, 2017

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)
Youth Behavior Risk Survey					
Salaries	\$ 11,202	\$ --	\$ 11,202	\$ 10,655	\$ (547)
Employee benefits	1,639	--	1,639	1,640	1
Purchased services	6,000	--	6,000	6,000	--
Supplies and materials	12,356	--	12,356	11,351	(1,005)
Total Youth Behavior Risk Survey	31,197	--	31,197	29,646	(1,551)
Youth in Detention					
Salaries	323,124	--	323,124	355,152	32,028
Employee benefits	105,238	--	105,238	119,530	14,292
Purchased services	22,652	--	22,652	32,537	9,885
Supplies and materials	36,635	17,876	54,511	39,359	(15,152)
Total Youth in Detention	487,649	17,876	505,525	546,578	41,053
Total State Grants	4,592,828	(2,285,564)	2,307,264	1,708,881	(598,383)
Federal grants:					
Access to Education for Homeless Children					
Salaries	5,870	--	5,870	5,870	--
Employee benefits	878	--	878	893	15
Purchased services	22,702	--	22,702	32,655	9,953
Supplies and materials	10,956	--	10,956	15,336	4,380
Total Access to Education for Homeless Children	40,406	--	40,406	54,754	14,348
Alaska Family Directory Website					
Salaries	15,978	--	15,978	13,984	(1,994)
Employee benefits	10,592	--	10,592	9,942	(650)
Purchased services	1,733	--	1,733	4,980	3,247
Supplies and materials	33	--	33	94	61
Total Alaska Family Directory Website	28,336	--	28,336	29,000	664
Alaska Mental Health Trust					
Purchased services	1,930	--	1,930	1,930	--
Total Alaska Mental Health Trust	1,930	--	1,930	1,930	--
Alaska Mentorship Project					
Salaries	--	--	--	187	187
Purchased services	359,788	--	359,788	312,574	(47,214)
Supplies and materials	617	--	617	(794)	(1,411)
Total Alaska Mentorship Project	360,405	--	360,405	311,967	(48,438)
Alaska Sea Grant					
Salaries	1,100	--	1,100	1,100	--
Employee benefits	167	--	167	166	(1)
Supplies and materials	3,147	--	3,147	(1,266)	(4,413)
Total Alaska Sea Grant	4,414	--	4,414	--	(4,414)
Alaska State School for the Deaf					
Salaries	18,326	--	18,326	19,196	870
Employee benefits	9,488	--	9,488	9,436	(52)
Purchased services	33,722	--	33,722	34,619	897
Supplies and materials	242	--	242	1,749	1,507
Total Alaska State School for the Deaf	61,778	--	61,778	65,000	3,222
Artist in Schools					
Supplies and materials	9	--	9	--	(9)
Total Artist in Schools	9	--	9	--	(9)
Big Brothers Big Sisters Mentoring					
Salaries	9,145	--	9,145	20,031	10,886
Employee benefits	2,542	--	2,542	15,322	12,780
Purchased services	586	--	586	2,916	2,330
Supplies and materials	286	--	286	1,731	1,445
Total Big Brothers Big Sisters Mentoring	12,559	--	12,559	40,000	27,441
Carl Perkins Vocational Education					
Salaries	321,386	--	321,386	325,605	4,219
Employee benefits	127,584	--	127,584	128,467	883
Purchased services	177,578	--	177,578	176,320	(1,258)
Supplies and materials	520,618	24,500	545,118	522,110	(23,008)
Capital outlay	56,355	--	56,355	56,452	97
Total Carl Perkins Vocational Education	1,203,521	24,500	1,228,021	1,208,954	(19,067)
Centennial Challenge					
Purchased services	24,901	--	24,901	27,538	2,637
Total Centennial Challenge	24,901	--	24,901	27,538	2,637

(Continued)

For the Year Ended June 30, 2017

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)
CITC SEL Grant					
Salaries	\$ 111,770	\$ --	\$ 111,770	\$ 103,440	\$ (8,330)
Employee benefits	30,501	--	30,501	28,089	(2,412)
Purchased services	136,637	6,343	142,980	96,005	(46,975)
Supplies and materials	13,998	--	13,998	5,234	(8,764)
Total CITC SEL Grant	292,906	6,343	299,249	232,768	(66,481)
Community Centers Learning Program					
Salaries	924,672	--	924,672	1,008,366	83,694
Employee benefits	398,297	--	398,297	422,093	23,796
Purchased services	193,290	(261)	193,029	213,912	20,883
Supplies and materials	40,609	--	40,609	45,629	5,020
Total Community Centers Learning Program	1,556,868	(261)	1,556,607	1,690,000	133,393
ESEA Consolidated					
Salaries	580,104	--	580,104	589,673	9,569
Employee benefits	317,430	--	317,430	318,660	1,230
Purchased services	66,890	--	66,890	69,538	2,648
Supplies and materials	665	--	665	815	150
Total ESEA Consolidated	965,089	--	965,089	978,686	13,597
Military Impacted Students					
Salaries	284,418	--	284,418	561,297	276,879
Employee benefits	100,808	--	100,808	170,838	70,030
Purchased services	194,777	(107,770)	87,007	348,661	261,654
Supplies and materials	112,211	--	112,211	419,204	306,993
Capital outlay	21,990	--	21,990	--	(21,990)
Total Military Impacted Students	714,204	(107,770)	606,434	1,500,000	893,566
Pre-School Handicapped Public Law 99-457					
Salaries	199,176	--	199,176	201,185	2,009
Employee benefits	99,617	--	99,617	100,138	521
Purchased services	13,717	--	13,717	13,831	114
Supplies and materials	10,836	--	10,836	10,893	57
Total Pre-School Handicapped Public Law 99-457	323,346	--	323,346	326,047	2,701
Presidential Award Program					
Supplies and materials	129	--	129	--	(129)
Total Presidential Award Program	129	--	129	--	(129)
Project Aware					
Salaries	257,177	--	257,177	312,230	55,053
Employee benefits	105,035	--	105,035	135,801	30,766
Purchased services	44,163	(25,000)	19,163	85,673	66,510
Supplies and materials	2,568	--	2,568	11,585	9,017
Total Project Aware	408,943	(25,000)	383,943	545,289	161,346
Project Ki'l					
Salaries	194,695	--	194,695	277,606	82,911
Employee benefits	91,882	--	91,882	129,085	37,203
Purchased services	106,236	25,531	131,767	182,662	50,895
Supplies and materials	80,946	--	80,946	20,101	(60,845)
Total Project Ki'l	473,759	25,531	499,290	609,454	110,164
Refugee Support Services					
Salaries	35,835	--	35,835	--	(35,835)
Employee benefits	5,451	--	5,451	--	(5,451)
Purchased services	1,713	--	1,713	--	(1,713)
Total Refugee Support Services	42,999	--	42,999	--	(42,999)
School Health Program					
Purchased services	62	--	62	--	(62)
Supplies and materials	1,416	--	1,416	--	(1,416)
Total School Health Program	1,478	--	1,478	--	(1,478)
StarTalk - Language Culture Summer Camp					
Salaries	49,987	--	49,987	57,843	7,856
Employee benefits	7,500	--	7,500	6,898	(602)
Purchased services	23,685	--	23,685	15,941	(7,744)
Supplies and materials	16,609	915	17,524	9,211	(8,313)
Total StarTalk - Language Culture Summer Camp	97,781	915	98,696	89,893	(8,803)
Ticket to Ride Grant					
Purchased services	524	--	524	--	(524)
Total Ticket to Ride Grant	524	--	524	--	(524)

(Continued)

For the Year Ended June 30, 2017

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	\$ 50,428	\$ --	\$ 50,428	\$ 72,022	\$ 21,594
Employee benefits	16,503	--	16,503	24,584	8,081
Purchased services	6,827	1,052	7,879	11,219	3,340
Supplies and materials	1,304	--	1,304	3,415	2,111
Total Delinquent and At-Risk Youth Program	75,062	1,052	76,114	111,240	35,126
District-wide					
Salaries	7,376,832	5	7,376,837	10,558,911	3,182,074
Employee benefits	2,801,562	7	2,801,569	3,938,093	1,136,524
Purchased services	1,349,123	--	1,349,123	2,178,133	829,010
Supplies and materials	1,269,658	8,240	1,277,898	1,650,346	372,448
Capital outlay	--	--	--	22,000	22,000
Total District-wide	12,797,175	8,252	12,805,427	18,347,483	5,542,056
McLaughlin Youth Center					
Salaries	141,868	--	141,868	160,754	18,886
Employee benefits	50,950	--	50,950	51,665	715
Purchased services	8,630	--	8,630	9,517	887
Supplies and materials	1,984	--	1,984	2,408	424
Total McLaughlin Youth Center	203,432	--	203,432	224,344	20,912
Parent Involvement Program					
Salaries	57,825	--	57,825	87,289	29,464
Employee benefits	10,098	--	10,098	17,483	7,385
Purchased services	4,171	--	4,171	10,450	6,279
Supplies and materials	50,688	--	50,688	113,129	62,441
Total Parent Involvement Program	122,782	--	122,782	228,351	105,569
School Improvement Program					
Salaries	18,784	--	18,784	24,079	5,295
Employee benefits	2,809	--	2,809	3,783	974
Purchased services	3,490	--	3,490	21,051	17,561
Supplies and materials	20	--	20	6,867	6,847
Total School Improvement Program	25,103	--	25,103	55,780	30,677
Total Title I - No Child Left Behind Act	13,223,554	9,304	13,232,858	18,967,198	5,734,340
Title I - Migrant Education					
Book Program					
Supplies and materials	25,839	--	25,839	25,839	--
Total Book Program	25,839	--	25,839	25,839	--
Data					
Supplies and materials	5,550	--	5,550	5,550	--
Total Migrant Data	5,550	--	5,550	5,550	--
District-wide					
Salaries	866,601	--	866,601	870,537	3,936
Employee benefits	516,317	--	516,317	521,516	5,199
Purchased services	155,226	(55)	155,171	155,834	663
Supplies and materials	42,113	--	42,113	41,776	(336)
Total District-wide	1,580,257	(55)	1,580,202	1,589,663	9,461
Parent Involvement Program					
Purchased services	--	--	--	500	500
Total Parent Involvement Program	--	--	--	500	500
Summer Program					
Salaries	101,425	--	101,425	152,463	51,038
Employee benefits	18,081	--	18,081	27,918	9,837
Purchased services	88,753	(23,486)	65,267	196,778	131,511
Supplies and materials	8,455	--	8,455	56,084	47,629
Total Summer Program	216,714	(23,486)	193,228	433,243	240,015
Total Title I - Migrant Education	1,828,360	(23,541)	1,804,819	2,054,795	249,976
Title II A - Professional Development Program					
Salaries	1,916,566	--	1,916,566	3,122,317	1,205,751
Employee benefits	531,749	--	531,749	727,240	195,491
Purchased services	846,214	2,199	848,413	1,380,354	531,941
Supplies and materials	152,898	--	152,898	158,870	5,972
Total Title II A - Professional Development Program	3,447,427	2,199	3,449,626	5,388,781	1,939,155

(Continued)

For the Year Ended June 30, 2017

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	\$ 299,372	\$ --	\$ 299,372	\$ 327,301	\$ 27,929
Employee benefits	72,369	--	72,369	76,373	4,004
Purchased services	117,620	33,920	151,540	193,916	42,376
Supplies and materials	2,164	--	2,164	3,706	1,542
Total Title III - English Language Acquisition	491,525	33,920	525,445	601,296	75,851
Title VI B - Education of All Handicapped Children					
Salaries	6,775,422	--	6,775,422	8,169,735	1,394,313
Employee benefits	4,100,405	--	4,100,405	5,204,351	1,103,946
Purchased services	1,661,507	(7,287)	1,654,220	1,909,176	254,956
Supplies and materials	542,825	--	542,825	542,978	153
Capital outlay	5,328	--	5,328	5,328	--
Total Title VI B - Education of All Handicapped Children	13,085,487	(7,287)	13,078,200	15,831,568	2,753,368
Title VII - Indian, Native Hawaiian, and Alaska Native Education					
Salaries	1,614,823	--	1,614,823	1,682,129	67,306
Employee benefits	1,072,407	--	1,072,407	1,161,535	89,128
Purchased services	283,737	18,695	302,432	194,195	(108,237)
Supplies and materials	74,262	3,825	78,087	20,196	(57,891)
Total Title VII - Indian, Native Hawaiian, and Alaska Native Education	3,045,229	22,520	3,067,749	3,058,055	(9,694)
We Can					
Supplies and materials	39	--	39	--	(39)
Total We Can	39	--	39	--	(39)
Total Federal Grants	41,737,906	(38,627)	41,699,279	53,612,973	11,913,694
Total Expenditures	\$ 47,109,378	\$ (2,399,153)	\$ 44,710,225	\$ 58,090,000	\$ 13,379,775

For the Year Ended June 30, 2017

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	\$ --	\$ --	\$ --	\$ 15,764	\$ --	\$ 15,764
Donations from Local Agencies	142,426	38,087	161,956	160,269	--	502,738
NoVo Foundation Social and Emotional Learning	105,108	18,033	117,701	19,218	--	260,060
Partners in Homeless Education	--	--	--	1	--	1
Reading is Fundamental	--	--	--	81	--	81
Total local grants	247,534	56,120	279,657	195,333	--	778,644
State grants:						
Designated Legislative Grants						
Senate Bill 18	--	--	24,139	156,327	5,660	186,126
Senate Bill 119	5,849	872	3,468	234,703	--	244,892
Senate Bill 160	4,265	1,540	17,602	333,543	--	356,950
Total Designated Legislative Grants	10,114	2,412	45,209	724,573	5,660	787,968
Alaska Historical Commission	4,325	646	500	1,547	--	7,018
Alaska Railroad Summer Youth Program	15,427	2,347	--	2,213	--	19,987
Alaska Science and Technology Program	--	--	--	24	--	24
Alaska State School for the Deaf	179,568	73,389	61,232	1,095	--	315,284
Alternative Schools Health and Wellness	22,695	3,474	14,407	23,203	--	63,779
ANSEP Grant	4,277	1,920	275	--	--	6,472
Big Brothers Big Sisters Mentoring	2,171	612	123	--	--	2,906
Charter School Supplemental Grants	--	--	1,527	34,473	--	36,000
Confucious Grant	--	--	--	8,979	--	8,979
Cultural Collaboration Project	--	--	18,526	1,246	--	19,772
Farm to School	--	--	--	1,163	--	1,163
Pre-School Kindergarten Program	208,637	87,425	15,678	31,072	--	342,812
Providence Heights	78,655	22,843	4,807	7,008	--	113,313
Retirement Systems Employer Relief	--	2,257,541	--	--	--	2,257,541
Safe Children's Act	5,500	837	--	57,366	--	63,703
Suicide Awareness	11,118	1,927	3,113	11,103	--	27,261
Youth Behavior Risk Survey	11,202	1,639	6,000	12,356	--	31,197
Youth in Detention	323,124	105,238	22,652	36,635	--	487,649
Total state grants	876,813	2,562,250	194,049	954,056	5,660	4,592,828
Federal grants:						
Access to Education for Homeless Children Program	5,870	878	22,702	10,956	--	40,406
Alaska Family Directory Website	15,978	10,592	1,733	33	--	28,336
Alaska Mental Health Trust	--	--	1,930	--	--	1,930
Alaska Mentorship Project	--	--	359,788	617	--	360,405
Alaska Sea Grant	1,100	167	--	3,147	--	4,414
Alaska State School for the Deaf	18,326	9,488	33,722	242	--	61,778
Artists in Schools	--	--	--	9	--	9
Big Brothers Big Sisters Mentoring	9,145	2,542	586	286	--	12,559
Carl Perkins Vocational Education	321,386	127,584	177,578	520,618	56,355	1,203,521
Centennial Challenge	--	--	24,901	--	--	24,901
CITC SEL Grant	111,770	30,501	136,637	13,998	--	292,906
Community Centers Learning Program	924,672	398,297	193,290	40,609	--	1,556,868
ESEA Consolidated	580,104	317,430	66,890	665	--	965,089
Military Impacted Students	284,418	100,808	194,777	112,211	21,990	714,204
Pre-School Handicapped	199,176	99,617	13,717	10,836	--	323,346
Presidential Award Program	--	--	--	129	--	129
Project Aware	257,177	105,035	44,163	2,568	--	408,943
Project Ki'L	194,695	91,882	106,236	80,946	--	473,759
Refugee Support Services	35,835	5,451	1,713	--	--	42,999
School Health Program	--	--	62	1,416	--	1,478
StarTalk - Language Culture Summer Camp	49,987	7,500	23,685	16,609	--	97,781
Ticket to Ride Grant	--	--	524	--	--	524

(Continued)

For the Year Ended June 30, 2017

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	\$ 50,428	\$ 16,503	\$ 6,827	\$ 1,304	\$ --	\$ 75,062
District-wide	7,376,832	2,801,562	1,349,123	1,269,658	--	12,797,175
McLaughlin Youth Center	141,868	50,950	8,630	1,984	--	203,432
Parent Involvement Program	57,825	10,098	4,171	50,688	--	122,782
School Improvement Program	18,784	2,809	3,490	20	--	25,103
Total Title I - No Child Left Behind Act	7,645,737	2,881,922	1,372,241	1,323,654	--	13,223,554
Title I - Migrant Education						
Book Program	--	--	--	25,839	--	25,839
Data	--	--	--	5,550	--	5,550
District-wide	866,601	516,317	155,226	42,113	--	1,580,257
Summer Program	101,425	18,081	88,753	8,455	--	216,714
Total Title I -Migrant Education	968,026	534,398	243,979	81,957	--	1,828,360
Title II-A - Professional Development Program	1,916,566	531,749	846,214	152,898	--	3,447,427
Title III - English Language Acquisition	299,372	72,369	117,620	2,164	--	491,525
Title VI B - Education of All Handicapped Children Act	6,775,422	4,100,405	1,661,507	542,825	5,328	13,085,487
Title VII - Indian, Native Hawaiian, and Alaska Native Ed.	1,614,823	1,072,407	283,737	74,262	--	3,045,229
We Can	--	--	--	39	--	39
Total federal grants	22,229,585	10,501,022	5,929,932	2,993,655	83,673	41,737,906
Total expenditures	<u>\$ 23,353,932</u>	<u>\$ 13,119,392</u>	<u>\$ 6,403,638</u>	<u>\$ 4,143,044</u>	<u>\$ 89,333</u>	<u>\$ 47,109,378</u>

June 30, 2017
With Comparative Totals for
June 30, 2016

**SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS**

COMBINING BALANCE SHEET

	Food Service	Student Activities	Pupil Transportation	Totals	
				2017	2016
Assets					
Cash and investments	\$ --	\$ 2,816,946	\$ --	\$ 2,816,946	\$ 3,132,440
Cash and investments with paying agent	--	10,122	--	10,122	--
Accounts receivable	15,608	14,621	132,732	162,961	35,371
Interest receivable	--	--	--	--	5
Due from General Fund	--	2,743,439	--	2,743,439	3,333,389
Due from State of Alaska	2,139,208	--	--	2,139,208	1,456,584
Prepaid items	--	13,661	--	13,661	162
U.S.D.A. food commodities, at U.S.D.A. allocated value	233,656	--	--	233,656	443,550
Inventory, at FIFO	1,661,181	--	--	1,661,181	1,182,160
Total assets	<u>\$ 4,049,653</u>	<u>\$ 5,598,789</u>	<u>\$ 132,732</u>	<u>\$ 9,781,174</u>	<u>\$ 9,583,661</u>
Liabilities					
Accounts payable	\$ 56,750	\$ 45,849	\$ 17,551	\$ 120,150	\$ 46,400
Due to General Fund	1,598,896	4,615	65,830	1,669,341	468,466
Accrued salaries and related items:					
Wages and salaries payable	32,513	6,508	26,861	65,882	99,150
Payroll taxes, other accrued and withheld items	27,082	2,541	22,378	52,001	57,201
Unearned revenue	1,466,754	--	--	1,466,754	2,018,509
Total liabilities	<u>3,181,995</u>	<u>59,513</u>	<u>132,620</u>	<u>3,374,128</u>	<u>2,689,726</u>
Fund balances					
Reserved:					
Non-spendable	1,661,181	13,661	--	1,674,842	1,182,322
Assigned	--	5,525,615	112	5,525,727	6,331,234
Unassigned	<u>(793,523)</u>	<u>--</u>	<u>--</u>	<u>(793,523)</u>	<u>(619,621)</u>
Total fund balances	867,658	5,539,276	112	6,407,046	6,893,935
Total liabilities and fund balance	<u>\$ 4,049,653</u>	<u>\$ 5,598,789</u>	<u>\$ 132,732</u>	<u>\$ 9,781,174</u>	<u>\$ 9,583,661</u>

For the Year Ended June 30, 2017
With Comparative Totals
For the Year Ended June 30, 2016

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

	Food Service	Student Activities	Pupil Transportation	Totals	
				2017	2016
Revenues:					
Revenues from local sources	\$ 2,229,492	\$ 7,946,684	\$ --	\$ 10,176,176	\$ 10,138,747
Revenues from state sources	429,725	17,463	21,024,630	21,471,818	23,409,149
Revenues from federal sources	21,324,920	--	--	21,324,920	19,101,605
Total revenues	23,984,137	7,964,147	21,024,630	52,972,914	52,649,501
Expenditures:					
Current:					
Instruction	--	7,765,387	--	7,765,387	7,915,818
Food services	23,679,018	--	--	23,679,018	22,109,248
Pupil Transportation	--	--	23,704,287	23,704,287	31,716,984
Total expenditures	23,679,018	7,765,387	23,704,287	55,148,692	61,742,050
Excess (deficiency) of revenues over (under) expenditures	305,119	198,760	(2,679,657)	(2,175,778)	(9,092,549)
Other financing sources (uses):					
Proceeds from sale of property and equipment	--	--	--	--	1,742
Transfers in from General Fund	--	--	1,688,889	1,688,889	9,454,974
Total other financing sources (uses)	--	--	1,688,889	1,688,889	9,456,716
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	305,119	198,760	(990,768)	(486,889)	364,167
Fund balances at beginning of year	562,539	5,340,516	990,880	6,893,935	6,529,768
Fund balances at end of year	\$ 867,658	\$ 5,539,276	\$ 112	\$ 6,407,046	\$ 6,893,935

June 30, 2017
 With Comparative Totals for
 June 30, 2016

BALANCE SHEET

	<u>2017</u>	<u>2016</u>
Assets		
Accounts receivable	\$ 15,608	\$ 18,517
Due from State of Alaska	2,139,208	1,456,584
U.S.D.A. food commodities, at U.S.D.A. allocated value	233,656	443,550
Inventory, at FIFO	<u>1,661,181</u>	<u>1,182,160</u>
Total assets	<u><u>\$ 4,049,653</u></u>	<u><u>\$ 3,100,811</u></u>
Liabilities		
Accounts payable	\$ 56,750	\$ 26,393
Due to General Fund	1,598,896	402,579
Accrued salaries and related items:		
Wages and salaries payable	32,513	57,691
Payroll taxes, other accrued and withheld items	27,082	33,100
Unearned revenue	<u>1,466,754</u>	<u>2,018,509</u>
Total liabilities	<u><u>3,181,995</u></u>	<u><u>2,538,272</u></u>
Fund balance		
Non-spendable	1,661,181	1,182,160
Unassigned	<u>(793,523)</u>	<u>(619,621)</u>
Total fund balance	<u><u>867,658</u></u>	<u><u>562,539</u></u>
Total liabilities and fund balance	<u><u>\$ 4,049,653</u></u>	<u><u>\$ 3,100,811</u></u>

For the Year Ended June 30, 2017
 With Comparative Totals
 For the Year Ended June 30, 2016

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

	2017	2016
Revenues:		
Revenues from local sources:		
Lunch sales - student	\$ 1,717,221	\$ 1,578,682
Lunch sales - adult	29,616	28,689
Breakfast - student	127,663	123,540
Breakfast - adult	4,785	5,843
Milk program	53,591	61,072
A la carte program	226,625	287,786
Other revenues	69,991	78,369
Total revenues from local sources	2,229,492	2,163,981
Revenues from state sources:		
Grants	127,962	76,168
Retirement system employer relief	301,763	363,749
Total revenues from State	429,725	439,917
Revenues from federal sources:		
Type A lunch program - reimbursement	13,498,786	12,459,875
Breakfast program - reimbursement	5,157,775	4,918,836
After school snack program - reimbursement	--	874
After school dinner program - reimbursement	800,569	619,511
Lunch summer program - reimbursement	114,745	--
Breakfast summer program - reimbursement	10,314	--
Snack summer program - reimbursement	1,990	--
Fresh fruit and vegetable program - reimbursement	680,905	568,017
United States Department of Agriculture commodities	1,059,836	534,492
Total revenues from federal sources	21,324,920	19,101,605
Total revenues	23,984,137	21,705,503
Expenditures:		
Current:		
Food services:		
General administration	2,129,827	2,006,694
Kitchens and food center	19,529,834	18,206,502
Delivery	2,019,357	1,896,052
Total expenditures	23,679,018	22,109,248
Excess (deficiency) of revenues over (under) expenditures	305,119	(403,745)
Other financing sources (uses):		
Proceeds from sale of property and equipment	--	1,742
Transfers in from General Fund	--	--
Total other financing sources (uses)	--	1,742
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	305,119	(402,003)
Fund balance at beginning of year	562,539	964,542
Fund balance at end of year	\$ 867,658	\$ 562,539

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

For the Year Ended June 30, 2017

	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	\$ 1,717,221	\$ --	\$ 1,717,221	\$ 1,723,559	\$ 1,723,559	\$ (6,338)
Lunch sales - adult	29,616	--	29,616	55,739	55,739	(26,123)
Breakfast - student	127,663	--	127,663	115,912	115,912	11,751
Breakfast - adult	4,785	--	4,785	6,545	6,545	(1,760)
Milk program	53,591	--	53,591	--	--	53,591
A la carte program	226,625	--	226,625	443,324	443,324	(216,699)
Other revenues	69,991	--	69,991	53,000	53,000	16,991
Total revenue from local sources	2,229,492	--	2,229,492	2,398,079	2,398,079	(168,587)
Revenues from state sources:						
Grants	127,962	--	127,962	263,558	263,558	(135,596)
Retirement system employer relief	301,763	(301,763)	--	--	--	--
Total revenue from state sources	429,725	(301,763)	127,962	263,558	263,558	(135,596)
Revenues from federal sources:						
Type A lunch program - reimbursement	13,498,786	--	13,498,786	15,232,273	15,232,273	(1,733,487)
Breakfast program - reimbursement	5,157,775	--	5,157,775	5,424,275	5,424,275	(266,500)
After school snack program - reimbursement	--	--	--	620,113	620,113	(620,113)
After school dinner program - reimbursement	800,569	--	800,569	--	--	800,569
Lunch summer program - reimbursement	114,745	--	114,745	--	--	114,745
Breakfast summer program - reimbursement	10,314	--	10,314	--	--	10,314
Snack summer program - reimbursement	1,990	--	1,990	--	--	1,990
Fresh fruit and vegetable program - reimb.	680,905	--	680,905	679,150	679,150	1,755
United States Department of Agriculture commodities	1,059,836	--	1,059,836	900,000	900,000	159,836
Total revenue from federal sources	21,324,920	--	21,324,920	22,855,811	22,855,811	(1,530,891)
Total revenues	23,984,137	(301,763)	23,682,374	25,517,448	25,517,448	(1,835,074)
Expenditures:						
Current:						
Food services						
General administration						
Personnel services	905,944	--	905,944	1,048,401	1,048,348	142,404
Employee benefits	537,719	(40,413)	497,306	570,936	570,989	73,683
Purchased services	649,740	(67,328)	582,412	1,314,293	1,314,293	731,881
Supplies and materials	36,424	9,499	45,923	12,491	12,491	(33,432)
Total general administration	2,129,827	(98,242)	2,031,585	2,946,121	2,946,121	914,536
Kitchens and food center						
Personnel services	5,055,978	--	5,055,978	5,172,282	5,172,282	116,304
Employee benefits	3,784,896	(216,401)	3,568,495	3,904,514	3,904,514	336,019
Purchased services	376,553	--	376,553	457,606	457,606	81,053
Supplies and materials	10,289,578	(23,010)	10,266,568	11,146,709	11,146,709	880,141
Capital outlay	22,879	(14,995)	7,884	--	--	(7,884)
Other	(50)	--	(50)	2,450	2,450	2,500
Total kitchens and food center	19,529,834	(254,406)	19,275,428	20,683,561	20,683,561	1,408,133

(Continued)

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

For the Year Ended June 30, 2017

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Delivery:						
Personnel services	\$ 1,061,262	\$ --	\$ 1,061,262	\$ 992,982	\$ 992,982	\$ (68,280)
Employee benefits	721,304	(44,949)	676,355	667,635	667,635	(8,720)
Purchased services	31,200	--	31,200	37,920	37,920	6,720
Supplies and materials	193,131	1,776	194,907	189,229	189,229	(5,678)
Capital outlay	12,460	--	12,460	--	--	(12,460)
Total delivery	2,019,357	(43,173)	1,976,184	1,887,766	1,887,766	(88,418)
Total expenditures	23,679,018	(395,821)	23,283,197	25,517,448	25,517,448	2,234,251
Excess (deficiency) of revenues over (under) expenditures	305,119	94,058	399,177	--	--	399,177
Other financing sources (uses):						
Proceeds from sale of property and equipment	--	--	--	--	--	--
Transfer in from General Fund	--	--	--	--	--	--
Total other financing sources (uses)	--	--	--	--	--	--
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	305,119	\$ 94,058	\$ 399,177	\$ --	\$ --	\$ 399,177
Fund balance at beginning of year	562,539					
Fund balance at end of year	\$ 867,658					

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

Revenues reported on the basis of GAAP		\$ 23,984,137
Add: budgeted fund balance	\$ --	
Deduct: retirement system on-behalf payments	(301,763)	
		(301,763)
Revenues reported on the basis of budgeting		23,682,374
Expenditures reported on the basis of GAAP		23,679,018
Add: current year encumbrances	\$ 18,241	
Deduct: expenditures on prior year's encumbrances	(112,299)	
Deduct: retirement system incremental increase (PERS)	(301,763)	
		(395,821)
Expenditures and encumbrances reported on the basis of budgeting		23,283,197
Excess (deficiency) of revenues over (under) expenditures on the basis of budgeting		\$ 399,177

For the Year Ended June 30, 2017

**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	\$ 905,944	\$ 537,719	\$ 649,740	\$ 36,424	\$ --	\$ --	\$ 2,129,827
Kitchens and food center	5,055,978	3,784,896	376,553	10,289,578	22,879	(50)	19,529,834
Delivery	<u>1,061,262</u>	<u>721,304</u>	<u>31,200</u>	<u>193,131</u>	<u>12,460</u>	<u>--</u>	<u>2,019,357</u>
	<u>\$ 7,023,184</u>	<u>\$ 5,043,919</u>	<u>\$ 1,057,493</u>	<u>\$ 10,519,133</u>	<u>\$ 35,339</u>	<u>\$ (50)</u>	<u>\$ 23,679,018</u>

June 30, 2017
With Comparative Totals for
June 30, 2016

BALANCE SHEET - BY ACCOUNT

	Decentralized Student Activities	Centralized Student Activities	Totals	
			2017	2016
Assets				
Cash and investments	\$ 2,816,946	\$ --	\$ 2,816,946	\$ 3,132,440
Cash and investments with paying agent	--	10,122	10,122	--
Accounts receivable	--	14,621	14,621	16,854
Interest receivable	--	--	--	5
Due from General Fund	269,436	2,474,003	2,743,439	2,267,694
Prepaid items	13,252	409	13,661	162
Total assets	<u>\$ 3,099,634</u>	<u>\$ 2,499,155</u>	<u>\$ 5,598,789</u>	<u>\$ 5,417,155</u>
Liabilities				
Accounts payable	\$ 910	\$ 44,939	\$ 45,849	\$ 7,260
Accrued salaries and related items:				
Wages and salaries payable	--	6,508	6,508	2,720
Payroll taxes, other accrued and withheld items	--	2,541	2,541	772
Due to General Fund	4,615	--	4,615	65,887
Total liabilities	<u>5,525</u>	<u>53,988</u>	<u>59,513</u>	<u>76,639</u>
Fund balances				
Non-spendable	13,252	409	13,661	162
Assigned	3,080,857	2,444,758	5,525,615	5,340,354
Total fund balances	<u>3,094,109</u>	<u>2,445,167</u>	<u>5,539,276</u>	<u>5,340,516</u>
Total liabilities and fund balances	<u>\$ 3,099,634</u>	<u>\$ 2,499,155</u>	<u>\$ 5,598,789</u>	<u>\$ 5,417,155</u>

For the Year Ended June 30, 2017
With Comparative Totals
For the Year Ended June 30, 2016

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

	Decentralized Student Activities	Centralized Student Activities	Totals	
			2017	2016
Revenues:				
Revenues from local sources:				
Other revenues	\$ 5,953,385	\$ 1,993,299	\$ 7,946,684	\$ 7,968,370
Revenues from state sources:				
Retirement systems employer relief	2,688	14,775	17,463	11,636
Total revenues	5,956,073	2,008,074	7,964,147	7,980,006
Expenditures:				
Current:				
Instruction:				
Student activities	5,918,467	1,846,920	7,765,387	7,915,818
Excess (deficiency) of revenues over (under) expenditures	37,606	161,154	198,760	64,188
Fund balances at beginning of year	3,056,503	2,284,013	5,340,516	5,276,328
Fund balances at end of year	\$ 3,094,109	\$ 2,445,167	\$ 5,539,276	\$ 5,340,516

June 30, 2017
With Comparative Totals for
June 30, 2016

DECENTRALIZED STUDENT ACTIVITIES
BALANCE SHEET - BY DEPARTMENT

	High Schools	Middle Schools	Alternative Schools and Others	Totals	
				2017	2016
Assets					
Cash and investments	\$ 1,921,240	\$ 577,897	\$ 317,809	\$ 2,816,946	\$ 3,122,390
Due from General Fund	202,409	67,027	--	269,436	--
Prepaid Supplies/Equipment/ Travel	13,252	--	--	13,252	--
Total assets	<u>\$ 2,136,901</u>	<u>\$ 644,924</u>	<u>\$ 317,809</u>	<u>\$ 3,099,634</u>	<u>\$ 3,122,390</u>
Liabilities					
Accounts Payable	\$ 400	\$ 510	\$ --	\$ 910	\$ 65,887
Due to General Fund	--	--	4,615	4,615	--
Total liabilities	400	510	4,615	5,525	65,887
Fund balances					
Non-spendable	13,252	--	--	13,252	--
Assigned	2,123,249	644,414	313,194	3,080,857	3,056,503
Total fund balances	<u>2,136,501</u>	<u>644,414</u>	<u>313,194</u>	<u>3,094,109</u>	<u>3,056,503</u>
Total liabilities and fund balances	<u>\$ 2,136,901</u>	<u>\$ 644,924</u>	<u>\$ 317,809</u>	<u>\$ 3,099,634</u>	<u>\$ 3,122,390</u>

For the Year Ended June 30, 2017
With Comparative Totals
For the Year Ended June 30, 2016

DECENTRALIZED STUDENT ACTIVITIES

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

	High Schools	Middle Schools	Alternative Schools and Others	Totals	
				2017	2016
Revenues:					
Revenues from local sources:					
Other revenues	\$ 4,176,456	\$ 1,171,786	\$ 605,143	\$ 5,953,385	\$ 6,282,935
Revenues from state sources:					
Retirement systems employer relief	2,688	--	--	2,688	--
Total revenues	4,179,144	1,171,786	605,143	5,956,073	6,282,935
Expenditures:					
Current:					
Instruction:					
Student Activity	4,180,445	1,168,086	569,936	5,918,467	6,048,928
Excess (deficiency) of revenues over (under) expenditures	(1,301)	3,700	35,207	37,606	234,007
Fund balances at beginning of year	2,137,802	640,714	277,987	3,056,503	2,822,496
Fund balances at end of year	\$ 2,136,501	\$ 644,414	\$ 313,194	\$ 3,094,109	\$ 3,056,503

June 30, 2017
With Comparative Totals for
June 30, 2016

CENTRALIZED STUDENT ACTIVITIES
BALANCE SHEET - BY DEPARTMENT

	PTA Support	Student Activities	Instructional Replacement Fees	Supplemental Sources	Totals	
					2017	2016
Assets						
Cash and investments	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 10,050
Cash and investments with paying agent	--	--	--	10,122	10,122	--
Accounts receivable	--	95	--	14,526	14,621	16,854
Interest receivable	--	--	--	--	--	5
Due from General Fund	181,297	668,312	840,743	783,651	2,474,003	2,267,694
Prepaid items	--	--	409	--	409	162
Total assets	<u>\$ 181,297</u>	<u>\$ 668,407</u>	<u>\$ 841,152</u>	<u>\$ 808,299</u>	<u>\$ 2,499,155</u>	<u>\$ 2,294,765</u>
Liabilities						
Accounts payable	\$ 4,400	\$ 7,603	\$ 31,651	\$ 1,285	\$ 44,939	\$ 7,260
Accrued salaries and related items:						
Wages and salaries payable	--	281	--	6,227	6,508	2,720
Payroll taxes, other accrued and withheld items	--	110	--	2,431	2,541	772
Total liabilities	4,400	7,994	31,651	9,943	53,988	10,752
Fund balances						
Non-spendable	--	--	409	--	409	162
Assigned	176,897	660,413	809,092	798,356	2,444,758	2,283,851
Total fund balances	176,897	660,413	809,501	798,356	2,445,167	2,284,013
Total liabilities and fund balances	<u>\$ 181,297</u>	<u>\$ 668,407</u>	<u>\$ 841,152</u>	<u>\$ 808,299</u>	<u>\$ 2,499,155</u>	<u>\$ 2,294,765</u>

For the Year Ended June 30, 2017
With Comparative Totals
For the Year Ended June 30, 2016

CENTRALIZED STUDENT ACTIVITIES

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

	PTA Support	Student Activities	Instructional Replacement Fees	Supplemental Sources	Totals	
					2017	2016
Revenues:						
Revenues from local sources:						
Other revenues	\$ 214,908	785,480	\$ 521,832	\$ 471,079	\$ 1,993,299	\$ 1,685,435
Revenues from state sources:						
Retirement systems employer relief	--	--	--	14,775	14,775	11,636
Total revenues	214,908	785,480	521,832	485,854	2,008,074	1,697,071
Expenditures:						
Current:						
Instruction:						
Student activities	230,728	715,409	478,726	422,057	1,846,920	1,866,890
Excess (deficiency) of revenues over (under) expenditures	(15,820)	70,071	43,106	63,797	161,154	(169,819)
Fund balances at beginning of year	192,717	590,342	766,395	734,559	2,284,013	2,453,832
Fund balances at end of year	\$ 176,897	\$ 660,413	\$ 809,501	\$ 798,356	\$ 2,445,167	\$ 2,284,013

June 30, 2017
With Comparative Totals for
June 30, 2016

BALANCE SHEET

	<u>2017</u>	<u>2016</u>
Assets		
Accounts Receivable	\$ 132,732	\$ --
Due from General Fund	<u>--</u>	<u>1,065,695</u>
Total assets	<u><u>\$ 132,732</u></u>	<u><u>\$ 1,065,695</u></u>
Liabilities		
Accounts payable	\$ 17,551	\$ 12,747
Due to General Fund	65,830	--
Accrued salaries and related items:		
Wages and salaries payable	26,861	38,739
Payroll taxes, other accrued and withheld items	<u>22,378</u>	<u>23,329</u>
Total liabilities	<u>132,620</u>	<u>74,815</u>
Fund balance		
Assigned	<u>112</u>	<u>990,880</u>
Total fund balance	<u>112</u>	<u>990,880</u>
Total liabilities and fund balance	<u><u>\$ 132,732</u></u>	<u><u>\$ 1,065,695</u></u>

For the Year Ended June 30, 2017
 With Comparative Totals
 For the Year Ended June 30, 2016

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

	2017	2016
Revenues:		
Revenues from local sources:		
Insurance/litigation proceeds	\$ --	\$ 6,396
Total revenues from local sources	<u>--</u>	<u>6,396</u>
Revenues from state sources:		
Pupil transportation program	20,664,488	22,547,173
Transportation routes grant	180,000	180,000
Retirement system employer relief	<u>180,142</u>	<u>230,423</u>
Total revenues from state sources	<u>21,024,630</u>	<u>22,957,596</u>
Total revenues	<u>21,024,630</u>	<u>22,963,992</u>
Expenditures:		
Current:		
Pupil transportation:		
General administration	1,099,418	1,110,692
Bus operations	21,065,052	29,150,725
Operations and maintenance of plant	<u>1,539,817</u>	<u>1,455,567</u>
Total expenditures	<u>23,704,287</u>	<u>31,716,984</u>
Excess (deficiency) of revenues over (under) expenditures	(2,679,657)	(8,752,992)
Other financing sources (uses):		
Transfers in from General Fund	<u>1,688,889</u>	<u>9,454,974</u>
Total other financing sources (uses)	<u>1,688,889</u>	<u>9,454,974</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(990,768)	701,982
Fund balance at beginning of year	<u>990,880</u>	<u>288,898</u>
Fund balance at end of year	<u>\$ 112</u>	<u>\$ 990,880</u>

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

For the Year Ended June 30, 2017

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
Revenues from local sources:						
Other revenues	\$ --	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ --
Total revenues from local sources	--	500,000	500,000	500,000	500,000	--
Revenues from state sources:						
Pupil transportation program	20,664,488	--	20,664,488	21,162,000	21,162,000	(497,512)
Transportation routes grant	180,000	--	180,000	180,000	180,000	--
Retirement system employer relief	180,142	(180,142)	--	--	--	--
Total revenue from state sources	21,024,630	(180,142)	20,844,488	21,342,000	21,342,000	(497,512)
Total revenues	21,024,630	319,858	21,344,488	21,842,000	21,842,000	(497,512)
Expenditures:						
Pupil transportation:						
General administration						
Personnel services	660,703	--	660,703	664,098	664,098	3,395
Employee benefits	437,198	(28,490)	408,708	432,190	432,190	23,482
Supplies and materials	1,517	--	1,517	2,916	2,916	1,399
Total general administration	1,099,418	(28,490)	1,070,928	1,099,204	1,099,204	28,276
Bus operations						
Personnel services	3,514,357	--	3,514,357	3,534,810	3,534,799	20,442
Employee benefits	3,184,501	(126,344)	3,058,157	3,276,634	3,276,645	218,488
Purchased services	13,667,859	(28,411)	13,639,448	13,620,118	13,619,286	(20,162)
Supplies and materials	358,019	--	358,019	500,542	501,374	143,355
Capital outlay	284,661	(43,813)	240,848	593,091	593,091	352,243
Other	55,655	--	55,655	48,000	48,000	(7,655)
Total bus operations	21,065,052	(198,568)	20,866,484	21,573,195	21,573,195	706,711
Operations and maintenance of plant						
Personnel services	574,816	--	574,816	576,013	576,013	1,197
Employee benefits	390,279	(25,308)	364,971	378,595	378,595	13,624
Purchased services	225,253	--	225,253	222,599	222,209	(3,044)
Supplies and materials	339,134	(29,412)	309,722	329,394	329,784	20,062
Equipment	10,335	(99)	10,236	13,000	13,000	2,764
Total operation and maintenance of plant	1,539,817	(54,819)	1,484,998	1,519,601	1,519,601	34,603
Total expenditures	23,704,287	(281,877)	23,422,410	24,192,000	24,192,000	769,590
Excess (deficiency) of revenues over (under) expenditures	(2,679,657)	601,735	(2,077,922)	(2,350,000)	(2,350,000)	272,078
Other financing sources (uses):						
Transfers in from General Fund	1,688,889	--	1,688,889	2,350,000	2,350,000	(661,111)
Total other financing sources (uses)	1,688,889	--	1,688,889	2,350,000	2,350,000	(661,111)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(990,768)	\$ 601,735	\$ (389,033)	\$ --	\$ --	\$ (389,033)
Fund balance at beginning of year	990,880					
Fund balance at end of year	\$ 112					

(Continued)

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

For the Year Ended June 30, 2017

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

Revenues reported on the basis of GAAP		\$ 21,024,630
Add: budgeted fund balance	\$ 500,000	
Deduct: retirement system on-behalf payments	<u>(180,142)</u>	
		<u>319,858</u>
Revenues reported on the basis of budgeting		<u>21,344,488</u>
Expenditures reported on the basis of GAAP		23,704,287
Add: current year encumbrances	\$ 112	
Deduct: expenditures on prior year's encumbrances	(101,847)	
Deduct: retirement system incremental increase (PERS)	<u>(180,142)</u>	
Expenditures and encumbrances reported on the basis of budgeting		<u>(281,877)</u>
		<u>23,422,410</u>
Excess (deficiency) of revenues over (under) expenditures on the basis of budgeting		<u>\$ (2,077,922)</u>

For the Year Ended June 30, 2017

**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	\$ 660,703	\$ 437,198	\$ --	\$ 1,517	\$ --	\$ --	\$ 1,099,418
Bus operations	3,514,357	3,184,501	13,667,859	358,019	284,661	55,655	21,065,052
Operation and maintenance							
of plant	<u>574,816</u>	<u>390,279</u>	<u>225,253</u>	<u>339,134</u>	<u>10,335</u>	<u>--</u>	<u>1,539,817</u>
	<u>\$ 4,749,876</u>	<u>\$ 4,011,978</u>	<u>\$ 13,893,112</u>	<u>\$ 698,670</u>	<u>\$ 294,996</u>	<u>\$ 55,655</u>	<u>\$ 23,704,287</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, 2017
With Comparative Totals for
June 30, 2016

BALANCE SHEET

	2017	2016
Assets		
Cash and investments with paying agent	\$ 20	\$ 985,085
Due from other governments:		
Municipality of Anchorage	19,566,481	20,359,694
State of Alaska	2,255,947	414,559
United States Government	--	174,985
Due From General Fund	--	2,445,530
Total assets	<u>\$ 21,822,448</u>	<u>\$ 24,379,853</u>
Liabilities		
Due to General Fund	\$ 335,108	\$ --
Deferred inflows of resources		
Debt service tax appropriation	19,566,481	20,359,694
Fund balance		
Restricted	--	4,020,159
Committed	1,920,859	--
Total fund balance	<u>1,920,859</u>	<u>4,020,159</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 21,822,448</u>	<u>\$ 24,379,853</u>

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

For the Year Ended June 30, 2017

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
Revenues from local sources:						
Appropriation from Municipality of Anchorage	\$ 40,719,387	\$ --	\$ 40,719,387	\$ 40,719,387	\$ 40,719,387	\$ --
Investment income	319	--	319	--	--	319
Other revenues	--	5,224,458	5,224,458	10,873,000	5,224,458	--
Total revenues from local sources	40,719,706	5,224,458	45,944,164	51,592,387	45,943,845	319
Revenues from state sources:						
Aid for school construction	34,081,747	--	34,081,747	32,783,448	32,783,448	1,298,299
Revenues from federal sources:						
BABS subsidy	257,577	--	257,577	258,548	258,548	(971)
Total revenues	75,059,030	5,224,458	80,283,488	84,634,383	78,985,841	1,297,647
Expenditures:						
Debt service:						
Refunding bond issuance cost	131,362	--	131,362	--	--	(131,362)
Principal	56,445,000	--	56,445,000	56,445,000	56,445,000	--
Interest	26,374,289	--	26,374,289	28,174,383	28,174,383	1,800,094
Fiscal agent fees	3,050	--	3,050	15,000	15,000	11,950
Total expenditures	82,953,701	--	82,953,701	84,634,383	84,634,383	1,680,682
Excess (deficiency) of revenues over (under) expenditures	(7,894,671)	5,224,458	(2,670,213)	--	(5,648,542)	2,978,329
Other financing sources (uses):						
Issuance of refunding bonds	41,960,000	--	41,960,000	--	--	41,960,000
Premium on issuance of refunding bonds	4,497,070	--	4,497,070	--	--	4,497,070
Payment to refunding escrow	(46,316,633)	--	(46,316,633)	--	--	(46,316,633)
Transfers in - Capital Projects Fund	6,392	--	6,392	--	--	6,392
Transfers in - General Fund	5,648,542	--	5,648,542	--	5,648,542	--
Total other financing sources (uses)	5,795,371	--	5,795,371	--	5,648,542	146,829
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(2,099,300)	\$ 5,224,458	\$ 3,125,158	\$ --	\$ --	\$ 3,125,158
Fund balance at beginning of year	4,020,159					
Fund balance at end of year	\$ 1,920,859					

BASIS OF BUDGETING - The Debt Service 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		\$ 75,059,030
Add: budgeted fund balance	\$ 5,224,458	
Revenues reported on the basis of budgeting		5,224,458
		80,283,488
Expenditures reported on the basis of budgeting		82,953,701
Excess (deficiency) of revenues over (under) expenditures on the basis of budgeting		\$ (2,670,213)



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, 2017
With Comparative Totals for
June 30, 2016

BALANCE SHEET

	2017	2016
Assets		
Cash and investments	\$ 304,658	\$ 308,762
Cash and investments with paying agent	11,558,156	43,286,518
Accounts receivable	--	6,722
Interest receivable	7,027	46,821
Due from General Fund	14,631,472	17,834,601
Due from other governments:		
Municipality of Anchorage	37,314	547,384
State of Alaska	1,421,006	2,498,318
Prepaid items	300	701
Total assets	<u>\$ 27,959,933</u>	<u>\$ 64,529,827</u>
Liabilities		
Accounts payable	\$ 833,636	\$ 421,140
Contracts payable	2,900,448	8,072,454
Accrued salaries and related items:		
Wages and salaries payable	29,747	71,154
Payroll taxes, other accrued and withheld items	24,782	41,207
Unearned revenue	201,642	289,776
Total liabilities	<u>3,990,255</u>	<u>8,895,731</u>
Fund balance		
Non-spendable	300	701
Committed	23,969,378	55,633,395
Total fund balance	<u>23,969,678</u>	<u>55,634,096</u>
Total liabilities and fund balance	<u>\$ 27,959,933</u>	<u>\$ 64,529,827</u>

For the Year Ended June 30, 2017
 With Comparative Totals
 For the Year Ended June 30, 2016

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

	2017	2016
Revenues:		
Revenues from local sources:		
Investment income	\$ 146,490	\$ 185,530
Other revenues	1,020	3,720
Total revenues from local sources	147,510	189,250
Revenues from state sources:		
State/Municipal grants	2,459,117	11,090,656
Retirement systems employer relief	103,717	146,511
Total revenues from state sources	2,562,834	11,237,167
Revenues from federal sources:		
Federal Impact Aid	429,624	45,416
Federal capital grants	--	--
Total revenues from federal sources	429,624	45,416
Total revenues	3,139,968	11,471,833
Expenditures:		
Bond issuance cost	63,281	127,181
Capital outlays:		
Secondary schools	8,716,985	21,630,264
Elementary schools	47,629,308	53,876,860
Other capital outlays	2,528,243	3,333,047
Total capital outlays	58,874,536	78,840,171
Total expenditures	58,937,817	78,967,352
Excess (deficiency) of revenues over (under)		
expenditures	(55,797,849)	(67,495,519)
Other financing sources (uses):		
Issuance of general obligation bonds	20,270,000	69,038,445
Premium on issuance of general obligation bonds	1,999,723	10,523,110
Sales of property	170,100	--
Transfers in - General Fund	1,700,000	3,676,734
Transfers out - Debt Service Fund	(6,392)	(4,417)
Total other financing sources (uses)	24,133,431	83,233,872
Excess (deficiency) of revenues over (under)		
expenditures and other financing sources (uses)	(31,664,418)	15,738,353
Fund balance at beginning of year	55,634,096	39,895,743
Fund balance at end of year	\$ 23,969,678	\$ 55,634,096

For the Period Ended June 30, 2017

**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	\$ 4,129	\$ 666,035	\$ 670,164	\$ 670,768	\$ (604)	\$ 6,234,446	\$ 5,564,282
Begich Middle School	--	52,763	52,763	52,763	--	132,457	79,694
Benny Benson Secondary	3,825	--	3,825	3,826	(1)	37,882	34,057
Central Middle School	560	63,034	63,594	61,239	2,355	3,296,730	3,233,136
Chugiak Senior High	2,252	109,199	111,451	109,198	2,253	1,348,226	1,236,775
Clark Middle School	952	1	953	953	--	14,353	13,400
Dimond Senior High	3,316	19,145	22,461	20,360	2,101	423,587	401,126
Eagle River Senior High	24,095	--	24,095	--	24,095	49,313	25,218
East Senior High	9,419	726,927	736,346	729,356	6,990	1,500,581	764,235
Goldenvue Middle School	3,467	299,738	303,205	300,084	3,121	1,520,611	1,217,406
Ernest Gruening Middle School	3,293	253,501	256,794	256,793	1	3,186,381	2,929,587
U. S. Hanshew Middle School	3,000	39,437	42,437	39,437	3,000	225,310	182,873
Martin Luther King, Jr.							
Career Center	1,312	588,697	590,009	588,547	1,462	6,681,535	6,091,526
Jane Mears Middle School	75	18,131	18,206	18,130	76	393,918	375,712
Mirror Lake Middle School	34	1	35	--	35	(1,184)	(1,219)
Romig Middle School	20,037	668,781	688,818	687,768	1,050	759,798	70,980
Save Alternative	1,498	--	1,498	--	1,498	99,251	97,753
Service Senior High	71,738	605,100	676,838	645,283	31,555	1,084,477	407,639
South Anchorage Senior High	8,767	17,538	26,305	26,304	1	326,405	300,100
Steller Alternative	4,885	589	5,474	589	4,885	60,371	54,897
Wendler Middle School	18,301	1,467,570	1,485,871	1,478,317	7,554	1,842,942	357,071
West Senior High	5,890	2,794,606	2,800,496	2,785,788	14,708	31,911,703	29,111,207
Whaley Center	947	310,836	311,783	310,836	947	1,180,681	868,898
Retirement system employer relief	--	15,356	15,356	--	--	--	--
Total secondary schools	191,792	8,716,985	8,908,777	8,786,339	107,082	62,309,774	53,416,353
Elementary schools:							
Abbott Loop	686	111,368	112,054	111,837	217	139,717	27,663
Airport Heights	2,789	2,822,133	2,824,922	2,822,959	1,963	4,217,383	1,392,461
Alpenglow	18,690	225,844	244,534	225,844	18,690	504,735	260,201
Aquarian Charter	8,280	6,752	15,032	7,366	7,666	31,850	16,818
Aurora	--	103,497	103,497	103,497	--	808,021	704,524
Baxter	2,990	17,644	20,634	17,644	2,990	117,122	96,488
Bayshore	74,665	2,758,637	2,833,302	2,833,265	37	3,046,120	212,818
Bear Valley	--	25,216	25,216	25,216	--	144,633	119,417
Birchwood	500	9,600	10,100	9,600	500	87,263	77,163
Willard Bowman	(64)	11,446	11,382	11,446	(64)	191,513	180,131
Campbell	--	24,965	24,965	24,965	--	217,371	192,406
Chester Valley	10,000	--	10,000	10,000	--	14,092	4,092
Chinook	1,440	212,005	213,445	212,005	1,440	267,960	54,515
Chugach	--	--	--	--	--	97,515	97,515
Chugiak	--	494	494	494	--	5,762	5,268
College Gate	--	10,007	10,007	10,007	--	10,147	140
Creekside Park	2,434	(336)	2,098	1,429	669	177,925	175,827
Denali	--	(120)	(120)	--	(120)	17,223	17,343
Eagle River	31	982,603	982,634	982,633	1	993,157	10,523
Fairview	--	63,043	63,043	63,042	1	102,449	39,406
Fire Lake	--	461,502	461,502	461,501	1	469,451	7,949
Girdwood	320	57,107	57,427	57,107	320	913,803	856,376
Gladys Wood	7,622	11,899,035	11,906,657	11,904,957	1,700	17,295,001	5,388,344
Government Hill	--	--	--	--	--	169,144	169,144
Homestead	--	26,490	26,490	26,490	--	(36,670)	(63,160)
Huffman	1,926	2,858,992	2,860,918	2,858,991	1,927	6,085,719	3,224,801
Inlet View	--	260,687	260,687	260,686	1	350,715	90,028
Kasuun	121	15,377	15,498	15,377	121	77,960	62,462

(Continued)

For the Period Ended June 30, 2017

**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	\$ 4,042	\$ 4,265	\$ 4,265	\$ --	\$ 13,735	\$ 9,470
Klatt	1,200	--	1,200	--	1,200	263,825	262,625
Lake Hood	--	3,956	3,956	3,956	--	96,686	92,730
Lake Otis	2,267	--	2,267	--	2,267	9,502	7,235
Mt. Spurr	--	2,322	2,322	2,344	(22)	152,727	150,405
Mt. View	(1,717)	6,979,547	6,977,830	6,977,374	456	7,438,554	460,724
Mt. Illiamna	56,224	44,061	100,285	50,477	49,808	104,378	4,093
Muldoon	--	6,216	6,216	--	6,216	883,100	876,884
North Star	19	--	19	--	19	170,635	170,616
Northern Lights	--	--	--	--	--	21,424	21,424
Northwood	--	232,214	232,214	232,214	--	2,515,941	2,283,727
Nunaka Valley	1,785	69,420	71,205	69,420	1,785	2,914,731	2,843,526
Ocean View	411	23,435	23,846	23,435	411	119,066	95,220
O'Malley	337	14,202	14,539	14,202	337	1,132,232	1,117,693
Orion	--	2,033	2,033	2,033	--	227,357	225,324
Polaris K-12	3,318	1	3,319	2,383	936	447,805	444,486
Ptarmigan	2,000	--	2,000	--	2,000	96,545	94,545
Rabbit Creek	--	3,552,486	3,552,486	3,552,486	--	3,726,675	174,189
Ravenwood	1,489	30,409	31,898	31,899	(1)	82,199	50,301
Rogers Park	--	296,145	296,145	296,145	--	10,492,215	10,196,070
Russian Jack	1,136	(635)	501	--	501	97,095	96,594
Sand Lake	--	25,513	25,513	25,513	--	41,605	16,092
Scenic Park	--	18,155	18,155	20,850	(2,695)	133,329	115,174
Spring Hill	--	26,081	26,081	26,081	--	247,036	220,955
Susitna	--	1,436,388	1,436,388	1,436,388	--	1,834,151	397,763
Taku	100	3,703	3,803	3,703	100	8,108	4,305
Trailside	4,136	(2,213)	1,923	--	1,923	131,446	129,523
Tudor	963	(184)	779	--	779	574,280	573,501
Turnagain	1,357	11,741,976	11,743,333	11,743,333	--	15,179,150	3,435,817
Ursa Major	--	9,885	9,885	9,885	--	529,540	519,655
Ursa Minor	--	10,320	10,320	10,320	--	258,946	248,626
William Tyson	--	--	--	--	--	148,414	148,414
Williwaw	3,541	--	3,541	--	3,541	3,210	(331)
Willow Crest	--	34,671	34,671	35,687	(1,016)	11,025,347	10,990,676
Wonder Park	--	17,264	17,264	17,264	--	872,981	855,717
Retirement system employer relief	--	83,907	83,907	--	--	--	--
Total elementary schools	211,219	47,629,308	47,840,527	47,650,015	106,605	98,511,051	50,754,431
Other capital outlays:							
Administration	108,006	--	108,006	--	108,006	827,191	719,185
District-wide Asbestos/ Life Safety	168,051	--	168,051	--	168,051	179,801	11,750
District-wide Building Life Extension	276,756	853,184	1,129,940	859,957	269,983	3,028,147	1,898,207
District-wide Emergency Preparation	--	--	--	--	--	289,166	289,166
District-wide Security Systems	870	67,653	68,523	67,653	870	452,359	383,836
District-wide Federal Impact Aid	--	--	--	--	--	90,199	90,199
District-wide Library Books	--	--	--	--	--	(130)	(130)
District-wide Underground Storage Tank Removal	303	44,810	45,113	45,113	--	49,913	4,800

(Continued)

SCHEDULE OF EXPENDITURES - PROJECT

For the Period Ended June 30, 2017

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	\$ 16,622	\$ 158,311	\$ 174,933	\$ 158,311	\$ 16,622	\$ 5,187,465	\$ 5,012,532
District-wide Maintenance							
Equipment	--	--	--	--	--	11,852	11,852
Data Center	(2,772)	78,582	75,810	78,582	(2,772)	169,806	93,996
District-wide Mechanical Upgrades	47,801	126,994	174,795	126,994	47,801	974,462	799,667
District-wide Roof Replacement	476	(476)	--	--	--	21,935	21,935
Facilities/Maintenance	--	--	--	--	--	71	71
Pupil Transportation	--	--	--	--	--	300,151	300,151
Southwest Area Site							
Acquisition	--	--	--	--	--	22,482	22,482
Student Nutrition	595	1,194,731	1,195,326	1,194,731	595	5,566,197	4,370,871
Warehouse	--	--	--	--	--	14,913	14,913
Retirement system employer relief	--	4,454	4,454	--	--	--	--
Total other capital outlays	616,708	2,528,243	3,144,951	2,531,341	609,156	17,185,980	14,045,483
Total capital outlays	<u>\$ 1,019,719</u>	<u>\$ 58,874,536</u>	<u>\$ 59,894,255</u>	<u>\$ 58,967,695</u>	<u>\$ 822,843</u>	<u>\$ 178,006,805</u>	<u>\$ 118,216,267</u>

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Internal Service Funds

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

Equipment Replacement Fund

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

Health Insurance Fund

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

Compensated Absences Fund

To account for employees' earned and used leave.

June 30, 2017
With Comparative Totals for
June 30, 2016

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION

				Total Internal Service Funds	
	Equipment Replacement	Health Insurance	Compensated Absences	2017	2016
Assets					
Current Assets:					
Investments	\$ 9,148,126	\$ 7,379,069	\$ 11,131,537	\$ 27,658,732	\$ 30,869,225
Accounts receivable	369,924	333,732	--	703,656	14,982
Total current assets	9,518,050	7,712,801	11,131,537	28,362,388	30,884,207
Non-current assets:					
Machinery and equipment	33,035,581	--	--	33,035,581	31,465,126
Accumulated depreciation	(25,221,551)	--	--	(25,221,551)	(23,965,332)
Total capital assets (net of accumulated depreciation)	7,814,030	--	--	7,814,030	7,499,794
Total assets	17,332,080	7,712,801	11,131,537	36,176,418	38,384,001
Liabilities					
Current liabilities:					
Medical claims and other payables	--	5,542,617	--	5,542,617	5,780,640
Accrued compensated absences	--	--	6,192,130	6,192,130	6,181,585
Total current liabilities	--	5,542,617	6,192,130	11,734,747	11,962,225
Non-current liabilities:					
Other contractual obligations payable	--	--	--	--	268,336
Accrued compensated absences	--	--	4,939,407	4,939,407	5,004,689
Total non-current liabilities	--	--	4,939,407	4,939,407	5,273,025
Total liabilities	--	5,542,617	11,131,537	16,674,154	17,235,250
Net Position					
Investment in capital assets	7,814,030	--	--	7,814,030	7,499,794
Unrestricted	9,518,050	2,170,184	--	11,688,234	13,648,957
Total net position	\$ 17,332,080	\$ 2,170,184	\$ --	\$ 19,502,264	\$ 21,148,751

For the Year Ended June 30, 2017
 With Comparative Totals
 For the Year Ended June 30, 2016

INTERNAL SERVICE FUNDS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

	Equipment Replacement	Health Insurance	Compensated Absences	Total Internal Service Funds	
				2017	2016
Operating revenues:					
Charges for services	\$ 1,597,161	\$ --	\$ --	\$ 1,597,161	\$ 1,545,131
Charges for health insurance services	--	36,992,486	--	36,992,486	35,464,501
Charges for accrued compensated absences	--	--	13,532,598	13,532,598	13,416,861
Total operating revenues	<u>1,597,161</u>	<u>36,992,486</u>	<u>13,532,598</u>	<u>52,122,245</u>	<u>50,426,493</u>
Operating expenses:					
Depreciation	1,597,161	--	--	1,597,161	1,545,131
Costs of services	--	124,026	--	124,026	112,075
Medical plan administration	--	4,813,819	--	4,813,819	5,540,449
Medical claims	--	34,677,774	--	34,677,774	34,992,619
Compensated absences expense	--	--	13,682,544	13,682,544	13,655,360
Total operating expenses	<u>1,597,161</u>	<u>39,615,619</u>	<u>13,682,544</u>	<u>54,895,324</u>	<u>55,845,634</u>
Operating gain (loss)	<u>--</u>	<u>(2,623,133)</u>	<u>(149,946)</u>	<u>(2,773,079)</u>	<u>(5,419,141)</u>
Non-operating revenues:					
Gain (loss) on sale of capital assets	(1,542)	--	--	(1,542)	2,598
Investment income	76,027	91,012	128,474	295,513	588,451
Total non-operating revenues	<u>74,485</u>	<u>91,012</u>	<u>128,474</u>	<u>293,971</u>	<u>591,049</u>
Total income (loss) before capital contributions and transfers	<u>74,485</u>	<u>(2,532,121)</u>	<u>(21,472)</u>	<u>(2,479,108)</u>	<u>(4,828,092)</u>
Capital contributions and transfers	330,423	--	--	330,423	29,013
Transfers in - General Fund	<u>--</u>	<u>500,000</u>	<u>2,198</u>	<u>502,198</u>	<u>3,000,000</u>
Total capital contributions and transfers	<u>330,423</u>	<u>500,000</u>	<u>2,198</u>	<u>832,621</u>	<u>3,029,013</u>
Changes in net position	404,908	(2,032,121)	(19,274)	(1,646,487)	(1,799,079)
Net position at beginning 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>
Net position at end of year	<u>\$ 17,332,080</u>	<u>\$ 2,170,184</u>	<u>\$ --</u>	<u>\$ 19,502,264</u>	<u>\$ 21,148,751</u>

For the Year Ended June 30, 2017
With Comparative Totals
For the Year Ended June 30, 2016

INTERNAL SERVICE FUNDS

STATEMENT OF CASH FLOWS

	Equipment Replacement	Health Insurance	Compensated Absences	Total Internal Service Funds	
				2017	2016
Cash flows from operating activities:					
Receipts from interfund activities	\$ 1,597,161	\$ 36,992,486	\$ 13,532,598	\$ 52,122,245	\$ 50,426,493
Payments for interfund services used	--	--	(13,737,281)	(13,737,281)	(13,522,240)
Payments for medical claims and other health insurance activity	--	(40,172,392)	--	(40,172,392)	(41,085,664)
Net cash flows provided by operating activities	<u>1,597,161</u>	<u>(3,179,906)</u>	<u>(204,683)</u>	<u>(1,787,428)</u>	<u>(4,181,411)</u>
Cash flows from non-capital financing activities:					
Transfer from other funds	--	500,000	--	500,000	3,000,000
Net cash provided by financing activities	<u>--</u>	<u>500,000</u>	<u>--</u>	<u>500,000</u>	<u>3,000,000</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(2,232,140)	--	--	(2,232,140)	(730,543)
Sale of capital assets	11,364	--	--	11,364	50,809
Net cash used in capital and financing activities	<u>(2,220,776)</u>	<u>--</u>	<u>--</u>	<u>(2,220,776)</u>	<u>(679,734)</u>
Cash flows from investing activities:					
Sales (Purchases) of investments	547,588	2,588,894	76,209	3,212,691	1,272,694
Interest earnings received	76,027	91,012	128,474	295,513	588,451
Net cash used in investing activities	<u>623,615</u>	<u>2,679,906</u>	<u>204,683</u>	<u>3,508,204</u>	<u>1,861,145</u>
Net increase in cash	--	--	--	--	--
Cash at beginning of year	--	--	--	--	--
Cash at end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating loss	\$ --	\$ (2,623,132)	\$ (149,946)	\$ (2,773,078)	\$ (5,419,141)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	1,597,161	--	--	1,597,161	1,545,131
Change in assets and liabilities					
Receivables, net	--	(318,750)	--	(318,750)	295
Accounts and other payables	--	(238,024)	(54,737)	(292,761)	(307,696)
Net cash provided by operating activities	<u>\$ 1,597,161</u>	<u>\$ (3,179,906)</u>	<u>\$ (204,683)</u>	<u>\$ (1,787,428)</u>	<u>\$ (4,181,411)</u>
Non-cash investing, capital and financing activities:					
Contributed capital and equipment	<u>\$ 330,423</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 330,423</u>	<u>\$ 29,013</u>

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Statistical Section

FINANCIAL TRENDS

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

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REVENUE CAPACITY

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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
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
2016-2017	717,402,083	--	--	24,861,158	814,852	(361,859,661)	381,218,432

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

	2008	2009	2010	2011	AS RESTATED 2012
Program Expenses					
District-wide activities:					
General administration	\$ 27,232,757	\$ 27,132,910	\$ 31,243,745	\$ 24,167,797	\$ 29,412,334
Instruction	527,232,487	538,451,870	576,872,255	619,040,263	619,727,202
Pupil transportation	20,087,773	19,580,050	20,055,743	20,304,159	21,785,259
Operation and maintenance of plant	67,567,677	72,870,520	72,929,245	77,188,087	77,789,469
Community services	396,467	481,852	460,142	521,657	3,556,333
Food services	16,054,390	16,855,858	17,085,879	19,026,380	19,207,955
Interest expense	36,773,707	36,393,199	35,284,867	33,201,590	29,829,001
Total district-wide expenses	695,345,258	711,766,259	753,931,876	793,449,933	801,307,553
Program Revenues					
District-wide activities:					
Charges for services					
General administration	16,770	19,604	19,139	4,531	6,008
Instruction	1,752,350	1,606,288	1,612,977	4,004,871	1,984,242
Operation and maintenance of plant	--	(2,553)	(3,404)	--	--
Community services	849,453	580,448	658,036	770,435	734,693
Food services	5,081,541	4,911,270	4,469,455	3,902,383	3,354,879
Operating grants and contributions					
General administration	750,813	925,219	464,438	134,560	227,555
Instruction	139,878,408	126,529,115	132,107,431	161,861,300	165,895,621
Pupil transportation	17,249,338	18,645,611	19,740,997	19,796,188	21,169,073
Operation and maintenance of plant	3,097,712	3,186,546	2,363,241	1,948,927	2,304,852
Community services	101,188	77,725	37,494	9,496	14,961
Food services	10,140,621	11,627,527	12,790,612	13,795,005	14,751,122
Construction and facility acquisition	213,047	297,924	--	--	--
Capital grants and contributions					
Instruction	--	--	--	46,117,714	45,937,003
Construction and facility acquisition	41,082,316	46,810,987	47,466,227	--	--
Total district-wide revenues	220,213,557	215,215,711	221,726,643	252,345,410	256,380,009
Net expense					
District-wide activities	(475,131,701)	(496,550,548)	(532,205,233)	(541,104,523)	(544,927,544)
General Revenues and Other Changes in Net Position					
Unrestricted:					
Appropriation from					
Municipality of Anchorage	206,359,861	217,971,708	232,947,582	234,759,972	237,587,445
Investment income	8,523,023	3,148,355	5,552,323	2,376,959	1,446,162
Public School Funding Program	264,718,683	281,733,376	295,483,681	310,300,774	311,645,866
School improvement grant	7,890,604	--	--	--	--
Energy relief	6,656,602	--	--	--	--
Federal Impact Aid	14,150,178	15,333,815	17,952,860	23,992,347	20,166,071
Proceeds from sale of assets	--	12,982	--	--	--
Other	2,794,520	1,817,444	1,119,024	1,188,572	8,009,165
Special and extraordinary items	--	17,582,137	--	--	--
Total general revenues,					
special and extraordinary items	511,093,471	537,599,817	553,055,470	572,618,624	578,854,709
Change in net position	35,961,770	41,049,269	20,850,237	31,514,101	33,927,165
Net position at beginning of year	516,315,161	552,276,931	593,326,200	614,176,437	642,118,388
Net position at end of the year	\$ 552,276,931	\$ 593,326,200	\$ 614,176,437	\$ 645,690,538	\$ 676,045,553

For the Last Ten Years

STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION

	2013	AS RESTATED 2014	2015	2016	2017
Program Expenses					
District-wide activities:					
General administration	\$ 31,000,400	\$ 27,427,601	\$ 29,622,367	\$ 37,543,112	\$ 33,833,671
Instruction	644,094,670	647,413,175	722,027,966	685,215,939	707,221,741
Pupil transportation	22,386,537	22,871,359	22,286,749	24,381,461	25,948,005
Operation and maintenance of plant	77,234,635	74,581,580	76,267,079	85,314,793	87,007,105
Community services	3,508,691	3,619,453	483,365	617,598	626,343
Food services	19,977,813	21,551,586	23,430,716	25,655,586	26,614,714
Interest expense	23,475,990	25,679,718	24,877,042	24,037,648	23,204,597
Total district-wide expenses	821,678,736	823,144,472	898,995,284	882,766,137	904,456,176
Program Revenues					
District-wide activities:					
Charges for services					
General administration	194,817	833,089	1,242	3,691	988
Instruction	2,632,871	1,635,123	1,884,066	3,457,729	4,566,505
Operation and maintenance of plant	--	--	--	--	--
Community services	830,974	--	676,985	714,073	753,599
Food services	2,744,845	2,425,156	2,246,794	2,111,325	2,159,525
Operating grants and contributions					
General administration	529,468	1,810,346	5,133,520	1,438,059	606,472
Instruction	171,614,178	170,720,668	239,705,331	120,725,921	106,571,644
Pupil transportation	21,722,271	22,477,906	22,621,368	23,110,415	20,994,722
Operation and maintenance of plant	2,473,163	5,373,291	3,737,885	3,571,590	2,087,922
Community services	1,875	33,865	19,199	22,849	9,071
Food services	16,987,806	16,645,062	20,178,890	19,782,765	21,704,539
Construction and facility acquisition	--	--	--	--	--
Capital grants and contributions					
Instruction	52,622,060	56,815,015	72,187,560	57,757,752	36,798,741
Construction and facility acquisition	--	--	--	--	--
Total district-wide revenues	272,354,328	278,769,521	368,392,840	232,696,169	196,253,728
Net expenses					
District-wide activities	(549,324,408)	(544,374,951)	(530,602,444)	(650,069,968)	(708,202,448)
General Revenues and Other Changes in Net Position					
Unrestricted:					
Appropriation from					
Municipality of Anchorage	232,606,002	233,284,280	239,576,423	239,410,965	246,003,265
Investment income	1,107,327	1,059,852	1,147,782	1,602,140	1,976,485
Public School Funding Program	325,447,016	318,661,242	327,797,266	329,831,634	330,187,510
School improvement grant	--	--	--	--	--
Energy relief	--	--	--	--	--
Federal Impact Aid	20,449,408	18,251,918	22,116,652	20,337,273	19,780,064
Proceeds from sale of assets	--	--	--	--	--
Other	7,626,118	10,084,602	13,587,963	3,061,278	1,932,405
Special and extraordinary items	--	--	--	--	--
Total general revenues,					
special and extraordinary items	587,235,871	581,341,894	604,226,086	594,243,290	599,879,729
Change in net position	37,911,463	36,966,943	73,623,642	(55,826,678)	(108,322,719)
Net position at beginning of year	676,045,553	434,777,244	471,744,187	545,367,829	489,541,151
Net position at end of the year	\$ 713,957,016	\$ 471,744,187	\$ 545,367,829	\$ 489,541,151	\$ 381,218,432

For the Last Ten Years

FUND BALANCE, GOVERNMENTAL FUNDS (1)

	2008	2009	2010	2011	2012
General Fund					
Fund balances:					
Non-spendable	\$ 10,192,198	\$ 12,522,607	\$ 11,741,766	\$ 10,812,950	\$ 12,758,325
Restricted	17,883,043	18,967,267	19,833,195	19,902,748	24,327,135
Committed	7,936,952	8,380,055	8,878,554	13,879,315	11,888,710
Assigned	59,224,835	55,861,747	60,600,998	60,074,795	57,171,842
Unassigned	24,442,307	23,509,451	25,928,239	24,798,698	23,677,394
Total General Fund	<u>\$ 119,679,335</u>	<u>\$ 119,241,127</u>	<u>\$ 126,982,752</u>	<u>\$ 129,468,506</u>	<u>\$ 129,823,406</u>
All Other Governmental Funds					
Fund balances:					
Non-spendable	\$ 917,461	\$ 933,685	\$ 780,478	\$ 763,583	\$ 1,118,708
Restricted	23,295,305	2,046,009	6,938,506	13,685,643	1,709,552
Committed	61,155,174	56,964,756	23,062,817	10,919,017	14,556,862
Assigned	4,495,510	4,741,443	6,269,224	6,967,027	5,706,555
Unassigned	(16,159)	(54,155)	(20,500)	(13,463)	(48,001)
Total all other government funds	<u>\$ 89,847,291</u>	<u>\$ 64,631,738</u>	<u>\$ 37,030,525</u>	<u>\$ 32,321,807</u>	<u>\$ 23,043,676</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)

	As Restated 2013	2014	2015	2016	2017
General Fund					
Fund balances:					
Non-spendable	\$ 11,376,474	\$ 5,499,745	\$ 3,382,756	\$ 3,667,859	\$ 2,392,260
Restricted	24,163,161	24,499,395	24,299,392	24,789,183	25,676,010
Committed	1,451,148	5,276,897	10,046,919	12,519,248	3,843,138
Assigned	61,448,020	48,598,520	73,157,731	58,828,775	53,013,097
Unassigned	22,779,338	38,752,839	30,517,600	29,490,600	31,450,228
Total General Fund	<u>\$ 121,218,141</u>	<u>\$ 122,627,396</u>	<u>\$ 141,404,398</u>	<u>\$ 129,295,665</u>	<u>\$ 116,374,733</u>
All Other Governmental Funds					
Fund balances:					
Non-spendable	\$ 1,485,278	\$ 1,271,700	\$ 983,304	\$ 1,236,827	\$ 1,712,458
Restricted	2,179,593	2,733,186	3,019,088	4,020,159	--
Committed	11,932,590	25,467,438	39,895,743	55,633,395	25,890,237
Assigned	4,993,340	5,033,401	5,564,316	6,331,234	5,525,727
Unassigned	(9,559)	(1,689,985)	(17,852)	(673,425)	(830,839)
Total all other government funds	<u>\$ 20,581,242</u>	<u>\$ 32,815,740</u>	<u>\$ 49,444,599</u>	<u>\$ 66,548,190</u>	<u>\$ 32,297,583</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)**

	2008	2009	2010	2011	2012
Revenues:					
Local sources	\$ 233,669,852	\$ 240,046,875	\$ 256,186,939	\$ 253,899,166	\$ 256,897,674
State sources	434,882,555	428,811,942	428,035,882	452,943,504	483,049,363
Federal sources	62,409,670	66,255,684	90,054,656	115,379,897	94,387,908
Total revenues	730,962,077	735,114,501	774,277,477	822,222,567	834,334,945
Expenditures:					
Current:					
General administration	21,029,531	22,987,553	22,181,161	23,180,257	28,638,280
Instruction	497,955,761	509,914,670	543,875,057	579,025,698	587,388,122
Pupil transportation	18,982,195	19,234,255	20,137,537	20,239,375	22,277,229
Operation and maintenance of plant	67,154,630	72,019,066	72,256,844	76,933,872	77,442,084
Community services	379,713	443,763	445,989	508,686	3,440,259
Food services	15,693,492	16,594,195	16,694,742	18,017,232	18,615,420
Debt service:					
Refunding bond issuance cost	--	--	--	--	--
Principal	44,080,000	46,630,000	49,520,000	52,475,000	54,875,000
Interest	35,884,852	37,270,931	36,372,658	35,001,212	31,722,282
Fiscal agent fees	11,605	10,648	11,208	9,708	9,403
Bond issuance cost	119,483	219,481	134,674	174,096	16,213
Capital outlays	52,526,056	61,518,088	52,681,236	23,711,546	16,345,054
Total expenditures	753,817,318	786,842,650	814,311,106	829,276,682	840,769,346
Excess (deficiency) of revenues over (under) expenditures	(22,855,241)	(51,728,149)	(40,033,629)	(7,054,115)	(6,434,401)
Other financing sources (uses):					
Proceeds from sale of property and equipment	51,531	11,127	634	10,360	--
Issuance of general obligation bonds	63,790,000	29,840,000	20,025,000	4,940,000	--
Premium on issuance of general obligation bonds	1,335,234	395,335	136,396	97,062	--
Issuance of refunding bonds	--	--	--	28,310,000	--
Premium on issuance of refunding bonds	--	--	--	2,305,196	--
Payment to refunded bond escrow agent	--	--	--	(30,455,857)	--
Transfers in	1,298,003	342,889	13,734	9,031,500	6,095
Transfers out	(1,898,003)	(4,514,963)	(1,723)	(9,407,110)	(2,494,925)
Total other financing sources (uses)	64,576,765	26,074,388	20,174,041	4,831,151	(2,488,830)
Net change in fund balances	\$ 41,721,524	\$ (25,653,761)	\$ (19,859,588)	\$ (2,222,964)	\$ (8,923,231)
Debt service as a percentage of noncapital expenditures	11.4%	11.6%	11.3%	10.9%	10.5%

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)**

	2013	2014	2015	2016	2017
Revenues:					
Local sources	\$ 247,981,607	\$ 250,705,339	\$ 255,957,061	\$ 257,354,099	\$ 262,307,289
State sources	532,696,627	532,700,403	1,161,304,333	463,331,161	434,632,230
Federal sources	77,455,493	76,231,876	84,173,052	79,122,705	85,202,564
Total revenues	858,133,727	859,637,618	1,501,434,446	799,807,965	782,142,083
Expenditures:					
Current:					
General administration	30,119,251	26,964,679	35,074,968	29,325,141	27,101,599
Instruction	606,408,747	606,791,232	1,196,021,148	550,759,560	557,021,305
Pupil transportation	22,809,852	22,931,732	24,310,030	31,716,984	23,704,287
Operation and maintenance of plant	76,873,647	74,658,873	85,422,847	73,450,427	77,544,041
Community services	3,507,066	3,628,420	576,814	487,637	481,496
Food services	19,502,420	21,297,939	25,694,692	22,109,248	23,679,018
Debt service:					
Refunding bond issuance cost	69,405	--	80,973	149,156	131,362
Principal	55,425,000	57,340,000	59,290,000	58,940,000	56,445,000
Interest	29,504,017	27,354,466	27,385,338	25,649,885	26,374,289
Fiscal agent fees	9,330	8,950	6,547	4,425	3,050
Bond issuance cost	32,522	180,923	126,566	127,181	63,281
Capital outlays	30,083,083	48,043,764	81,556,784	78,840,171	58,874,536
Total expenditures	874,344,340	889,200,978	1,535,546,707	871,559,815	851,423,264
Excess (deficiency) of revenues over (under) expenditures	(16,210,613)	(29,563,360)	(34,112,261)	(71,751,850)	(69,281,181)
Other financing sources (uses):					
Proceeds from sale of property and equipment	4,892	16,561	28,563	30,822	201,680
Issuance of general obligation bonds	14,425,000	39,345,000	59,075,000	69,038,445	20,270,000
Premium on issuance of general obligation bonds	1,115,112	3,845,552	11,056,199	10,523,110	1,999,723
Issuance of refunding bonds	24,080,000	--	37,150,000	81,040,000	41,960,000
Premium on issuance of refunding bonds	1,139,945	--	5,966,834	13,189,654	4,497,070
Payment to refunded bond escrow agent	(25,150,540)	--	(43,030,625)	(94,075,323)	(46,316,633)
Transfers in	7,613	2,392,810	2,289,924	13,136,125	9,043,823
Transfers out	(7,613)	(2,392,810)	(3,017,773)	(16,136,125)	(9,546,021)
Total other financing sources (uses)	15,614,409	43,207,113	69,518,122	76,746,708	22,109,642
Net change in fund balances	\$ (596,204)	\$ 13,643,753	\$ 35,405,861	\$ 4,994,858	\$ (47,171,539)
Debt service as a percentage of non-capital expenditures	10.1%	10.1%	6.0%	10.7%	10.5%

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
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
2016-2017	33,833,671	707,221,741	25,948,005	87,007,105	626,343	26,614,714	23,204,597	904,456,176

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
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
2016-2017	--	2,582,393	--	--	--	--	--	2,582,393

Last Ten Years

**GOVERNMENT-WIDE
REVENUES BY TYPE**

Program Revenues						
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total		
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		
2016-2017	7,480,617	151,974,370	36,798,741	196,253,728		
General Revenues						
Fiscal Year	Appropriation from Municipality of Anchorage	Investment Income	Public School Funding Program	Federal Impact Aid	Other	Total
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
2016-2017	246,003,265	1,976,485	330,187,510	19,780,064	1,932,405	599,879,729

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)
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
2016-2017	27,101,599	557,021,305	23,704,287	77,544,041	481,496	23,679,018	82,953,701	792,485,447

Notes:

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

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

For the Last Ten Years

GENERAL REVENUES BY SOURCE (1)

<u>Fiscal Year</u>	<u>Local Sources</u>	<u>State Sources</u>	<u>Federal Sources</u>	<u>Total (2)</u>
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
2016-2017	262,159,779	432,069,396	84,772,940	779,002,115

Notes:

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

For the Last Ten Years

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

Fiscal Year	Real			Personal Property	Total Taxable Assessed Value	Areawide Tax Rate (mils)
	Residential Property	Commercial Property	Total Real			
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	6.80
2009	19,669,462,275	8,964,468,173	28,633,930,448	2,819,418,266	31,453,348,714	7.67
2010	19,538,749,838	8,982,605,974	28,521,355,812	2,942,321,080	31,463,676,892	7.89
2011	19,734,533,714	9,095,615,110	28,830,148,824	2,766,391,727	31,596,540,551	7.61
2012	19,617,776,607	9,152,490,728	28,770,267,335	2,944,070,041	31,714,337,376	7.28
2013	19,844,447,084	9,394,322,157	29,238,769,241	3,072,941,642	32,311,710,883	6.92
2014	20,727,659,820	9,726,237,558	30,453,897,378	3,218,472,804	33,672,370,182	6.71
2015	21,626,494,295	10,109,822,456	31,736,316,751	3,302,128,224	35,038,444,975	6.70
2016	22,391,683,088	10,429,674,591	32,821,357,679	3,134,642,589	35,956,000,268	6.88

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>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>	<u>2016</u>
Area Wide:										
Municipality of Anchorage	0.23	0.37	0.49	0.45	0.09	(0.29)	(0.43)	(0.35)	(0.14)	0.15
Anchorage School District	6.79	6.94	7.18	7.44	7.52	7.57	7.35	7.06	6.84	6.73
Property Tax Credit	--	(0.51)	(0.57)	--	--	--	--	--	--	--
Total Areawide	7.02	6.80	7.10	7.89	7.61	7.28	6.92	6.71	6.70	6.88
Former City Service Area	0.02	--	--	--	--	--	--	--	--	--
Chugiak Service Area	1.00	0.99	0.97	0.96	0.97	1.00	1.00	0.95	1.00	1.00
Glen Alps Service Area	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Girdwood Service Area	4.00	3.03	3.83	3.87	3.68	4.14	4.29	3.97	4.08	4.7
Anchorage Fire Service Area	1.73	1.77	1.75	1.83	2.09	2.13	2.21	2.44	2.22	2.21
Roads & Drainage Service Area	2.59	2.60	2.77	2.13	2.46	2.78	2.60	2.36	2.31	2.43
Limited Road Service Areas	1.28	1.30	1.32	1.33	1.33	1.31	1.29	1.29	1.30	1.3
Anchorage Police Service Area	2.60	2.56	2.61	2.67	2.70	2.76	3.23	2.95	2.93	2.85
Parks & Recreation Service Area	0.60	0.65	0.70	0.66	0.62	0.62	0.60	0.59	0.54	0.55
Chugiak/Eagle River Recreational Facilities Service Area	1.11	1.08	1.05	0.09	0.90	1.00	0.95	0.97	1.03	0.98

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	2016			2007		
	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.	\$ 202,364,172	1	0.56 %	\$ 122,018,289	3	0.42 %
Calais Company, Inc.	187,609,488	2	0.52	118,145,504	4	0.40
ACS of Anchorage, Inc.	169,762,127	3	0.47	235,792,781	1	0.81
Galen Hospital Alaska, Inc.	144,905,484	4	0.4	111,219,490	5	0.38
Fred Meyer Stores Inc.	141,231,772	5	0.39	130,784,635	2	0.45
WEC 2000A-Alaska L.L.C.	139,492,920	6	0.39	96,329,216	6	0.33
Enstar Natural Gas Company	120,167,915	7	0.33	89,881,836	9	0.31
B.P. Exploration (Alaska) Inc.	115,297,556	8	0.32	94,672,735	7	0.32
Hickel Investment Company	104,038,078	9	0.29	90,874,907	8	0.31
North Anchorage Real Estate	101,971,524	10	0.28			
Anchorage Fueling & Service Co.				83,151,505	10	0.28
	<u>\$ 1,426,841,036</u>		3.95 %	<u>\$ 1,172,870,898</u>		4.01 %

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
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	7,629,884	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
2016	527,288,610	526,731,338	99.9	(649,490)	526,081,848	99.8	1,206,762	0.2

Notes:

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

(2) Prior years totals have been adjusted for additional collection of delinquent taxes.

For the Last Ten Years

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

Fiscal Year	Population (1)	Average Daily Membership K-12 and Special Ed (2)	Assessed Valuation (3)	Gross Bonded Debt (4)(5)	Debt Service Monies Available	Net Bonded Debt	Total Personal Income (in thousands)
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
2016-2017	299,037	47,680	35,956,000,268	588,339,416	1,920,859	586,418,557	17,810,046

Fiscal Year	Ratio of Total Gross Bonded Debt to Personal Income	Ratio of Net Bonded Debt to Assessed Valuation	Gross Bonded Debt Per Capita	Net Bonded Debt Per Capita	Net Bonded Debt Per Student
2007-2008	6.1 %	2.7 %	\$ 2,841	\$ 2,831	\$ 16,692
2008-2009	5.5	2.6	2,768	2,761	16,314
2009-2010	5.5	2.4	2,610	2,603	15,416
2010-2011	4.9	2.3	2,435	2,428	14,575
2011-2012	4.4	2.1	2,208	2,202	13,472
2012-2013	3.8	1.9	2,036	2,028	12,488
2013-2014	3.3	1.8	1,964	1,955	12,326
2014-2015	3.6	1.8	2,001	1,991	12,581
2015-2016	3.4	1.8	2,091	2,078	13,003
2016-2017	3.3	1.6	1,967	1,961	12,299

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 2007-2008 through 2012-2013

June 30, 2017

**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	\$ 610,302,254	100 %	\$ 610,302,254
Direct: Anchorage School District	588,339,416	100	<u>588,339,416</u>
			<u><u>\$ 1,198,641,670</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>
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
2016-2017	56,445,000	26,374,289	3,050	82,822,339	792,485,447	10.5

Notes:

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

For the Last Ten Years

DEMOGRAPHIC STATISTICS

<u>Fiscal Year (1)</u>	<u>Population (2)</u>	<u>Per Capita Personal Income (1)</u>	<u>Total Personal Income (1) (in thousands)</u>	<u>Average Daily Membership Grades K-12 and Special Education (3)</u>	<u>Unemployment Rate (4)</u>
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
2016	299,037	59,558	17,810,046	47,680	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	2016		2007	
	Average Annual Employment	Percentage of Total Employment	Average Annual Employment	Percentage of Total Employment
Mining and Logging (less Oil and Gas)	100	0.1 %	100	0.1 %
Oil and Gas	2,900	1.9	2,500	1.7
Construction	7,500	4.8	9,400	6.3
Manufacturing	2,000	1.3	2,000	1.3
Wholesale Trade	4,800	3.1	4,900	3.3
Retail Trade	17,900	11.5	17,500	11.7
Trans/Warehouse/Utilities (less Air Transportation)	11,000	7.1	7,800	5.2
Air Transportation	--	0.0	3,500	2.3
Information	4,000	2.6	4,400	2.9
Financial Activities	7,500	4.8	9,200	6.1
Professional And Business Services	18,900	12.2	17,600	11.7
Educational and Health Services (less Health Care)	6,200	4.0	4,800	3.2
Health Care	20,000	12.9	14,900	9.9
Leisure and Hospitality	17,400	11.2	15,700	10.5
Other Services	5,700	3.7	5,600	3.7
Federal Government	8,600	5.5	9,300	6.2
State Government (less State Education)	7,700	5.0	7,700	5.1
State Education	2,500	1.6	2,400	1.6
Local Government (less Local Education)	2,900	1.9	3,200	2.1
Local Education	7,400	4.8	7,500	5.0
	<u>155,000</u>	100.0 %	<u>150,000</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>
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)
2016-2017	792,485,447	(0.01)	47,680	16,621	0.15

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.

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

For the Last Ten Years

<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>
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
2016-2017	47,680	(0.16)	35,956,000,268	2.62	754,111

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				
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Administration	189	190	202	197	186
Principals	149	151	151	149	149
Teachers	3,305	3,315	3,353	3,386	3,318
Technical	179	197	205	209	231
Clerical and teacher aides	1,030	1,089	1,118	1,136	1,135
Maintenance/warehouse	187	187	187	188	184
Custodial	361	361	371	370	370
Drivers/attendants	111	112	111	111	112
Noon attendants	74	74	75	75	76
Food service	205	207	208	211	214
Total authorized positions	<u>5,790</u>	<u>5,883</u>	<u>5,981</u>	<u>6,032</u>	<u>5,975</u>

Employee Category	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Administration	180	171	169	171	176
Principals	149	152	149	149	148
Teachers	3,342	3,302	3,273	3,309	3,263
Technical	230	221	209	211	208
Clerical and teacher aides	1,111	1,019	1,003	997	1,009
Maintenance/warehouse	181	174	164	160	158
Custodial	368	331	331	332	333
Drivers/attendants	111	112	110	122	103
Noon attendants	73	73	74	73	73
Food service	208	215	220	220	231
Total authorized positions	<u>5,953</u>	<u>5,770</u>	<u>5,702</u>	<u>5,744</u>	<u>5,702</u>

Notes:

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

Current Year

TEACHER EDUCATION AND SALARY INFORMATION (1)

Education	Number of Teachers (2)	Low Salary	High Salary (3)
Bachelor's Degree	357	\$ 50,213	\$ 62,165
Bachelor's Degree plus 18 semester credits	311	51,039	67,255
Bachelor's Degree plus 36 semester credits	367	53,756	72,345
Master's Equivalency with 54 semester credits	159	62,830	77,436
Master's Equivalency with 72 semester credits	108	66,591	81,198
Master's Equivalency with 90 semester credits	353	69,026	91,118
Master's Degree	366	54,346	74,266
Master's Degree with 54 semester credits	320	56,782	84,117
Master's Degree with 72 semester credits	288	59,215	89,513
Master's Degree with 90 semester credits	958	61,650	94,560
Doctorate Degree with 90 semester credits	29	63,530	90,982

Notes:

- (1) Information furnished through Anchorage School District internal report.
- (2) Number of teachers (by FTE) as of May 2017. 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
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)
2016-2017	26,546	(0.03)	21,134	(0.03)

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 2016-2017.

PUPIL TO CLASSROOM TEACHER RATIO (3)

Fiscal Year	Kindergarten (FTE)	Grade 1	Grades 2 - 3	Grades 4 - 6	Grades 7 - 12	Special Education
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
2016-2017	21 to 1	22 to 1	25 to 1	26 to 1	28.25 - 30.5 to 1	Various

Notes:

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

For the Last Ten Years

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

<u>Fiscal Year</u>	<u>Elementary</u>				<u>Secondary</u>				<u>Students Graduated</u>
	<u>Gross Square Footage</u>	<u>Number of Classrooms</u>	<u>Program Capacity</u>	<u>Average Daily Membership</u>	<u>Gross Square Footage</u>	<u>Number of Classrooms</u>	<u>Program Capacity</u>	<u>Average Daily Membership</u>	
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
2016-2017	3,372,794	1,407	25,770	26,546	3,827,958	1,103	22,252	21,134	3,104

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>
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
2016-2017	8	10	60	7	2	1	10

Notes:

(1) Information furnished from Anchorage School District's 6-year Capital Improvement Plan 2016-2022.

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
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
2016-2017	1,717,221	29,616	132,448	53,591	226,625	--	69,991	2,229,492

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
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
2016-2017	703,033	2,403,192	125,304	14,548

Pupil transportation statistics (1):

Fiscal Year	Number of Routes			
	Regular to and from schools		Special Education to and from school	
	District	Contracted	District	Contracted
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
2016-2017	49	89	26	66

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
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	33,223,942 (5)	5,477,156	1,634,707	49,276,112 (2)	145,031,934
2016-2017	55,379,736	34,412,803 (5)	5,640,182	1,529,563	47,164,710 (2)	144,126,994
Compound Annual Growth Rate	4.8%	4.4%	7.0%	6.7%	-6.5%	-0.6%

Notes:

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

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

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

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

(5) Includes Health Savings Account (HSA) employer contributions

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
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
2016-2017	1,269,833	1,313,058	1,073,027	1,913,521	833,252

Fiscal Year	Highland Tech Charter School	PAIDEIA Cooperative Charter School	Rilke Schule Charter School	STrEaM Academy	Winterberry Charter School
2007-2008	\$ 206,258	\$ --	\$ 190,819	\$ --	\$ 91,359
2008-2009	112,539	--	29,388	--	18,770
2009-2010	167,071	--	54,612	--	15,980
2010-2011	168,290	--	4,965	--	11,911
2011-2012	166,763	--	46,831	--	7,577
2012-2013	24,568	--	582	--	47,023
2013-2014	49,482	--	31,481	--	49,123
2014-2015	378,080	--	393,522	--	516,885
2015-2016	209,067	110,831	669,760	--	818,753
2016-2017	251,670	162,759	692,987	53,976	1,085,093

Fiscal Year	Grand Total
2007-2008	\$ 2,460,040
2008-2009	2,086,271
2009-2010	1,872,937
2010-2011	1,649,565
2011-2012	1,866,558
2012-2013	1,715,845
2013-2014	1,804,181
2014-2015	5,694,848
2015-2016	7,031,554
2016-2017	8,649,176

June 30, 2017

SCHEDULE OF INSURANCE IN FORCE

Carrier/Coverage	Policy Number	Limits	Expiration Date
Allied World GL/Auto/Educational Liability	5110004000	\$1,000,000 Each Occurrence \$3,000,000 Aggregate, except auto Self Insured Retention claim - \$1,500,000	7/1/2018
Allied World 2nd Excess Liability	511004900	\$9,000,000 Occurrence \$9,000,000 Aggregate	7/1/2018
Berkley Regional Insurance 3rd Excess Liability	CEX0960269500	\$5,000,000 Occurrence \$5,000,000 Aggregate	7/1/2018
Navigator's Specialty Ins. Co. 4th Excess Liability	SF17EXC7472681C	\$25,000,000 Occurrence \$25,000,000 Aggregate	7/1/2018
State National Ins. Company Excess Workers Compensation & Employers Liability	NDE-086450417	Statutory Limits Part I \$1,000,000 Part II Self Insured Retention - \$1,000,000 \$50,000,000 Cap	7/1/2018
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	7/1/2018
ACE/Myers-Stevens Toohey Student Accident Athlete Catastrophic Insurance	SDAN0420512151993	\$1,000,000 Each Occurrence \$25,000 Deductible	7/1/2018
Hiscox Ins. Co. Crime Insurance	UC21272021117	\$1,000,000 Bond Limit \$25,000 Deductible	7/1/2018
ACE American Ins. Co. Foreign Liability	PHFD38442855005	\$1,000,000 per Occurance \$2,000,000 Aggregate Limit	7/1/2018
Lloyds of London/Beazley Illinois Insurance Co. Cyber Liability Insurance	W15e52170401	\$1,000,000	7/1/2018
Merhants Bonding Company Treasurer Bond/Elisa Snelling	AK5100507	\$50,000	4/24/2018
Nautilus Insurance CO. Storage Tank Liability	CST2001999-18	\$1,000,000 Each Incident \$1,000,000 Aggregate	3/23/2018
FM Global Insurance Company Property Insurance excluding Quake	1027765	\$1,000,000,000 Limit	7/1/2018
Travelers Commercial Insurance	3H548555TIL17	\$500,000	7/1/2018