

Comprehensive Annual
Financial Report

ANCHORAGE SCHOOL DISTRICT

for the Fiscal Year Ended
June 30, 2009

Carol Comeau
Superintendent

Prepared by Business Management Division

Janet Stokesbary
Chief Financial Officer



A Component Unit of the Municipality of Anchorage
Anchorage, Alaska

Non Discrimination Statement

It is the policy of the Anchorage School District to provide equal educational and employment opportunities, and to provide services and benefits to all students and employees without regard to race, color, religion, disability, national origin, gender, marital status, change in marital status, pregnancy, parenthood or other prohibitions. This policy is consistent with numerous laws, regulations, and executive orders enforced by various federal, state, and municipal agencies, including but not limited to Executive Order 11246, Title 41, part 60-1, 60-2, 60-3, 60-20, Title VI and VII of the 1964 Civil Rights Act, Title IX of the Education Amendments Act of 1972, and Section 504. Inquiries or complaints may be addressed to the School District's Equal Employment Opportunity Director, who also serves as the Title IX Coordinator, ASD Education Center, Anchorage, AK 99504-3135, (907) 742-4132 or to any of the following external agencies: Alaska State Commission for Human Rights, Anchorage Equal Rights Commission, Director of the Office for Civil Rights, Department of Education, Department of Health and Human Services

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October 6, 2009

Anchorage School District

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

SCHOOL BOARD

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President

Tim Steele
Vice President

Kathleen Plunkett
Treasurer

Jeannie Mackie
Clerk

Jeff Friedman

Pat Higgins

Crystal Kennedy

SUPERINTENDENT

Carol Comeau

The Comprehensive Annual Financial Report (CAFR) of the Anchorage School District (District) for the year ended June 30, 2009, is submitted herewith. It includes, as required by Alaska statutes, financial statements that have been audited by an independent firm of certified public accountants, Mikunda, Cottrell & Company. Their audit opinion is included in this report.

The report was prepared by the Business Management Division. Responsibility for the accuracy, completeness and fairness of presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain maximum understanding of the District's financial affairs have been included.

This report has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada, the Association of School Business Officials International, and generally accepted accounting principles. Based upon criteria developed by the Governmental Accounting Standards Board, the Anchorage School District is a component unit of the Municipality of Anchorage and is included in their comprehensive annual financial report pursuant to Alaska statutes.

INSIDE THE ANCHORAGE SCHOOL DISTRICT

SCHOOL BOARD

The seven-member School Board determines policy to guide the district. Each member is elected at large for a three year term, and elections are held annually for members with expiring terms. Board members hold overlapping terms; Terms are limited to three successive three-year terms in office.

The School Board has regularly scheduled meetings on the second and fourth Mondays of each month at 6:30 p.m. School Board work sessions are scheduled on the third Monday or as needed.

Meeting agendas are published regularly in the newspaper of general circulation not less than thirty-two (32) hours prior to any regular meeting and on the district's web site at www.asdk12.org. The district's cable channel 14 broadcasts regular board meetings and features an educational bulletin board for announcing district activities. Audio files of the regular meetings are available through a podcast subscription or on the district's web site within forty-eight (48) hours. Meeting minutes are also posted online once they are approved by the board.

ANCHORAGE SCHOOL DISTRICT MISSION AND GOALS

ASD Mission: To educate all students for success in life

Academic achievement

Increase student academic achievement using data to guide adoption of curriculum, methods, materials, and professional development specifically designed to ensure that each group as designated by No Child Left Behind makes adequate yearly progress.

Supportive and effective learning environment

Establish and maintain a supportive and effective learning environment by:

- providing safe, caring, barrier-free schools;
- promoting health and wellness;
- continuing to retain, recruit and train highly qualified staff with an emphasis on improving staff diversity to better reflect our student body;
- challenging each student academically;
- maximizing opportunities for lifelong learning, including the development of 21st century skills;
- offering reinforcing extracurricular activities, and
- collaborating with other community agencies to maximize opportunities for lifelong learning.

Public accountability

Ensure public accountability through:

- continued participation in the state and federal required testing programs;
- continued preparation and publication of the *Profile of Performance*, budget basics, and budget and bond summaries;
- effective consultation with the community to ensure wise use of financial resources and responsible construction and maintenance of facilities; and
- effective communication with students, staff, parents, community and government at all levels.

Diversity in the Workforce

The Anchorage School District is committed to establishing an environment of respect and mutual collaboration by attracting and retaining a quality work force, at every level in the district, who are committed to providing a positive learning environment, who value diversity, and who reflect the diversity of the Anchorage community and the relevant labor market.

Measurable Achievement Goals

We, the Anchorage School Board, Superintendent and district staff commit to the following:

1. Students will demonstrate increased academic achievement as indicated by improved performance on state measures of academic performance. Students will meet the state defined Annual Measurable Objective (AMO).
2. A higher percentage of students will master reading skills and strategies to read proficiently at the end of grade 3.
3. The percentage of students in accelerated math sequence will increase.
4. The dropout rate will decrease.
5. The graduation rate will increase.
6. The percent of high school students successfully completing higher-level courses will increase.
7. Customer service and satisfaction will improve.
8. Parent/guardian involvement will improve.

9. The ASD is committed to establishing an environment of respect and mutual collaboration by attracting and retaining a quality work force, at every level in the district, who are committed to providing a positive learning environment, who value diversity, and who reflect the diversity of the Anchorage community and the relevant labor market.

COMMUNITY INVOLVEMENT

The Parent Teacher Association is an organization of parents, teachers and community members. Its goal is to improve education for all children. Most elementary schools, middle schools and several high schools have PTAs or Parent Teacher Student Associations. Some schools have Parent Advisory Committees or Parent Teacher Organizations instead of PTAs/PTSAs. Each charter school has an Academic Policy Committee which governs the school.

The Multicultural Education Concerns Advisory Committee (MECAC) is a board appointed committee that advises the School Board and administration on issues concerning multicultural students and families.

Advisory committees - focusing on English Language Learner, Alaska Native, Title I, Gifted, Special Education, and other concerns are additional means through which the district receives information. Citizens representing various ethnic and cultural groups are actively encouraged to participate in these groups. Short-term or topic-specific advisory committees are also appointed on an as-needed basis.

Parents, senior citizens, and other community members volunteer in school classrooms, playgrounds, libraries and offices. Businesses and organizations participate in the award-winning School Business Partnership program under the guidance of the Superintendent. Over the past sixteen years the SBP has developed more than 500 partnerships which are involved in many classroom activities and district-wide programs. The School Board's goal is to have at least one partnership in each school. These activities include classroom presentations, tours, tutoring, mentoring, and other varied programs.

COMMUNITY RESOURCES

The Community Resources Department schedules three major types of activities for our schools:

1. Assemblies – An assembly provides activities for larger than classroom-sized groups for either cultural or subject related experiences.
2. Classroom Speakers – Community members come into the classroom to offer teachers an excellent tool for expanding the learning opportunities available to students.
3. Field Trips – Student groups visit community facilities to gain exposure to the physical environments of the different sectors of our community. These groups also have an opportunity to observe and explore the attitudes, activities and skills involved in a particular cultural or work activity.

The Community Resources Department schedules approximately 3,500 events annually. This includes over 2,000 field trips, many of which utilize People Mover for transportation. The use of People Mover public transportation saves the district thousands of dollars by providing reliable transportation at a reduced cost. Examples of some of the businesses, agencies and organizations that the Community Resources Department works with include the Alaska Department of Fish and Game, Alaska Native Heritage Center, Public Lands, Anchorage Fire Department, Anchorage Museum, Anchorage Sym-

phony, Alaska Zoo, Animal Control, Campbell Creek Science Center, Eagle River Nature Center, the Imaginarium, People Mover, and Pioneer Schoolhouse.

RENTALS

The Rentals Department is responsible for coordinating both district and public use of school district facilities. Areas that are available include outdoor areas such as fields, tracks, playgrounds, ice rinks and parking lots. Indoor spaces include classrooms, libraries/IMC, multi-purpose rooms, gymnasiums and auditoriums/auditerias. Each fiscal year, the department schedules activities for the following groups: ASD schools and departments, community groups including non profit youth and adult organizations, the Municipality of Anchorage, other educational institutions and commercial entities. Primary user groups include the Municipality of Anchorage Parks and Recreation Department, University of Alaska-Anchorage, and a number of community groups including the YMCA, Camp Fire USA, Anchorage Korean School, Boys and Girls Club, Boy Scouts and Girl Scouts, Community Councils, PTA Councils and assorted youth sports organizations. Revenues realized from the rental of district facilities were \$580,448 for fiscal year 2008-2009 and are projected to be \$635,000 for fiscal year 2009-2010.

The district's recreation facilities are consistently scheduled to near capacity. The Rentals Department schedules our large areas (gymnasiums and multi-purpose rooms) using the guidelines of Optimum Facilities Use practices, which ensures effective scheduling of gymnasium and multi-purpose rooms for non-profit youth groups. The Rentals Department, in conjunction with the Municipality of Anchorage Parks and Recreation Department, use a joint application process which facilitates appropriate and effective use of outdoor sport facilities which are in high demand by the community; particularly non profit youth sports groups. Effective fiscal year 2009-2010, the Rentals Department will contract for portable sanitary units to be placed at ASD school sites that are rented by outside user groups. These units are offered as a courtesy to our rental users, specifically non profit youth sports groups with lots of pre-school and school-aged users. In addition to the district's many grassy sports fields, the district also has five artificial turf athletic fields which support the schools' physical education programs and school athletic needs. These turf fields are located at Begich and Clark Middle Schools; and Chugiak, Dimond and Eagle River High Schools. These turf areas are viable spaces for non-profit youth and adult groups to conduct sports practices, games and tournaments.

21st CENTURY COMMUNITY LEARNING CENTERS

The 21st Century Community Learning Centers (CCLC) provide a safe, drug-free, and academically enriching out-of-school program of expanded learning, recreational, and supportive opportunities for just under 1500 high-needs students. Parent literacy programs are offered to help parents support their children's education. The project objectives and outcomes address: increases in student academic achievement; development of positive attitudes, skills, and behaviors; sustaining the Community Learning Centers; supporting student success through service learning, culture, and community partnerships; providing opportunities for social and emotional learning and strengthening family involvement in the student's education through family events.

During the 2008-2009 school year, the 21st CCLC delivered after-school academic and enrichment services in eleven elementary schools. Four sites operated under their fifth year of a five-year renewable state grant, three sites operated under their first year of a five-year renewable state grant, and four sites operated under their second year of a five-year renewable state grant. The district will have twelve sites providing 21st CCLC programs during the 2009-2010 school year.

A 21st CCLC non-profit association made up of staff and community members strives to help provide advocacy and financial support. Many businesses and community organizations partner to provide ser-

vices for students in the 21st CCLC after-school education program. Partnerships providing major support include the YWCA, Boy Scouts of America Great Alaska Council, Girl Scouts Susitna Council, and the Municipality of Anchorage Parks and Recreation.

SCHOOL BUSINESS PARTNERSHIPS

Supported by both the district and the Anchorage Chamber of Commerce, Anchorage School Business Partnership, Inc. is a 501(c)(3) non-profit corporation. Over the past 18 years, the School Business Partnership program has been responsible for developing close to 600 partnerships between Anchorage schools and businesses or organizations. These range from small enterprises to large corporations, both for profit and non-profit, and governmental agencies. Additionally, the program sponsors the Executive Exchange Event, the STAR awards to recognize exemplary partnerships, quarterly Partnership Press newsletters and the annual Best Practices publication. The program also supports the Gifted Mentorship Department in recruiting new business mentors as well as School Business Partnership Classes taught at various middle and high schools under Career and Technology Education. These classes follow either an entrepreneurial model, a service learning model or a combination of the two. Both models provide work force development and employability skills to students.

THE CURRICULUM

The mission of the Anchorage School District is to educate all students for success in life. Students will be prepared for success in life if they graduate college and career ready.

This mission statement is anchored in the belief that all children can learn. Providing opportunities that support and encourage students to reach their maximum potential is essential in achieving this mission. This mission requires that the district promote and provide equal and fair access to ensure quality education in a culturally responsive and barrier-free learning environment.

The district recognizes that student success requires a collaborative partnership among schools, parent/guardians, and the community.

The instructional program shall be based on locally adopted standards which shall meet or exceed the standards set forth by the State Department of Education and Early Development. The board shall approve the curriculum and the major instructional materials through which the instructional program is delivered.

The curriculum is intended to challenge and stimulate all students. Differentiation of the regular curriculum, such as Honors, Advanced Placement, Special Education, and English Language Learner (ELL) instruction will be incorporated into the curriculum.

The district will implement an instructional program designed to prepare students to graduate from the district college and career ready.

The instructional program will be based on School Board goals, elaborated in a Six Year Plan, and reviewed both in that plan's annual evaluation and in the Profile of Performance.

The content of the instructional program will comply with district, state, and national content and performance standards.

EDUCATIONAL ALTERNATIVES

The Anchorage School District offers many alternative schools and programs to students in the kindergarten through 12th grades. These programs offer a variety of educational options for students.

Birchwood, Northwood, and Northern Lights schools offer an “ABC” or “back to basics” program. These schools are highly structured and dedicated to academic excellence. ABC schools seek to build a sense of responsibility, patriotism, citizenship, confidence, pride in accomplishment and a positive self-image through academic achievement. To do this, ABC schools provide a quiet and orderly environment that utilizes a positive, firm, and consistent code of conduct. Birchwood and Northwood are K-6 schools and Northern Lights is a K-8 school.

Open optional schools exist at Willard L. Bowman, Chinook, Chugach Optional, Eagle River, Polaris K-12, and Susitna Elementary Schools. Optional programs are primarily child-centered, emphasizing the physical, emotional and academic development of the individual child. In open optional multi-grade classrooms students of different ages work and learn together. Students are responsible for directing some aspects of their own learning.

A Montessori program is offered at Denali Elementary School. Students in kindergarten through grade 6 learn in classrooms that emphasize individualized learning in a specially prepared environment using materials that are based on students’ developmental stages. Children progress at a rate appropriate to their ability and level of achievement. Direct instruction is used in individual and small group settings. Cooperative learning and peer coaching are integral parts of the Montessori program.

World Languages Partial Immersion Programs are offered at Sand Lake, Chugiak, Government Hill and Turnagain Elementary Schools. Sand Lake offers a partial immersion program in Japanese, Chugiak and Government Hill offer Spanish, and Turnagain offers Russian. In partial immersion programs students are immersed in the target language for half of the school day and learn in English for half of the day. A two-way immersion program in Spanish is housed at Government Hill Elementary, in this program both English and Spanish speaking students learn together in both languages. In addition, Scenic Park Elementary has a Chinese Foreign Language in the Elementary School (FLES) program, where students K-5 receive 30-60 minutes of Chinese language instruction each week.

Steller School offers individualized self-pacing education in grades 7 through 12 for self-motivated, self-disciplined students. The program maintains an informal and non-competitive environment. Community and parent participation is an integral part of Steller’s program.

East High School has a School-Within-A-School (SWS), which offers individualized self-pacing instruction to students in grades 9 through 12. The program emphasizes student responsibility and productivity. Students earn credit in a number of ways, including traditional class work, independent studies or small group research. Students enrolled in SWS may also take classes in East High’s programs.

Bartlett High School’s Humanities Interdisciplinary Program allows Bartlett students to become a part of a community. They are a group of people, grades 10, 11, and 12, of all ability levels, from advanced placement, academically motivated students, to learning disabled and at risk students, who acknowledge their interconnectedness, have a sense of common purpose, respect their differences, share in decision making, and share the responsibility for the group’s actions. The goals are to increase skills in reading, writing, listening, speaking, organizing, and thinking; to create a process of dialogue and reflection between students, between students and teacher and between teachers; to implement an exchange between students and the greater Anchorage community; to enable students to examine their relationship with

themselves, with others, and with the larger world community; to help students understand their own learning and writing process and to provide students with opportunities to invest time, energy, effort and creativity in long term projects in publishing, acting, video production and community service.

Central Middle School of Science focuses on math, science, and technology taught in an interdisciplinary manner. School business partnerships and community service are key components.

Polaris K-12 School is a unique school of 500 K-12 students. It offers an open-optional, fully inclusive learning environment.

Service Seminar School is based on the Paideia Seminar approach for Service students in grades 10-12.

West High School has a School of the Arts, which focuses on integrating the arts into the core curriculum and humanities. The International Baccalaureate Program began in the fall of 2004 for juniors and seniors. The preeminent college preparatory course of studies in the world, taught in more than 115 countries, includes courses in English, a second language, social studies, math, science & an arts elective.

Elitnaurvik-within-East (EWE) at East High School and Kanakugaq program at West High School are designed to emphasize the Alaska Native culture. These programs are open to all students. The primary emphasis of EWE and Kanakugaq is to improve academic performance, attendance, cultural identification, and family outreach.

The comprehensive high schools are moving toward smaller learning communities for all high school students. Under the collaborative teaching approach, groups of students share teachers in certain subjects, including social studies, math, language arts and science.

Charter schools are non-sectarian, public schools that operate within the public school district under written contracts with the local school board. Charter schools must comply with all local, state, and federal laws applicable to public schools and be accessible to all students who choose to apply. Charter schools differ from regular public schools in that they offer alternative teaching methods and alternative curricula. They also have more independence from regular schools in scheduling and budgetary decision making. During the 2008-2009 school year, the district operated eight charter schools as a result of legislation passed in 1995. These include the Alaska Native Cultural Charter School, K-6, that emphasizes Native subsistence life styles within the framework of the regular ASD curricula; Aquarian Charter School, K-6, that offers Spanish instruction and enrichment activities to all students; Eagle Academy Charter School, K-6, that emphasizes traditional teaching styles and core American values using the Spalding method of teaching; Family Partnership Charter School, K-12, that is a home school; Frontier Charter School, K-12, that is a home school; Highland Tech High, 7-12, that offers standard's based instruction and assessment in a technical environment; Rilke Schule German School of Arts and Sciences, K-8, that is a German language immersion school; and Winterberry Charter School, K-8, that has curriculum inspired by Waldorf Education.

Specialized middle school and senior high school programs are available:

A.V.A.I.L. is designed for students who have previously dropped out of school and desire to return to school. The program is a partnership with the business community and places high emphasis on basic educational and employment skills. To be eligible, a student must be between the ages of 15 1/2 and 19 and have been out of school for one entire semester.

Crossroads Program is the Anchorage School District's instructional setting for pregnant and parenting teens. Crossroads provides a supportive instructional environment which allows students to continue their education while pregnant and parenting. A complete program of instruction is provided with an emphasis on core academics. The program utilizes on-line instruction to compliment traditional coursework to meet the academic needs of the students. Maternity health is offered and community support contacts are available for students.

Continuation Program is a limited educational opportunity for students expelled for non-violent offenses, which allows students to stay connected to their education while completing the reinstatement criteria required by the School Board. The Continuation Program utilizes on-line instruction complimented by traditional instruction to meet the needs of the students. The instruction and course work are individualized for each student to coordinate with the courses/credits required for promotion to the next grade level and/or progress toward graduation.

S.A.V.E., COHO and Benny Benson, specialized programs for potential high school dropouts, combine work experience with regular high school classes. Students in 10th through 12th grades earn credit upon completion of contracts with teachers.

SEARCH is an individualized program designed for 13 to 15 year old students who have experienced academic, attendance and/or discipline problems in a regular school setting. It provides opportunities for both personal and academic growth. Students spend the day in a highly structured environment with individual attention readily available. The program is located at Benny Benson Secondary School.

Martin Luther King, Jr. Career Center (KCC) is a half-day program which offers high school students, sophomores through seniors, vocational training in 26 occupations. A third session now helps the program operate at KCC for students who can attend after-school classes.

The Anchorage School District is partnered with the Anchorage Home Builders Association, Associated General Contractors of Alaska, Cook Inlet Tribal Council, Alaska Works Partnership and the Alaska Department of Labor and Workforce Development to form the Anchorage Construction Academy. The Academy prepares students and adults for careers in construction. The district, through the funding from the Academy, is able to offer after-school and summer courses in construction related areas. A total of 970 students enrolled in construction related courses during the past school year; 207 of those students earned trade industry certifications; 86 students were employed in construction trade jobs.

Other programs for which students are referred by teachers and other staff, based on assessment, are also available.

Multi-Sensory Instruction (MSI) has been used in the Anchorage School District since 1973. The K-6 MSI alternative program is housed at Baxter Elementary School. The MSI approach teaches students how to learn by teaching traditional subject matter in a non-traditional manner. MSI methods do not cure learning difficulties, they "go around" them. As students learn information they see it, say it, hear it and feel it as their hands write it. Children who benefit from MSI interventions in first grade may have difficulties with speech or writing, following instruction they hear, or letter/sound recognition and other visual tasks.

The Gifted Program serves children in kindergarten through the 12th grade. The program provides pull-out enrichment services for gifted children in grades 2 through 6. Students in grades 7

and 8 can be eligible for gifted language arts and gifted science classes if they meet the program requirements. Two of the comprehensive middle schools serve 6th graders in language arts and science. The Gifted Program continues to have the Mentorship Program for qualified high school students in grades 11 and 12.

The Special Education Division provides services to students eligible for services under the federal Individuals with Disabilities Education Act (IDEA) and state regulations. Children experiencing disabilities are guaranteed a free appropriate public education when the disability is defined in one of fourteen eligibility categories, the disability adversely affects the education performance of the child, and because of the disability the child is in need of special education and related services. A team of professionals and the parent determine services for a student through development of the Individual Education Plan (IEP). Services are delivered in the least restrictive environment selected from a continuum of options, ranging from support in the general education classroom to special classes, special schools, and institutional settings. Special education services are provided in all district schools, including alternative and optional schools, charter schools, and special school programs. The IEP team may determine a need for Related Services which may include speech therapy, occupational therapy, physical therapy, counseling, specialized nursing services, audiological services or transportation.

Indian Education meets educational and cultural needs of Alaska Native and American Indian students. English Language Learners aids students whose first language is not English. Title I provides disadvantaged students with more help in the mastery of basic skills. Migrant Education provides services to meet the special needs of children whose education may have been affected by a lack of continuity. North Star Elementary Summer School was instituted in the summer of 2000 for remediation in math and reading.

Summer school opportunities are available for students in the kindergarten through 12th grade. Elementary summer school is offered to K-6 students who are not proficient in reading, writing or mathematics in the elementary grades. In addition, students may attend summer school to improve on existing grades, as well as attempt new courses for additional credit. Each year summer school is offered at a variety of sites around the school district. Students are referred by parents and/or teachers in the spring of each year and attend a six-week summer school program in June and July each summer. Summer school served over 4,000 students this year; in 2009 over 6,000 credits were earned in summer school.

An intensive K-3 reading initiative has been established to support School Board goals for academic excellence in the area of literacy. In addition, students in grades 4-12 are receiving opportunities to improve their reading and spelling skills. Reading specialists have been hired to support students K-12.

The "Creating Successful Futures" (CSF) program is a kindergarten through third grade program housed at Northwood and College Gate Elementary Schools. CSF II offers "aggression replacement" training for identified 4, 5, and 6 grade students. This is offered on site at various schools throughout the district each year. The CSF program is a highly structured, district-wide, short-term program designed to empower "at-risk" K-3 and grades 4-6 students to make safe and positive choices. Teaming with schools and parents, CSF equips students to develop the courage to change and achieve academic and social success. The CSF program serves 200-225 students per year.

STUDENTS

The Anchorage area had an estimated population of 284,994 in 2008. This represents an increase in residents of 0.9 percent over 2007.

The population is well educated and younger than national averages. Many residents are white-collar workers and have relatively high incomes. Once characterized as a “boom or bust” economy, the Anchorage economy just ended twenty-one years of uninterrupted, slow and steady job growth. The education/health care, retail trade, and leisure/hospitality industries are Anchorage’s largest employers, excluding government.

The Anchorage School District is charged with the responsibility of educating the young people of Anchorage. The district serves more than 48,000 students, which is 37 percent of the state’s total public school population. The minority and bilingual student population continues to increase annually with more than 90 languages spoken by district students. While ethnic minorities make up 25 percent of the Anchorage population, they are 51 percent of the district student population. The official enrollment for school year 2008-2009 reached 48,440 students: 24,779 elementary, 22,270 secondary, and 1,391 special services and contracted program students.

Approximately 28,975 Anchorage students participated in the Alaska Standards Based Assessment (SBA) in school year 2008-2009. The SBAs estimate the degree to which the students have mastered the Academic Performance Standards for reading, writing, mathematics, and science as outlined in the Grade Level Expectations (GLEs). The assessments were administered in grades 3-10 for reading, writing, and mathematics and grades 4, 8, and 10 for science. They are the foundation of the Alaska school accountability system. When the scores were aggregated at the district level, 81.0 percent were proficient in reading, 78.3 percent in writing, 70.6 percent in mathematics, and 57.0 percent in science.

The High School Graduation Qualifying Examination (HSGQE) is used to determine student competency in the essential skills of reading, writing, and mathematics. The HSGQE provides this information in the form of test scores that reflect the essential skills that students should know as a result of their public school experience. The requirement to pass all three subtests (reading, writing, and mathematics) of the HSGQE in order to earn a high school diploma has been in effect since 2004. The students take the HSGQE for the first time in the spring of their sophomore year. Of the sophomores enrolled in the Anchorage School District on May 21, 2009, 2,443 students or 68.1 percent had passed all three subtests on the first administration. Of the 1,146 students who have not passed all three subtests, 520 have only one remaining subtest to pass, 270 had two remaining subtests to pass and 356 have all three subtests to pass. Of the seniors enrolled in the Anchorage School District on May 21, 2009, 95.7 percent of those with sufficient credits to graduate had passed the HSGQE.

Norm-referenced tests are a tool for assessing group and individual performance over time. They allow a comparison of student performance against a national population and the comparison of group and individual growth. The norm-referenced testing for the 2008-2009 school year involved the administration of the TerraNova 3rd edition in grades five and seven. The mean normal curve equivalent scores for all students in grades five and seven ranged from 50 to 56 with the national average being 50. Anchorage School District students scored at or above the national average on all subtests. This is the aggregated data and does not reflect variations in achievement patterns for subgroups.

College bound students who take the ACT and SAT tests in Anchorage also do well. When reviewing the five-year trend data for ACT, the Anchorage scores are above the average for the nation and the state on every subtest and composite score. For the 2008-2009 school year, the average composite ACT score

for Anchorage was 23.0 compared to 21.1 nationally and 21.0 for our state. The average SAT math was 531 for Anchorage compared to 515 nationally and 516 for our state. The average SAT critical reading for Anchorage was 525 compared to 501 nationally and 520 for our state. The average SAT writing score for Anchorage was 500 compared to 493 nationally and 492 for our state.

In terms of meeting Adequate Yearly Progress as defined by No Child Left Behind, the Anchorage School District's 2008-2009 report shows overall test scores are slightly down; however, preliminary results of the district's graduation rate show an increase of nearly 5 percentage points, from 64.96 to 69.40 percent, or 7 percent of the overall score. Schoolwide results for the district's 96 schools are as follows: 96 percent met the test participating requirement, 85 percent met the language arts requirement, 89 percent met the math requirement and 97 percent met the attendance/graduation requirement. Thirty-nine ASD schools met every requirement for which they were accountable. Fifteen schools missed AYP by just one target; 42 schools missed by two or more targets. Language arts scores declined from 81.4 to 80.4 percent over last year and math scores declined from 73.7 to 71.4 percent since last year. The five-year trend shows language arts increasing slightly from 79.3 percent to 80.4 percent proficient. In math, the five-year trend shows a slight increase of 71.1 to 71.4 percent proficient. This year, six of the twenty-four Title I schools made AYP. In the previous year, six of twenty-three Title I schools made AYP.

STUDENT SUPPORT SERVICES

The Transportation Department provides school bus service for approximately 20,000 eligible students daily for a total of over 6,000,000 passenger trips a year. Two hundred and thirty-five (235) buses operate over 1,500 routes each school day and travel over 3,000,000 miles annually. The Transportation Department also scheduled and dispatched more than 4,800 buses on activity and field trips last year. Approximately one-third of school bus service is provided on district owned and operated buses and the remaining two-thirds of the service is provided by Forsythe Transportation, Inc.

The Vehicle Maintenance Department is responsible for the servicing and maintenance of one hundred-twenty one school buses, approximately four hundred forty support vehicles and equipment and 105 school based snow blowers. Fourteen mechanics staff the district's two vehicle maintenance shops.

The Student Nutrition Program serves over 21,425 meals daily or more approximately 3,642,259 meals a year to elementary, middle level and high school students. A school lunch costs \$2.90 for elementary, \$3.30 for middle school and \$3.75 for high school students. Choices in all areas include a wide variety using the five food groups of the food pyramid. Senior high students may purchase a complete well balanced meal or choose from a variety of nutritious foods, including salad bars and *Subway* sandwiches. Breakfast is served daily at many elementary and middle schools. All high schools offer various breakfast items. In addition, three days a week a fresh fruit or vegetable snack was provided during the school day to students at 11 high needs school.

Library Resources maintains the digital format of the Anchorage School District library index. This department also provides assistance in library automation training to all schools; conducts continuing education and in-service orientations, seminars, and classes on library services and library technology. All material housed in the school libraries are indexed at Library Resources. The district library database exceeds 425,000 titles located in 112 library centers. There are over 1.4 million items in the collections. The Anchorage School District library index is accessible to the community via the internet. Use of collection development plans and interlibrary loan strategies by school librarians in the school libraries benefit the educational program for all students, staff and community. The Anchorage School library index is available online to any community member by visiting Anchorage School District website and

selecting the webcat link. Anchorage School District resources are also identified in OPEN WORLDCAT, a portal of access available to any computer user in the world via the internet.

Audio-Visual Services provides a centralized system of instructional support. More than 12,000 items of curriculum material ranging from videocassettes to CD-ROM material for computer-assisted instruction are available for loan to Anchorage teachers and students. Coordination of the Federal Universal Services Administration E-Rate program that provides approximately \$1 million in discounted communication services to ASD is also accomplished by Audio-Visual Services. The organization also repairs all of the district's audio-visual and microcomputer equipment. The district's voice communications, including telephone, cell phones, and two-way radio systems are developed and coordinated by Audio-Visual Services. In addition, this department is responsible for the district's internal mail sorting facility, processing over 1 million items per year.

The Communications Department plans and implements an internal and external communications program through publications and advertising, media and community relations, and the ASD website. The department also includes Publications Services and Channel 14. Publications Services provides quality printed materials as needed by all departments and schools. Channel 14 broadcasts instructional programming and national and district programs on educational topics and services. In addition to airings of the ASD School Board meetings and special programming, the station runs a bulletin board between programs that provide event information, district committee meeting dates and times, school closure notices and more.

FINANCIAL HIGHLIGHTS

THE REPORTING ENTITY

This report covers all financial transactions and activities of the district. Based upon criteria developed by the Governmental Accounting Standards Board, the district is a component unit and integral part of the primary government, which is the Municipality of Anchorage and is included in their Comprehensive Annual Financial Report. Please refer to the Managements Discussion and Analysis beginning on page 3 for additional district financial information. The Anchorage Assembly approves the municipal tax appropriation and the total budget. The Municipality 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 Municipal Charter requires a December 31 fiscal year for the Municipality. Audited financial statements for the Municipality of Anchorage, including the district, are available upon request from their administrative offices.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

In developing and evaluating the district's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires continuing estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the district's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control is maintained by fund, organization and object in the General Fund and Food Service Special Revenue Fund and Debt Service Fund only. Budgetary control in the State and Federal Grants Special Revenue Fund is authorized and maintained by the granting agencies. Under the State and Federal Grants Special Revenue Fund, budget revisions and transfers within a grant must be approved by the granting agencies. Expenditures may not exceed the aggregate total amount of the budget, which includes the combined budgets of the following funds: General Fund, State and Federal Grants Special Revenue Fund, Food Service Special Revenue Fund, and Debt Service Fund.

District policy requires recording of encumbrances as a charge against appropriation in the accounting period in which purchase requisitions or purchase orders are issued rather than in the accounting period when goods or services are received as required by generally accepted accounting principles. Encumbrances are therefore reported as reservations of fund balance at June 30.

CASH MANAGEMENT

The district manages its cash resources to maximize interest earning while minimizing risk to the principal invested. The fiscal year 2008-2009 occurred during highly volatile financial market times, and as a result, the adjustment to fair value of the investments rose and fell sharply throughout the year. Through conservative investing and maintaining consistent principles throughout the year, the district did post investment income, net of adjustment to fair value, in the amount of \$3,148,355. This amount is \$5,374,667 less than earned in the prior year.

The district investment portfolio at June 30, 2009 was composed of these major groups:

- Municipal Investment Pool – 50 percent
- U.S. government securities – 32 percent
- Repurchase agreements – 11 percent
- Commercial paper – 5 percent
- Certificates of deposit – 1 percent
- Corporate bonds – 1 percent

RISK MANAGEMENT

The district has developed a risk management program committed to effectively manage all risks of accidental loss by protecting the district against the financial consequences of catastrophic losses; preserving the district's assets and educational system from loss, destruction or depletion; establishing a Loss Control Plan to identify, prevent and control accidental losses and their consequences, creating a system to continually evaluate and assess the district's capacity and financial resources to provide protection from loss; and establishing an exposure-free work and educational environment in which district personnel, students, and the public can enjoy safety and security in the course of their pursuits.

In addition, the department administers all workers' compensation claims, procures all property/casualty excess insurance, reviews insurance requirements for contracted services, monitors safety programs, and assures compliance to environmental, health and safety regulations.

FINANCIAL OUTLOOK

The Anchorage School District is very fortunate to receive federal education funds provided through the American Recovery and Reinvestment Act (ARRA) effective for fiscal years 2009-2010 and 2010-2011. The purpose of these funds is to provide a unique opportunity to jump start school reform and improvement efforts while also saving and creating jobs and stimulating the economy. These one-time funds are being spent to improve student achievement, long-term gains in our school system, and increased productivity and effectiveness. The district fully understands that the ARRA funds are two-year funds and that the Alaska State Legislature makes no commitment that it will replace the federal stimulus money when it expires.

After a number of years of the Alaska state government enjoying a budget surplus because of historically high oil prices, the turmoil and slow-down of the economy has reduced oil prices and the district is expectant that those reductions will have a negative impact on the district's state allocations in the future. State funding makes up approximately two-thirds of the district's General Fund revenue, and therefore future funding from the state has a major impact on the Anchorage School District. However, in 2007, House Bill 273 was signed into law providing forward funding for the Alaska State Public School Funding Program through fiscal year 2010-2011 so the near future is more certain than in other states, although continues to be subject to appropriation on a yearly basis by the legislature. Additionally, separate legislation, Senate Bill 125, was also passed securing consistent district contribution rates to the state retirement systems that the district participates in. The funding comes through a commitment from the State of Alaska to contribute on-behalf payments directly to the retirement systems for the amount required to meet the actuarially determined rate in the amount of approximately \$69 million for the district in fiscal year 2009-2010, also subject to annual legislative appropriation.

The district has approved a balanced budget for the fiscal year 2009-2010 by appropriating \$3.9 million of fund balance, but has currently projected a budget deficit of \$2.9 million for the fiscal year 2010-2011 budget. Items that contribute significantly to the projected gap between anticipated revenues and expenditures include: increased expenditures for programs and services to meet state and federal mandates such as the No Child Left Behind Act (NCLB) and the Individuals with Disabilities Education Act (IDEA) and the implementation of the district's Six-Year Instructional Plan; cost increases related to employee contracts, and utility and fuel rate increases. The use of ARRA funds will continue through the 2010-2011 budget but are not allowed to supplant, or assume, the costs of general education activities and therefore will not be used to fill this gap.

INDEPENDENT AUDIT

The statutes of the State of Alaska and the Municipal Charter require that an annual independent audit be made of all the district accounts by an independent certified public accountant selected by the Board. This requirement has been complied with and the independent auditor's opinion has been included in the financial section of this report.

CERTIFICATE OF EXCELLENCE/CERTIFICATE OF ACHIEVEMENT

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 for the fiscal year ended June 30, 2008.

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, 2008.

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 comprehensive annual financial report, 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.

ACKNOWLEDGMENTS

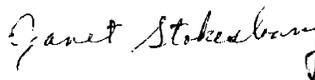
The preparation of this report could not be accomplished without the efficient and dedicated services of the entire accounting staff, data processing, budget staff, independent auditors, and administrative staff. We would like to express our appreciation to all staff members who assisted and contributed 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 the financial operations of the district in a responsible and progressive manner.

Respectfully submitted,



Carol Comeau
Superintendent

Prepared by,



Janet Stokesbary
Chief Financial Officer

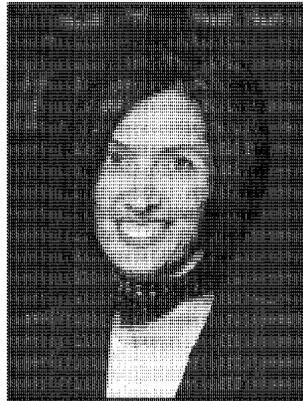
The Anchorage School Board



John Steiner
President



Tim Steele
Vice President



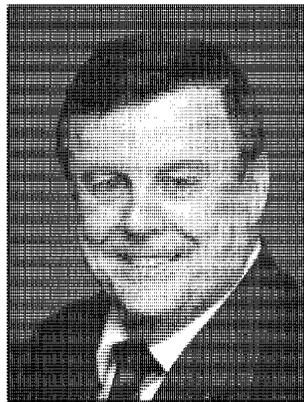
Jeannie Mackie
Clerk



Kathleen Plunkett
Treasurer



Crystal Kennedy



Pat Higgins

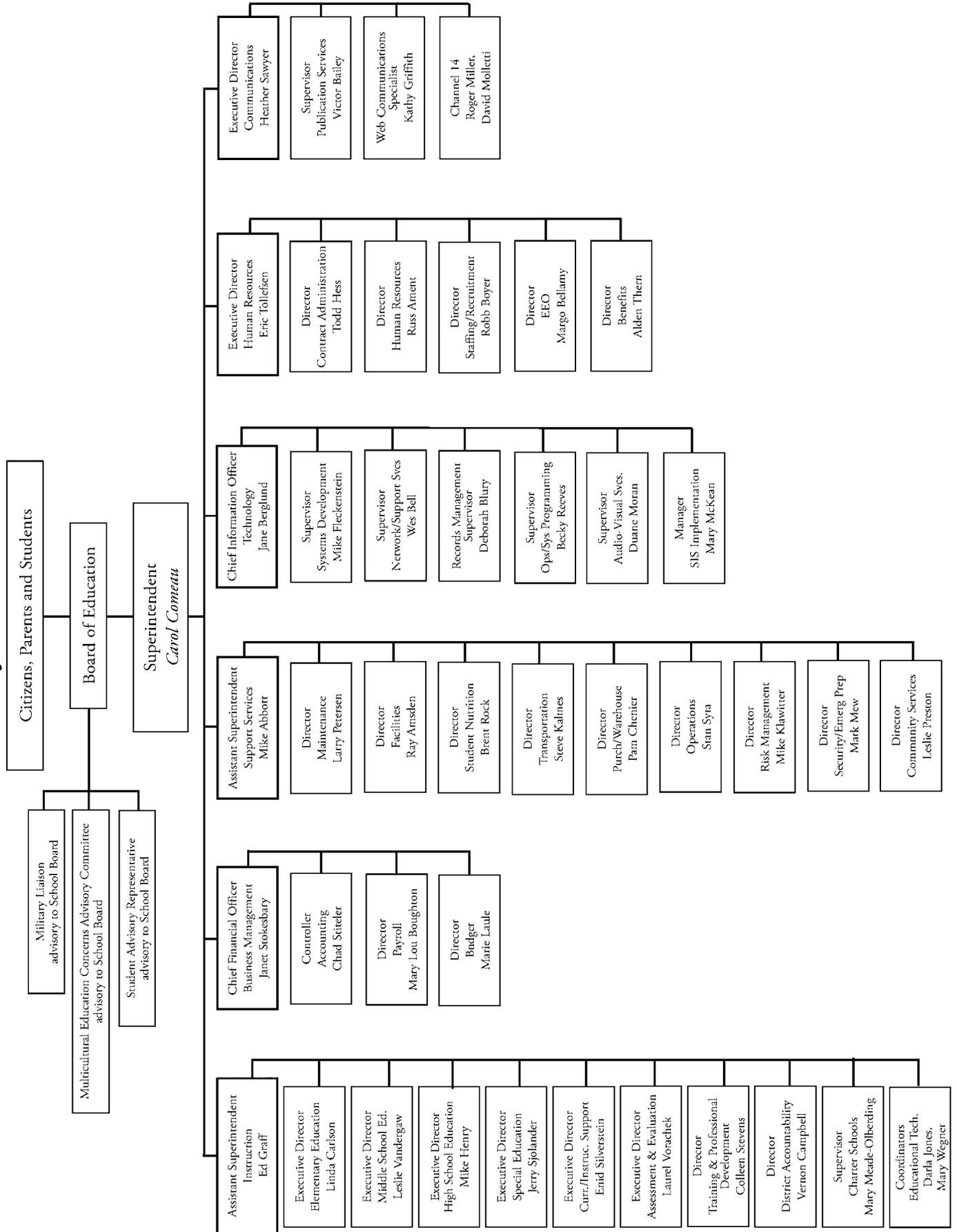


Jeff Friedman

The Anchorage School Board is the legislative branch of the Anchorage School District and is composed of seven members. The board has regularly scheduled meetings on the second and fourth Mondays of each month at 6:30 p.m. School board work sessions are scheduled on the third Monday or as needed. The meetings are held in the board room of the ASD Education Center located at 5530 E. Northern Lights Boulevard. In addition, special meetings and work sessions are scheduled throughout the year.

ANCHORAGE SCHOOL DISTRICT ORGANIZATIONAL CHART

JULY 2009



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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This 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, 2008

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Angela Pitman

President

John D. Messer

Executive Director

Independent Auditor's Report

Members of the School Board
Anchorage School District
Anchorage, Alaska

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, as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Anchorage School District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the State and Federal Grants Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2009 on our consideration of the Anchorage School District's internal control over financial reporting and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* and should be considered in assessing the results of our audit.

Members of the School Board
Anchorage School District

The management's discussion and analysis on pages 3-13 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Anchorage School District's basic financial statements. The combining and individual fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is 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, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mikunda, Cottrell & Co.

Anchorage, Alaska
October 6, 2009

Management's Discussion and Analysis

As management of the Anchorage School District, we offer readers of the Anchorage School District's financial statements this narrative overview and analysis of the financial activities of the Anchorage School District for the year ended June 30, 2009. 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-xxiii of this report. Professional standards require the inclusion of certain comparative information in the Management's Discussion and Analysis (MD&A).

Financial Highlights

- The assets of the Anchorage School District exceeded its liabilities at the close of the most recent fiscal year by \$593,326,200 (net assets). Of this amount, \$113,209,371 (unrestricted net assets) may be used to meet the district's ongoing obligations to citizens and creditors.
- The district's total net assets increased by \$41,049,269 due to the reduction in long term debt, the special item write-off of the net pension obligation and other post-employment benefits, and revenues exceeding expenses for the year.
- As of the close of the fiscal year, the district's governmental funds reported combined ending fund balances of \$183,872,865. Of this total, \$42,379,330 is not committed and available for spending at the district's discretion (undesignated fund balance).
 - The district has designated \$31,921,611 of unreserved fund balance for purposes in future years.
 - At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$23,509,451 or 4.1 percent of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Anchorage School District's basic financial statements. The Anchorage School 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 Anchorage School District's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the Anchorage School District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Anchorage School District is improving or deteriorating.

The Statement of Activities presents information showing how the district's net assets changed during the most recent fiscal year. All changes in net assets 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 and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Anchorage School 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, construction and facility acquisition, and interest expense.

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

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

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

The district's financial transactions are recorded on a modified accrual basis of accounting for the various governmental fund types. The modified accrual basis of accounting is defined as that method of accounting in which revenues are recorded in the accounting period in which they become susceptible to accrual; this is, when they become both measurable and available to finance expenditures of the current period. The source of revenue not considered susceptible to accrual is Federal Impact Aid under Title VIII of the Elementary and Secondary Education Act of 1965. All other revenue sources are considered susceptible to accrual. 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 and accrued compensated absences.

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 Anchorage School 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 Anchorage School 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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, 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 Anchorage School District maintains six 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, State and Federal Grants Special Revenue Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds. Data from the other two governmental 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 Anchorage School District adopts an annual appropriated budget for its General Fund, State and Federal Grants Special Revenue Fund, Food Service Special Revenue Fund and Debt Service Fund. Budgetary comparison schedules have been provided for the General Fund and State and Federal Grants Special Revenue Fund. The supplementary information also includes budgetary information for the Food Service Special Revenue Fund and Debt Service Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17-26 of this report.

Proprietary funds. The Anchorage School District maintains an Internal Service Fund for equipment replacement, and as of June 30, 2009, has also established a second Internal Service Fund to account for one of the district's health insurance plans. The Equipment Replacement Fund is used to account for the financing of government equipment and vehicles. Because both of 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 separate presentation. The basic proprietary fund financial statements can be found on pages 27-29 of 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 30-52 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 Anchorage School District's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 50 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 53-109 of this report.

The capital assets used in the operation of governmental activities can be found on pages 111-113.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Anchorage School District, assets exceeded liabilities by \$593,326,200 at the close of the most recent fiscal year. On the following page, Table 1 compares the net assets of the most recent fiscal year to the prior fiscal year.

Table 1 -- Net Assets

| | Governmental Activities | |
|--|-------------------------|-----------------------|
| | 2008-2009 | 2007-2008 |
| ASSETS | | |
| Current and other assets | \$ 345,845,835 | \$ 363,436,484 |
| Capital assets | 1,216,608,262 | 1,190,304,604 |
| Total assets | <u>1,562,454,097</u> | <u>1,553,741,088</u> |
| LIABILITIES | | |
| Net pension obligation and other post-employment benefits | -- | 17,582,137 |
| Bonds payable, net of premium/discount | 788,866,548 | 806,326,034 |
| Other liabilities | 180,261,299 | 177,555,986 |
| Total liabilities | <u>969,127,847</u> | <u>1,001,464,157</u> |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 478,070,820 | 459,600,531 |
| Restricted | 2,046,009 | 23,397,060 |
| Unrestricted | 113,209,371 | 69,279,340 |
| Total net assets | <u>\$ 593,326,200</u> | <u>\$ 552,276,931</u> |

By far the largest portion of the Anchorage School District's total assets reflects its investment in capital assets (e.g. land, building, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The Anchorage School 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 assets invested in capital assets, net of debt was \$478,070,820. 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.

A small portion of the Anchorage School District's net assets (.3 percent) represents resources that are subject to external restrictions on how they may be used. The amount of \$2,046,009 is related to debt service. The remaining balance of unrestricted net assets (\$113,209,371) may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net assets increased \$43,930,031 over the prior year, primarily in part to the reduction of long-term liabilities and the special item write-off of the net pension obligation and other post-employment benefits liability.

Effective, July 1, 2008, the district permanently reduced its liabilities by the full amount (\$17,582,137), of the net pension and other post employment benefits obligation that had been incurred based on the district employees' enrolled in the Public Employees' Retirement System. Senate Bill 125 was passed in the second session of the 25th Alaska State Legislature to change the Public Employees' Retirement System from a multiple-agent public employee retirement plan to a cost-sharing multiple employer public employee retirement plan. This change in the plan removed the individual employer obligation to the unfunded liability of the plan.

Additionally, the bonds payable, net of premium and discounts was reduced by \$17,459,486 as bond payments made were significantly greater than the amount of new bonds sold over the fiscal year. The additions in construction in progress also reduced the district's restricted net assets for authorized construction, net of authorized to zero, and increasing the investment in capital assets, net of related debt.

Table 2 highlights the district's revenues and expenses for the fiscal year 2008-2009. These two main components are subtracted to yield the change in net assets. 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 support. Expenses are shown in programs including general administration, instruction, pupil transportation, operation and maintenance of plant, community service, food services & interest expense.

The decrease in program revenues is due to reduced funds received from the State of Alaska to help defray the costs of increases to the state retirement systems based on the adjusted required contribution rate. General revenue increases came from an increased tax appropriation from the Municipality of Anchorage and the Alaska Public School Funding Program. Energy relief and school improvement grant state revenues were one year allocations only and did not continue in fiscal year 2008-2009. The increase to the Alaska Public School Funding Program was due in part to enrollment, but most significantly due to changes in the formula itself. An increase to the base student allocation and for special education increased funds dramatically over funds received in the prior year.

Table 2 – Program Revenues and Expenses

| | Governmental Activities | |
|---|-------------------------|-----------------------|
| | 2008-2009 | 2007-2008 |
| Revenues: | | |
| Program revenues: | | |
| Charges for services and sales | \$ 7,115,057 | \$ 7,700,114 |
| Operating grants and contributions | 161,289,667 | 171,431,127 |
| Capital grants and contributions | 46,810,987 | 41,082,316 |
| General revenues: | | |
| Appropriation from | | |
| Municipality of Anchorage | 217,971,708 | 206,359,861 |
| Investment income | 3,148,355 | 8,523,023 |
| Public school funding program | 281,733,376 | 264,718,683 |
| School improvement grant | -- | 7,890,604 |
| Energy relief | -- | 6,656,602 |
| Federal impact aid | 15,333,815 | 14,150,178 |
| Other | 1,830,426 | 2,794,520 |
| Special item: | | |
| Net pension and other post employment benefits write-off | 17,582,137 | -- |
| Total revenues and special items | <u>\$ 752,815,528</u> | <u>\$ 731,307,028</u> |

Table 2 – Program Revenues and Expenses (continued)

| | Governmental Activities | |
|---------------------------------------|-------------------------|-----------------------|
| | 2008-2009 | 2007-2008 |
| Program expenses: | | |
| General administration | \$ 17,734,805 | \$ 18,572,821 |
| Instruction | 588,836,769 | 572,761,690 |
| Pupil transportation | 19,580,050 | 20,087,773 |
| Operation and maintenance of plant | 30,863,209 | 29,996,382 |
| Community service | 988,897 | 856,785 |
| Food services | 16,855,858 | 16,054,390 |
| Construction and facility acquisition | 513,472 | 241,710 |
| Interest expense | 36,393,199 | 36,773,707 |
| Total expenses | <u>711,766,259</u> | <u>695,345,258</u> |
| Increase in net assets | 41,049,269 | 35,961,770 |
| Net asset beginning of year | 552,276,931 | 516,315,161 |
| Net assets ending | <u>\$ 593,326,200</u> | <u>\$ 552,276,931</u> |

Table 3 discloses cost of services for the governmental activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount 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. The difference in these two columns would represent restricted grants, fees and donations.

Table 3 – Cost of Services

| Governmental Activities | Total Cost of Services 2008-2009 | Net Cost of Services 2008-2009 |
|---------------------------------------|----------------------------------|--------------------------------|
| General administration | \$ 17,734,805 | \$ 16,789,982 |
| Instruction | 588,836,769 | 460,701,366 |
| Pupil transportation | 19,580,050 | 934,439 |
| Operation and maintenance of plant | 30,863,209 | 27,679,216 |
| Community service | 988,897 | 330,724 |
| Food service | 16,855,858 | 317,061 |
| Construction and facility acquisition | 513,472 | (46,595,439) |
| Interest expense | 36,393,199 | 36,393,199 |
| Total expenses | <u>\$ 711,766,259</u> | <u>\$ 496,550,548</u> |

Financial Analysis of the Government's Funds

Anchorage School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – the focus of the Anchorage School 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, undesignated fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. Reserved fund balance may serve as an indication of resources allocated to future expenditures.

The overall governmental funds fund balance decreased by \$25,653,761 as of June 30, 2009. Encumbrances within the Capital Projects Fund were reduced by \$26,653,956 because of expenditures for ongoing projects, thus the majority of the reduction in total reserved fund balance. The school board authorized two designations for the fiscal year ending June 30, 2009 for the General Fund; \$18,600,421 per an agreement with the Municipality of Anchorage to ensure the maintenance of the municipality bond rating, and \$3,900,000 for expenditures in the fiscal year 2009–2010 budget.

General Operating Fund

The General Fund is the chief operating fund of the district. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$54,389,927, while total fund balance reached \$119,241,127. As a measure of the General Fund’s liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund revenues. The Governmental Finance Officers Association recommends an unreserved fund balance in the amount of 5 percent to 15 percent of regular General Fund operating revenues. The district’s General Fund unreserved fund balance represents 9.5 percent of total General Fund revenues, while the total General Fund fund balance represents 20.8 percent of the same amount. The fund balance of the district’s General Fund decreased by \$438,208 during the fiscal year 2008-2009. Significant factors are as follows:

- Net revenues equal 98.7 percent of budgeted revenues. Contributing factors were:
 - Investment income was lower than expected due to a sharp decline in the stock market during the first half of fiscal 2008-2009.
 - Federal Impact Aid was more than budgeted. The amount of Federal Impact Aid revenue each year is uncertain because it is subject to pro-ration based on the annual funding appropriated by Congress.
 - Retirement systems employer relief was less than expected since the state did not fully fund the actuarially determined rate as intended. This resulted in a shortfall of revenues and expenditures in the approximate amount of \$4 million.
- On a budgetary basis, 98.3 percent of the final budget amount was either expended or encumbered by June 30, 2009.
 - Actual expenditures were \$9,664,868 less than budgeted because of lower than anticipated utility increases, lower personnel costs and lower general administration costs.

The General Fund expenditure budget for the year ended June 30, 2009 was \$576,915,706, an increase of \$786,876 over the prior year budget of \$576,128,830. The General Fund budget was reduced by \$4,000,000 on June 8, 2009 in order to accommodate an increase to the Local, State and Federal Grants Special Revenue Fund because of increases in the amounts and quantity of grants received over the course of the fiscal year. The reduction was available in the General Fund because of a lower than expected average teacher salary, lower than anticipated utility increases and lower general administration costs.

Special Revenue Fund

Grants reported in the State and Federal Grants Special Revenue Fund are cost reimbursable grants; therefore, expenditures are equal to revenues. Expenditures & revenues for the State and Federal Grants Special Revenue Fund for the year were \$48,110,610, an increase of 6.2 percent over prior year. Funds and budget allocation were increased in this fund as mentioned above to recognize the increase in awards both in value and quantity, over what was expected.

Debt Service Fund

The Debt Service Fund has a total fund balance of \$2,046,009, all of which is reserved for payment of debt service. The net decrease in the fund balance of \$663,615 was used towards debt service payments in the current year, which reduced the tax payers' burden.

Capital Projects Fund

The Capital Projects Fund closed the fiscal year with \$61,737,569 in expenditures. Proceeds from the August 2007 and December 2008 general obligation bond sale primarily financed the activity for the year, thus decreasing the total fund balance on June 30, 2009 to \$56,656,957. Activity stemming from the approved propositions is reflected within the expenditures for the year as well.

Capital Assets and Debt Administration

Capital assets. The Anchorage School District's investment in capital assets for its governmental activities as of June 30, 2009 amounts to \$1,216,608,262 (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 was 2.2 percent.

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

- Bartlett High School Phase 2 Design and Renovation
- Chugiak High School Electrical Upgrades
- Clark Middle School Replacement
- East High School Phase 3 Renovation/Phase 4 Design
- West High School HVAC
- Chester Valley Elementary School Design and Addition
- Susitna Elementary School Roof
- Sand Lake Elementary School Design and Addition
- Student Nutrition Emergency Preparedness
- Warehouse Upgrade

The following table shows ending balances of capital assets invested in various categories. The district recognized a total increase of \$26,303,658 less the depreciation expense.

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

| | <u>Governmental Activities</u> | |
|-----------------------------------|--------------------------------|------------------------|
| | <u>2008-2009</u> | <u>2007-2008</u> |
| Land | \$ 42,357,063 | \$ 31,426,615 |
| Land improvements | 12,636,029 | 13,532,441 |
| Buildings, equipment and vehicles | 1,074,835,537 | 902,767,761 |
| Construction in progress | 86,779,633 | 242,577,787 |
| Totals | <u>\$1,216,608,262</u> | <u>\$1,190,304,604</u> |

A summary of project-length Capital Projects Fund expenditures is included as Schedule D-3 in the financial section of this report. Over FY 2008-2009, the district was able to close out much of the construction in progress from prior years by finalizing projects and spending down older bond sale funds.

Long-Term Debt. As of June 30, 2009 the Anchorage School District had general obligation bonds outstanding totaling \$772,585,000. This entire amount of \$772,585,000 comprises debt backed by the full faith and credit of the Municipality of Anchorage. In the current year, the district paid \$46,630,000 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

| | <u>Governmental Activities</u> | | <u>Maturity</u> |
|--------------------------|--------------------------------|-----------------------|-----------------|
| | <u>2008-2009</u> | <u>2007-2008</u> | |
| General obligation bonds | <u>\$ 772,585,000</u> | <u>\$ 789,375,000</u> | 2028 |

As of June 30, 2009, the Anchorage School District’s available authorized but unissued general obligation school bonds amounts \$33,870,000.

Outstanding debt on general obligation bonds of the Municipality of Anchorage, including the district, is reflected in the Municipality of Anchorage’s Comprehensive Annual Financial Report for their fiscal year ended December 31, 2008.

The Municipality of Anchorage’s current bond ratings are as follows:

| | <u>Fitch’s</u> | <u>Standard and Poor’s</u> |
|--------------------------|----------------|----------------------------|
| General obligation bonds | AA | AA |

Economic Factors and Next Year’s Budgets and Rates

- On February 17, 2009, President Obama signed in to law the American Recovery and Reinvestment Act [ARRA] of 2009. This bill provides significant funds to the district for supplemental projects and activities. While the funds were federally available in fiscal year 2008-2009, the regulatory process at the federal, state, and district level effectively set these funds as fiscal year 2009-2010 funds. ARRA funds are spendable through September 2011 and the district has budgeted for projects to cover both

fiscal year 2009-2010 and fiscal year 2010-2011. A total allocation to the district of \$58,875,319 was accepted and increased the district's Adopted Financial Plan for the fiscal year 2009-2010. The district is implementing many new projects and will evaluate each of these projects in relation to their success to existing district programs and at the conclusion of the funds, the district will make necessary determinations to continue with the most successful programs.

- Revisions passed by the Alaska Legislature and the governor made a number of changes to the state revenues including contributions to the retirement systems on-behalf of school districts that had a positive effect on district funding for fiscal year 2008-2009 and will continue for the future years:
 - In the summer of 2007, a Joint Legislative Education Task Force was created to review the state-wide school funding mechanism. A report was submitted to the governor and legislature in September 2007. The report included recommendations for additional district funding as well as a multi-year funding formula to allow for more accurate future year budget projections. Legislation, specifically House Bill 273, was passed in the second session of the 25th Legislature marking a historic change to Alaska school district funding by passing all the recommendations of the task force. The significant elements of that passage to affect fiscal year 2009-2010 include the following changes to the Public School Funding Formula:
 - A \$100 increase to the base student allocation to \$5,580. An additional \$100 increase is included in statute for fiscal year 2010-2011.
 - An increase to intensive special education student funding by increasing the multiplier from 9 to 11 and from 11 to 13 for fiscal year 2010-2011.
 - While not included in the Public School Funding Formula, the governor and legislature also approved a re-calibration to increase funding for pupil transportation to offset the increasing costs based on the task force recommendation, and included an annual Consumer Price Index adjustment.
- Since the start of the school year, preliminary enrollment data have shown increases above the projected enrollment, thus increasing state funding projections.
- The Citizens Property Tax Cap limits the amount of local taxes for general government and school purposes. The calculation does allow for both economic change (inflation and population) and for a number of other factors including new construction, debt service, voter-approved new services, special taxes, operations and maintenance costs on voter-approved projects, and judgments.
 - The official Consumer Price Index of 4.6 percent and a five-year average population growth of 1.1 percent were used in calculating the total tax revenue for the General Fund for fiscal year 2009-2010. These two factors are major components that make up the formula that allows for collection of property taxes that support the operations of the district. The Anchorage Assembly appropriated 99.97% of tax appropriation requested by the district under the Citizens Property Tax Cap.
 - A taxpayer initiative was passed in the April 2009 municipal election to alter the Citizens Property Tax Cap by excluding municipal utility payments from the tax cap and changing the consumer price index to a 5 year average. There is current discussion ongoing regarding the implementation of this change. The range of effect to the district's eligible taxes is undetermined at this point.
- A major driving force of the district's financial outlook is student enrollment. Maturing of the Anchorage population coupled with low birth rates should result in a significant decline in student enrollment. However, the district has experienced a slight decline in enrollment since its historic

enrollment of 50,029 students in fiscal year 2002-2003. This slow rate of decline can be explained by increased in-migration, rural-urban transitioning, and immigration from other countries. This movement in the student population has cushioned the decline in enrollment. Last year, enrollment bottomed at 48,440 students which was only 17 students less than 2007-08. The 2009-10 enrollment was projected to be 48,548 only slightly more than 2008-09. However, enrollment by the 10th day of school was already 237 students more than the projected, and by week 4 the district had more than 500 more students than projected. The increase in enrollment has been anecdotally attributed to in-migration from the Lower 48 as families move from communities hard hit by the recession in search of job opportunities. Military student enrollments also increased as the numbers of airmen and soldiers on Elmendorf Air Force Base and Fort Richardson Army Post continue to increase. Fort Richardson is expected to receive an additional 1,500 soldiers between 2009 and 2013.

- Interest rates and market conditions remained highly volatile throughout fiscal year 2008-2009 and the financial market performance declined for much of the year. However, the final quarter of the fiscal year proved more consistent and positive earnings helped offset prior losses. With the ongoing weakness in the housing market, and higher unemployment rates, interest rates are likely to remain low over fiscal year 2009-2010.
- Rate increases to purchased services have continued due to the fluctuations in oil production as well as the price of oil. Underlying costs to provide services and produce products, such as insurance and shipping, have been passed along to the district. In addition, maintenance material costs have increased due to the diversion of these materials to overseas and natural disaster reconstruction.
- Subsequent to the fiscal year 2009-2010 budgeting process, the federal government reauthorized the Medicaid reimbursement program. The state has implemented a new training program for Medicaid reimbursements that the district will take part in and anticipates to receive additional revenue from the participation in the program.
- Even with close monitoring of all the utilities across the district, due to energy rate increases in some markets such as gasoline, heat and electricity, the district is experiencing higher energy costs than in previous years and expects in general to see rates continue to increase.

All of these factors were considered in preparing the Anchorage School District's budget for the 2009-2010 fiscal year.

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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June 30, 2009
With Comparative Totals for
June 30, 2008

STATEMENT OF NET ASSETS

| | Governmental Activities | |
|--|-------------------------|-----------------------|
| | 2009 | 2008 |
| Assets | | |
| Cash and investments, at cost | \$ 163,251,267 | \$ 192,266,774 |
| Cash and investments with paying agent | 25,703,901 | 24,433,858 |
| Accounts receivable (net) | 2,221,846 | 1,961,058 |
| Interest receivable | 207,047 | 348,282 |
| Due from other governments | 134,505,872 | 126,296,191 |
| Prepaid items | 10,609,011 | 8,329,851 |
| Inventory, at weighted average cost | 2,999,780 | 2,911,107 |
| Deferred charges | 6,347,111 | 6,889,363 |
| Capital assets: | | |
| Non-depreciable: | | |
| Land | 42,357,063 | 31,426,615 |
| Construction in progress | 86,779,633 | 242,577,787 |
| Depreciable: | | |
| Land improvements | 47,073,726 | 46,742,909 |
| Buildings and equipment | 1,433,348,724 | 1,233,816,848 |
| Pupil transportation equipment | 9,044,380 | 9,142,408 |
| Accumulated depreciation | (401,995,264) | (373,401,963) |
| Capital assets, net of accumulated depreciation | <u>1,216,608,262</u> | <u>1,190,304,604</u> |
| Total assets | <u>1,562,454,097</u> | <u>1,553,741,088</u> |
| Liabilities | | |
| Accounts payable | 4,353,218 | 8,329,164 |
| Contracts payable | 5,121,316 | 6,448,979 |
| Medical claims payable, including IBNR | 5,623,423 | 5,468,253 |
| Interest payable | 11,841,518 | 11,955,144 |
| Accrued salaries and related items: | | |
| Wages and salaries payable | 2,393,719 | 1,952,016 |
| Payroll taxes, other accrued and withheld items | 9,211,265 | 8,106,080 |
| Unearned revenue | 117,098,869 | 109,642,133 |
| Noncurrent liabilities: | | |
| Due within one year: | | |
| Accrued compensated absences | 9,386,883 | 8,919,787 |
| Workers' compensation payable | 4,364,719 | 4,685,640 |
| Bonds payable | 49,520,000 | 46,630,000 |
| Due in more than one year: | | |
| Workers' compensation payable | 10,866,419 | 12,048,790 |
| Net pension obligation and other post-employment benefits | -- | 17,582,137 |
| Bonds payable, net of premium/discount | <u>739,346,548</u> | <u>759,696,034</u> |
| Total liabilities | <u>969,127,897</u> | <u>1,001,464,157</u> |
| Net Assets | | |
| Investment in capital assets, net of related debt | 478,070,820 | 459,600,531 |
| Restricted for: | | |
| Debt service | 2,046,009 | 2,709,623 |
| Authorized construction, net of authorized unissued bonds | -- | 20,687,437 |
| Unrestricted | <u>113,209,371</u> | <u>69,279,340</u> |
| Total net assets | <u>\$ 593,326,200</u> | <u>\$ 552,276,931</u> |

For the Year Ended June 30, 2009 STATEMENT OF ACTIVITIES

| Functions/Program | Expenses | Program Revenues | | | Net (Expenses) Revenue and Changes in Net Assets |
|---|-------------------------|----------------------------|--|--|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| District-wide Activities: | | | | | |
| General administration | \$ (17,734,805) | \$ 19,604 | \$ 925,219 | \$ -- | \$ (16,789,982) |
| Instruction | (588,836,769) | 1,606,288 | 126,529,115 | -- | (460,701,366) |
| Pupil transportation | (19,580,050) | -- | 18,645,611 | -- | (934,439) |
| Operation and maintenance of plant | (30,863,209) | -- | 3,183,993 | -- | (27,679,216) |
| Community services | (988,897) | 580,448 | 77,725 | -- | (330,724) |
| Food services | (16,855,858) | 4,911,270 | 11,627,527 | -- | (317,061) |
| Construction and facility acquisition | (513,472) | -- | 297,924 | 46,810,987 | 46,595,439 |
| Interest expense | (36,393,199) | -- | -- | -- | (36,393,199) |
| Total district-wide activities | <u>\$ (711,766,259)</u> | <u>\$ 7,117,610</u> | <u>\$ 161,287,114</u> | <u>\$ 46,810,987</u> | <u>(496,550,548)</u> |
| General revenues: | | | | | |
| Unrestricted: | | | | | |
| Appropriation from Municipality of Anchorage | | | | | 217,971,708 |
| Investment income | | | | | 3,148,355 |
| Public School Funding Program | | | | | 281,733,376 |
| Federal Impact Aid | | | | | 15,333,815 |
| Other | | | | | 1,830,426 |
| Special item: | | | | | |
| Net pension obligation and other post-employment benefits write-off | | | | | <u>17,582,137</u> |
| Total general revenues and special items | | | | | <u>537,599,817</u> |
| Change in net assets | | | | | 41,049,269 |
| Net assets at beginning of year | | | | | <u>552,276,931</u> |
| Net assets at end of the year | | | | | <u>\$ 593,326,200</u> |

See accompanying notes to basic financial statements.

June 30, 2009
With Comparative Totals for
June 30, 2008

BALANCE SHEET - GOVERNMENTAL FUNDS

| | General | State and | Debt | Capital | Non-Major | Totals | |
|--|-----------------------|---|----------------------|----------------------|---------------------|-----------------------|-----------------------|
| | | Federal Grants Special Revenue | | | | Service | Projects |
| Assets | | | | | | | |
| Cash and investments, at cost | \$ 96,694,534 | \$ -- | \$ 150,598 | \$ 56,984,875 | \$ 2,345,837 | \$ 156,175,844 | \$ 186,287,367 |
| Cash with paying agent | -- | -- | 21,249,819 | 4,454,082 | -- | 25,703,901 | 24,433,859 |
| Accounts receivable (net of any allowances for uncollectibles) | 1,169,406 | 558,847 | -- | 439,988 | 53,605 | 2,221,846 | 1,961,058 |
| Interest receivable | -- | -- | 336 | 204,709 | 2,002 | 207,047 | 348,282 |
| Due from other funds | 36,955,857 | -- | -- | -- | 2,873,310 | 39,829,167 | 40,713,734 |
| Due from other governments | 95,956,874 | 15,596,434 | 20,951,778 | 1,878,471 | 122,315 | 134,505,872 | 126,296,192 |
| Prepaid items | 10,507,949 | 54,155 | -- | 23,306 | 23,602 | 10,609,012 | 8,329,851 |
| Inventory | 2,016,515 | -- | -- | -- | 983,265 | 2,999,780 | 2,911,107 |
| Total assets | \$ 243,301,135 | \$ 16,209,436 | \$ 42,352,531 | \$ 63,985,431 | \$ 6,403,936 | \$ 372,252,469 | \$ 391,281,450 |
| Liabilities and Fund Balances | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ 3,930,995 | \$ 373,285 | \$ -- | \$ 3,270 | \$ 45,668 | \$ 4,353,218 | \$ 8,329,164 |
| Contracts payable | -- | -- | -- | 5,121,316 | -- | 5,121,316 | 6,448,979 |
| Medical claims payable | 5,623,423 | -- | -- | -- | -- | 5,623,423 | 5,468,253 |
| Due to other funds | 7,621,937 | 15,038,157 | 19,789,606 | 2,086,969 | 41,125 | 44,577,794 | 41,808,199 |
| Accrued salaries and related items | 10,911,210 | 534,544 | -- | 94,056 | 65,174 | 11,604,984 | 10,058,097 |
| Unearned revenue | 95,972,443 | 263,450 | 20,516,916 | 22,863 | 323,197 | 117,098,869 | 109,642,132 |
| Total liabilities | 124,060,008 | 16,209,436 | 40,306,522 | 7,328,474 | 475,164 | 188,379,604 | 181,754,824 |
| Fund balances: | | | | | | | |
| Reserved: | | | | | | | |
| Encumbrances | 19,066,639 | 445,214 | -- | 41,292,595 | 3,221 | 60,807,669 | 63,222,709 |
| Inventory | 2,016,515 | -- | -- | -- | 832,622 | 2,849,137 | 2,779,808 |
| Federal Impact Aid | 12,228,199 | -- | -- | -- | -- | 12,228,199 | 12,645,547 |
| Prepaid items | 10,506,092 | 54,155 | -- | 23,306 | 23,602 | 10,607,155 | 8,329,851 |
| Self-insurance | 21,033,755 | -- | -- | -- | -- | 21,033,755 | 20,896,840 |
| Debt service | -- | -- | 2,046,009 | -- | -- | 2,046,009 | 2,709,624 |
| Unreserved: | | | | | | | |
| Designated: | | | | | | | |
| Bond rating: | | | | | | | |
| General Fund | 18,600,421 | -- | -- | -- | -- | 18,600,421 | 17,503,677 |
| Subsequent year's expenditures: | | | | | | | |
| General Fund | 3,900,000 | -- | -- | -- | -- | 3,900,000 | 3,959,000 |
| Special Revenue Funds | -- | -- | -- | -- | -- | -- | 400,000 |
| Accrued compensated absences: | | | | | | | |
| General Fund | 8,380,055 | -- | -- | -- | 331,105 | 8,711,160 | 8,273,810 |
| Special Revenue Funds | -- | 507,744 | -- | -- | -- | 507,744 | 473,436 |
| Capital Projects Fund | -- | -- | -- | 202,286 | -- | 202,286 | 172,542 |
| Authorized construction, net of authorized unissued bonds | | | | | | | |
| | -- | -- | -- | -- | -- | -- | 20,585,681 |
| Undesignated, reported in: | | | | | | | |
| General Fund | 23,509,451 | -- | -- | -- | -- | 23,509,451 | 24,442,307 |
| Special Revenue Funds | -- | (1,007,113) | -- | -- | 4,738,222 | 3,731,109 | 3,145,903 |
| Capital Projects Fund | -- | -- | -- | 15,138,770 | -- | 15,138,770 | 19,985,891 |
| Total fund balances | 119,241,127 | -- | 2,046,009 | 56,656,957 | 5,928,772 | 183,872,865 | 209,526,626 |
| Total liabilities and fund balances | \$ 243,301,135 | \$ 16,209,436 | \$ 42,352,531 | \$ 63,985,431 | \$ 6,403,936 | \$ 372,252,469 | \$ 391,281,450 |

See accompanying notes to basic financial statements.

June 30, 2009
With Comparative Totals for
June 30, 2008

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

| | 2009 | 2008 |
|---|-----------------------|-----------------------|
| Total governmental fund balances | \$ 183,872,865 | \$ 209,526,626 |
| Amounts reported for governmental activities in the Statement of Net assets 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 | 1,214,726,980 | 1,188,314,120 |
| Other long-term liabilities not due and payable in the current period, and therefore not reported in the funds: | | |
| Accrued compensated absences | (9,386,883) | (8,919,787) |
| Workers' compensation payable | (15,231,138) | (16,734,430) |
| Net pension obligation and other post-employment benefits | - | (17,582,137) |
| General obligation debt | (772,585,000) | (789,375,000) |
| Accrued interest on general obligation debt | (11,841,518) | (11,955,144) |
| Unamortized cost of bond issuance | 6,347,111 | 6,889,363 |
| Unamortized general obligation bond premium | (16,281,548) | (16,951,035) |
| Internal service fund net assets | 13,705,331 | 9,064,355 |
| Total reconciling items | 409,453,335 | 342,750,305 |
| Net assets of governmental activities | <u>\$ 593,326,200</u> | <u>\$ 552,276,931</u> |

See accompanying notes to basic financial statements.

For the Year Ended June 30, 2009
With Comparative Totals
For the Year Ended June 30, 2008

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

| | General | State and Federal Grants | Debt Service | Capital Projects | Non-Major Governmental Funds | Totals | |
|--|-----------------------|--------------------------------|---------------------|----------------------|------------------------------------|-----------------------|-----------------------|
| | | Special Revenue | | | | 2009 | 2008 |
| Revenues: | | | | | | | |
| Local sources | \$ 184,190,723 | \$ 1,855,015 | \$ 39,418,036 | \$ 2,512,749 | \$ 12,070,352 | \$ 240,046,875 | \$ 233,669,852 |
| State sources | 374,123,769 | 7,255,498 | 43,487,039 | 3,263,369 | 682,267 | 428,811,942 | 434,882,555 |
| Federal sources | 15,218,959 | 39,000,097 | -- | 1,052,609 | 10,984,019 | 66,255,684 | 62,409,670 |
| Total revenues | <u>573,533,451</u> | <u>48,110,610</u> | <u>82,905,075</u> | <u>6,828,727</u> | <u>23,736,638</u> | <u>735,114,501</u> | <u>730,962,077</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General administration | 17,674,860 | -- | -- | -- | -- | 17,674,860 | 19,239,207 |
| Instruction | 500,988,714 | 48,110,610 | -- | -- | 6,844,985 | 555,944,309 | 536,523,214 |
| Pupil transportation | 19,234,255 | -- | -- | -- | -- | 19,234,255 | 18,982,195 |
| Operation and maintenance of plant | 27,357,834 | -- | -- | -- | -- | 27,357,834 | 26,772,621 |
| Community services | 951,649 | -- | -- | -- | -- | 951,649 | 840,031 |
| Non-departmental | 3,436,400 | -- | -- | -- | -- | 3,436,400 | 3,144,562 |
| Food services | -- | -- | -- | -- | 16,594,195 | 16,594,195 | 15,693,492 |
| Debt service: | | | | | | | |
| Principal | -- | -- | 46,630,000 | -- | -- | 46,630,000 | 44,080,000 |
| Interest | -- | -- | 37,270,931 | -- | -- | 37,270,931 | 35,884,852 |
| Fiscal agent fees | -- | -- | 10,648 | -- | -- | 10,648 | 11,605 |
| Bond issuance cost | -- | -- | -- | 219,481 | -- | 219,481 | 119,483 |
| Capital outlays | -- | -- | -- | 61,518,088 | -- | 61,518,088 | 52,526,056 |
| Total expenditures | <u>569,643,712</u> | <u>48,110,610</u> | <u>83,911,579</u> | <u>61,737,569</u> | <u>23,439,180</u> | <u>786,842,650</u> | <u>753,817,318</u> |
| Excess (deficiency) of revenues over expenditures | <u>3,889,739</u> | <u>--</u> | <u>(1,006,504)</u> | <u>(54,908,842)</u> | <u>297,458</u> | <u>(51,728,149)</u> | <u>(22,855,241)</u> |
| Other financing sources (uses): | | | | | | | |
| Proceeds from sale of property and equipment | 11,127 | -- | -- | -- | -- | 11,127 | 51,531 |
| Issuance of general obligation bonds | -- | -- | -- | 29,840,000 | -- | 29,840,000 | 63,790,000 |
| Premium on issuance of general obligation bonds | -- | -- | -- | 395,335 | -- | 395,335 | 1,335,234 |
| Transfers in | -- | -- | 342,889 | -- | -- | 342,889 | 1,298,003 |
| Transfers out | (4,339,074) | -- | -- | (175,889) | -- | (4,514,963) | (1,898,003) |
| Total other financing sources (uses) | <u>(4,327,947)</u> | <u>--</u> | <u>342,889</u> | <u>30,059,446</u> | <u>--</u> | <u>26,074,388</u> | <u>64,576,765</u> |
| Net change in fund balances | (438,208) | -- | (663,615) | (24,849,396) | 297,458 | (25,653,761) | 41,721,524 |
| Fund balances at beginning of year | 119,679,335 | -- | 2,709,624 | 81,506,353 | 5,631,314 | 209,526,626 | 167,814,923 |
| Decrease in reserve for inventory | -- | -- | -- | -- | -- | -- | (9,821) |
| Fund balances at end of year | <u>\$ 119,241,127</u> | <u>\$ --</u> | <u>\$ 2,046,009</u> | <u>\$ 56,656,957</u> | <u>\$ 5,928,772</u> | <u>\$ 183,872,865</u> | <u>\$ 209,526,626</u> |

See accompanying notes to basic financial statements.

For the Year Ended June 30, 2009
 With Comparative Totals
 For the Year Ended June 30, 2008

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

| | <u>2009</u> | <u>2008</u> |
|---|----------------------|----------------------|
| Net change in fund balances - total governmental funds (page 19) | \$ (25,653,761) | \$ 41,721,523 |
| 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 capital outlays exceeded depreciation in the current period. | | |
| Capital outlays | 63,060,815 | 52,748,954 |
| Current depreciation expense | (32,648,636) | (29,660,219) |
| Loss on disposal of assets | (3,988,190) | (5,485,017) |
| Proceeds from the sale of assets | <u>(11,127)</u> | <u>(51,131)</u> |
| Net adjustment to increase change in fund balance, total government funds to arrive at changes in net assets of governmental activities | 26,412,862 | 17,552,587 |
| 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 assets. Also, governmental funds report the effect of issuance costs, 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 | (29,840,000) | (63,790,000) |
| Premium on issuance of general obligation bonds | (395,335) | (1,335,234) |
| Principal payments on general obligation bonds and refunded bonds | 46,630,000 | 44,080,000 |
| Bond issuance costs | 219,481 | 119,483 |
| Amortization of bond issuance costs | (761,735) | (279,094) |
| Amortization of general obligation bonds premium | 1,064,821 | 1,054,937 |
| Accrued interest | 113,626 | (1,653,092) |
| Expenses and revenues that do not require the use of current financial resources are reported in the Statement of Activities, but they are not recorded as expenditures or revenues in the governmental funds: | | |
| Accrued compensated absences | (467,095) | (425,951) |
| Workers' compensation payable | 1,503,292 | (2,041,086) |
| Net pension obligation and other post-employment benefits | -- | (657,353) |
| Special item - Net pension obligation and other post-employment benefits write-off | 17,582,137 | -- |
| Decrease in inventory reserve | -- | (9,821) |
| Change in net assets - Internal Service Funds | <u>4,640,976</u> | <u>1,624,871</u> |
| Total reconciling items | <u>66,703,030</u> | <u>(5,759,753)</u> |
| Change in net assets of governmental activities (page 16) | <u>\$ 41,049,269</u> | <u>\$ 35,961,770</u> |

See accompanying notes to basic financial statements.

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

For the Year Ended June 30, 2009

| | 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 | \$ 178,556,242 | \$ -- | \$ 178,556,242 | \$ 178,556,242 | \$ 178,556,242 | \$ -- |
| Reimbursement for school facilities rental | 580,448 | -- | 580,448 | 629,000 | 629,000 | (48,552) |
| Nonresident tuition | 3,910 | -- | 3,910 | 2,500 | 2,500 | 1,410 |
| Investment income | 1,734,779 | -- | 1,734,779 | 3,800,000 | 3,800,000 | (2,065,221) |
| E-Rate | 1,591,650 | -- | 1,591,650 | 900,000 | 900,000 | 691,650 |
| Other revenues | 1,723,694 | -- | 1,723,694 | 1,918,000 | 1,918,000 | (194,306) |
| Total revenues from local sources | 184,190,723 | -- | 184,190,723 | 185,805,742 | 185,805,742 | (1,615,019) |
| Revenues from state sources: | | | | | | |
| Public school funding program | 281,733,376 | -- | 281,733,376 | 280,751,745 | 280,751,745 | 981,631 |
| Transportation | 18,176,337 | -- | 18,176,337 | 17,838,000 | 17,838,000 | 338,337 |
| Retirement systems employer relief | 73,805,572 | -- | 73,805,572 | 78,947,735 | 78,947,735 | (5,142,163) |
| On-Base tuition | 408,484 | -- | 408,484 | 408,484 | 408,484 | -- |
| Total revenues from state sources | 374,123,769 | -- | 374,123,769 | 377,945,964 | 377,945,964 | (3,822,195) |
| Revenues from federal sources: | | | | | | |
| Reserve Officers Training Corps | 579,250 | -- | 579,250 | 675,000 | 675,000 | (95,750) |
| Federal Impact Aid | 14,639,709 | -- | 14,639,709 | 12,500,000 | 12,500,000 | 2,139,709 |
| Total revenues from federal sources | 15,218,959 | -- | 15,218,959 | 13,175,000 | 13,175,000 | 2,043,959 |
| Total revenues | 573,533,451 | -- | 573,533,451 | 576,926,706 | 576,926,706 | (3,393,255) |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General administration | 17,674,860 | (325,686) | 17,349,174 | 16,801,709 | 17,649,063 | 299,889 |
| Instruction | 500,988,714 | (1,712,988) | 499,275,726 | 513,304,114 | 510,922,781 | 11,647,055 |
| Pupil transportation | 19,234,255 | 39,111 | 19,273,366 | 20,189,524 | 19,344,519 | 71,153 |
| Operation and maintenance of plant | 27,357,834 | (358,481) | 26,999,353 | 27,868,721 | 27,262,884 | 263,531 |
| Community services | 951,649 | (25,453) | 926,196 | 876,897 | 892,858 | (33,338) |
| Non-departmental | 3,436,400 | (9,377) | 3,427,023 | 1,874,741 | 843,601 | (2,583,422) |
| Total expenditures | 569,643,712 | (2,392,874) | 567,250,838 | 580,915,706 | 576,915,706 | 9,664,868 |
| Excess (deficiency) of revenues over expenditures | 3,889,739 | 2,392,874 | 6,282,613 | (3,989,000) | 11,000 | 6,271,613 |

See accompanying notes to basic financial statements.

(Continued)

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

For the Year Ended June 30, 2009

| | 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 | \$ 11,127 | \$ -- | \$ 11,127 | \$ 30,000 | \$ 30,000 | \$ (18,873) |
| Transfers out - Health Insurance Fund | (4,172,074) | -- | (4,172,074) | -- | (4,172,074) | -- |
| Transfers out - Debt Service Fund | (167,000) | -- | (167,000) | (167,000) | (167,000) | -- |
| Total other financing sources and (uses) | (4,327,947) | -- | (4,327,947) | (137,000) | (4,309,074) | (18,873) |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | (438,208) | 2,392,874 | 1,954,666 | (4,126,000) | (4,298,074) | 6,252,740 |
| Fund balance at beginning of year | 119,679,335 | -- | 119,679,335 | 119,679,335 | 119,679,335 | -- |
| Fund balance at end of year | \$ 119,241,127 | \$ 2,392,874 | \$ 121,634,001 | \$ 115,553,335 | \$ 115,381,261 | \$ 6,252,740 |

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 | | \$ 573,533,451 |
| Expenditures reported on the basis of GAAP | | 569,643,712 |
| Add current year encumbrances | \$ 9,627,396 | |
| Deduct expenditures on prior year's encumbrances | (12,020,270) | |
| | | (2,392,874) |
| Expenditures and encumbrances reported on the basis of budgeting | | 567,250,838 |
| Excess of revenues over expenditures on the basis of budgeting | | \$ 6,282,613 |

See accompanying notes to basic financial statements.

For the Year Ended June 30, 2009

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

| | Actual | Adjustment to Basis of Budgeting | Actual on Basis of Budgeting | Original and Final Budget | Variance - Positive (Negative) |
|--|-------------------|--|------------------------------------|------------------------------------|--------------------------------------|
| Revenues: | | | | | |
| Revenues from local grants: | | | | | |
| Alaska Railroad Summer Youth Program | \$ 32,754 | \$ -- | \$ 32,754 | \$ 34,000 | \$ (1,246) |
| Donations From Local Agencies | 1,488,732 | (64,683) | 1,424,049 | 1,340,037 | 84,012 |
| Reading is Fundamental Grant | 9,522 | -- | 9,522 | 9,603 | (81) |
| Bus Shelter Cleaning Grant | 25,218 | -- | 25,218 | 31,900 | (6,682) |
| Emergency Response Crisis Management Grant | 28,273 | -- | 28,273 | 29,975 | (1,702) |
| Partners in Homeless Education | 3,378 | 51 | 3,429 | -- | 3,429 |
| Barbara Bush Literacy Grant | 41,739 | 254 | 41,993 | 64,626 | (22,633) |
| MOA Recycling Grant | 183,818 | 4,082 | 187,900 | 223,000 | (35,100) |
| Community Partners Diversity Project | 745 | 2,722 | 3,467 | 6,600 | (3,133) |
| Reduce Underage Drinking Grant | 40,836 | 550 | 41,386 | 423,620 | (382,234) |
| Data Domain Donation | -- | -- | -- | 106,000 | (106,000) |
| Contingency | -- | -- | -- | 1,111,164 | (1,111,164) |
| Total revenues from local grants | 1,855,015 | (57,024) | 1,797,991 | 3,380,525 | (1,582,534) |
| Revenues from state grants: | | | | | |
| Contract Schools - Memorandum of | | | | | |
| Agreement - Alaska State School for Deaf | 290,817 | -- | 290,817 | 319,000 | (28,183) |
| Charter Schools Supplemental Grants | 22,685 | -- | 22,685 | 21,371 | 1,314 |
| Alaska Science and Technology Program | 336 | (27) | 309 | -- | 309 |
| Creating Successful Futures | 70,081 | -- | 70,081 | -- | 70,081 |
| Salmon in the Classroom Program | 6,679 | -- | 6,679 | -- | 6,679 |
| Designated Legislative Grants | | | | | |
| Senate Bill 46 | 27,562 | -- | 27,562 | -- | 27,562 |
| Senate Bill 53 | 107,561 | 1,577 | 109,138 | -- | 109,138 |
| Senate Bill 221 | 1,173,564 | 15,691 | 1,189,255 | 894,000 | 295,255 |
| Senate Bill 231 | 153,326 | 13,023 | 166,349 | -- | 166,349 |
| Senate Bill 283 | 19,427 | -- | 19,427 | -- | 19,427 |
| Total Designated Legislative Grants | 1,481,440 | 30,291 | 1,511,731 | 894,000 | 617,731 |
| Health Career Pathways | 9,007 | (5,930) | 3,077 | -- | 3,077 |
| Providence Heights Grant | 128,962 | -- | 128,962 | 145,000 | (16,038) |
| Youth in Detention | 362,603 | -- | 362,603 | 379,228 | (16,625) |
| Retirement Systems Employer Relief | 4,882,888 | -- | 4,882,888 | 5,144,235 | (261,347) |
| Total revenues from state grants | 7,255,498 | 24,334 | 7,279,832 | 6,902,834 | 376,998 |
| Revenues from federal grants: | | | | | |
| Title I - Elementary and Secondary Education Act | | | | | |
| No Child Left Behind Act | | | | | |
| Public Law 107-110 Congress Statute 115 | | | | | |
| District-wide Grant | 10,235,465 | (3,919) | 10,231,546 | 11,912,812 | (1,681,266) |
| Summer School Program | 162,091 | -- | 162,091 | 238,656 | (76,565) |
| McLaughlin Youth Center | 115,032 | -- | 115,032 | 118,162 | (3,130) |
| Delinquent and At-Risk Youth Program | 106,398 | -- | 106,398 | 174,666 | (68,268) |
| Highly Qualified Program | 15,621 | -- | 15,621 | 350,369 | (334,748) |
| Professional Development | 1,185,205 | -- | 1,185,205 | 1,420,989 | (235,784) |
| Parent Involvement Program | 2,819 | -- | 2,819 | 5,839 | (3,020) |
| Supplemental Education Services Program | 619,028 | 32 | 619,060 | 1,218,633 | (599,573) |
| School Improvement Program | 213,001 | 11,097 | 224,098 | 343,336 | (119,238) |
| Total Title I - Elementary and Secondary Education Act No Child Left Behind Act Public Law 107-110 Congress Statute 115 | 12,654,660 | 7,210 | 12,661,870 | 15,783,462 | (3,121,592) |

See accompanying notes to basic financial statements.
(Continued)

For the Year Ended June 30, 2009

STATEMENT 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 | Original and Final Budget | Variance - Positive (Negative) |
|---|------------|--|------------------------------------|------------------------------------|--------------------------------------|
| Title I - Elementary and Secondary Education Act | | | | | |
| No Child Left Behind Act | | | | | |
| Public Law 107-110 Congress Statute 115 | | | | | |
| Migrant Education (Continued) | | | | | |
| District-wide Grant | \$ 891,979 | \$ (362) | \$ 891,617 | \$ 966,813 | \$ (75,196) |
| Summer Program | 336,233 | 78,680 | 414,913 | 751,429 | (336,516) |
| Book Program | 893 | -- | 893 | 893 | -- |
| Parent Involvement | 2,103 | -- | 2,103 | 5,000 | (2,897) |
| Total Title I - Elementary and Secondary Education Act | | | | | |
| No Child Left Behind Act | | | | | |
| Public Law 107-110 Congress Statute 115 | | | | | |
| Migrant Education | 1,231,208 | 78,318 | 1,309,526 | 1,724,135 | (414,609) |
| Title II-A - Elementary and Secondary Education Act | | | | | |
| No Child Left Behind Act | | | | | |
| Public Law 107-110 Congress Statute 115 | | | | | |
| Professional Development Program | 4,940,882 | -- | 4,940,882 | 5,146,113 | (205,231) |
| Title II-D - Elementary and Secondary Education Act | | | | | |
| No Child Left Behind Act | | | | | |
| Public Law 107-110 Congress Statute 115 | | | | | |
| Enhancing Education Through Technology | 280,872 | -- | 280,872 | 454,422 | (173,550) |
| Title III - Elementary and Secondary Education Act | | | | | |
| No Child Left Behind Act | | | | | |
| Public Law 107-110 Congress Statute 115 | | | | | |
| English Language Acquisition | 439,060 | -- | 439,060 | 509,151 | (70,091) |
| Title IV-A - Elementary and Secondary Education Act | | | | | |
| No Child Left Behind | | | | | |
| Public Law 107-110 Congress Statute 115 | | | | | |
| Safe and Drug Free Schools | 431,491 | 786 | 432,277 | 630,992 | (198,715) |
| Title V - Elementary and Secondary Education Act | | | | | |
| No Child Left Behind | | | | | |
| Public Law 107-110 Congress Statute 115 | | | | | |
| Innovative Program | 100,040 | -- | 100,040 | 106,888 | (6,848) |
| Title VI-B - Education of All Handicapped Children Act | | | | | |
| Public Law 94-142 | 10,853,295 | (41,061) | 10,812,234 | 15,845,785 | (5,033,551) |
| Title VII - Elementary and Secondary Education Act | | | | | |
| No Child Left Behind | | | | | |
| Public Law 107-110 Congress Statute 115 | | | | | |
| Indian, Native Hawaiian, and Alaska Native Education | 2,094,198 | (262) | 2,093,936 | 2,070,634 | 23,302 |
| Pre-School Handicapped Grant - Public Law 99-457 | 341,143 | (158) | 340,985 | 398,878 | (57,893) |
| Reading is Fundamental Grant | 28,565 | -- | 28,565 | 28,809 | (244) |
| Alaska State School for Deaf Program | 44,579 | -- | 44,579 | 106,930 | (62,351) |
| Carl Perkins Vocational Education Basic Grant | 1,015,188 | (553) | 1,014,635 | 1,191,975 | (177,340) |
| Access to Education for Homeless Children Program | 53,885 | (461) | 53,424 | 55,652 | (2,228) |
| Drug and Violence Prevention Program | 3,497 | (750) | 2,747 | -- | 2,747 |
| Community Action Prevention and Intervention Program | 168,609 | -- | 168,609 | 179,325 | (10,716) |
| Charter Schools Grants | 1,009 | 374 | 1,383 | 16,500 | (15,117) |
| Reading First Grant | 443,692 | -- | 443,692 | 828,327 | (384,635) |
| Work Investment Act School Youth Program | 73,172 | -- | 73,172 | 77,414 | (4,242) |
| Foreign Language Assistance Program | 194,370 | (4,014) | 190,356 | 222,315 | (31,959) |
| Teaching American History Program | 205,745 | 3,158 | 208,903 | 19,996 | 188,907 |
| Community Centers Learning Program | 1,523,983 | -- | 1,523,983 | 1,641,076 | (117,093) |
| Alaska Family Directory Website | 30,760 | -- | 30,760 | 32,000 | (1,240) |
| Youth in Detention | 11,762 | 3,928 | 15,690 | 67,100 | (51,410) |
| Advanced Placement for Every Able Learner Grant | 520,036 | (43,555) | 476,481 | -- | 476,481 |

See accompanying notes to basic financial statements.
(Continued)

For the Year Ended June 30, 2009

STATEMENT 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 | Original and Final Budget | Variance - Positive (Negative) |
|--|---------------|--|------------------------------------|------------------------------------|--------------------------------------|
| Alaska Educational Innovations Network Program | \$ 58,864 | \$ -- | \$ 58,864 | \$ 63,882 | \$ (5,018) |
| Excellence in Economic Education Program | 7,316 | -- | 7,316 | 9,918 | (2,602) |
| Alaska Parent Information & Resource Center | 152,333 | 12,277 | 164,610 | 300,748 | (136,138) |
| Emergency Response & Crisis Management Grant | 177,979 | 6,582 | 184,561 | -- | 184,561 |
| Alaska Mentorship Project | 395,710 | -- | 395,710 | 407,721 | (12,011) |
| School Health Program | 32,591 | -- | 32,591 | 35,000 | (2,409) |
| Safe and Drug Free Schools | 18,250 | -- | 18,250 | -- | 18,250 |
| National Writing Project | 11,624 | -- | 11,624 | 12,500 | (876) |
| Presidential Award Program | 280 | 274 | 554 | -- | 554 |
| Project Ki'l | 132,210 | 11,496 | 143,706 | 435,805 | (292,099) |
| Project Soar | 97,893 | -- | 97,893 | 75,000 | 22,893 |
| Alaska/Russian Climate | 30,589 | -- | 30,589 | 32,128 | (1,539) |
| Water Education Festival | 2,000 | -- | 2,000 | 2,000 | -- |
| Universal Design Learning | 18,684 | -- | 18,684 | 19,734 | (1,050) |
| Operations Grant | 178,073 | 138,430 | 316,503 | 994,326 | (677,823) |
| Total revenues from federal grants | 39,000,097 | 172,019 | 39,172,116 | 49,526,641 | (10,354,525) |
| Total revenues | \$ 48,110,610 | \$ 139,329 | \$ 48,249,939 | \$ 59,810,000 | \$ (11,560,061) |

See accompanying notes to basic financial statements.
(Continued)

For the Year Ended June 30, 2009

STATEMENT 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 | Original and Final Budget | Variance - Positive (Negative) |
|--------------------------------------|-------------------|--|------------------------------------|------------------------------------|--------------------------------------|
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Local grants | \$ 1,855,015 | \$ (57,024) | \$ 1,797,991 | \$ 3,380,525 | \$ 1,582,534 |
| State grants | 7,255,498 | 24,334 | 7,279,832 | 6,902,834 | (376,998) |
| Federal grants | 39,000,097 | 172,019 | 39,172,116 | 49,526,641 | 10,354,525 |
| Total expenditures | <u>48,110,610</u> | <u>139,329</u> | <u>48,249,939</u> | <u>59,810,000</u> | <u>11,560,061</u> |
| Excess of revenues over expenditures | -- | -- | -- | -- | -- |
| Fund balance at beginning of year | -- | -- | -- | -- | -- |
| Fund balance at end of year | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |

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 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 | \$ 48,110,610 |
| Add revenues from current year encumbrances | \$ 447,437 |
| Deduct revenues from prior year's encumbrances | <u>(308,108)</u> |
| | <u>139,329</u> |
| Revenues reported on the basis of budgeting | <u>48,249,939</u> |
| Expenditures reported on the basis of GAAP | 48,110,610 |
| Add current year encumbrances | 447,437 |
| Deduct expenditures on prior year's encumbrances | <u>(308,108)</u> |
| | <u>139,329</u> |
| Expenditures and encumbrances reported on the basis of budgeting | <u>48,249,939</u> |
| Excess of revenue over expenditures on the basis of budgeting | <u>\$ --</u> |

See accompanying notes to basic financial statements.

June 30, 2009
With Comparative Totals for
June 30, 2008

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET ASSETS

| | Equipment Replacement | Health Insurance | Total Internal Service Funds | |
|---|--------------------------|---------------------|------------------------------|--------------|
| | | | 2009 | 2008 |
| Assets | | | | |
| Current Assets: | | | | |
| Investments, at cost | \$ 7,075,422 | \$ -- | \$ 7,075,422 | \$ 5,979,406 |
| Due from General Fund | 576,553 | 4,172,074 | 4,748,627 | 1,094,465 |
| Total current assets | 7,651,975 | 4,172,074 | 11,824,049 | 7,073,871 |
| Noncurrent assets: | | | | |
| Equipment | 7,835,384 | -- | 7,835,384 | 7,513,288 |
| Accumulated depreciation | (5,954,102) | -- | (5,954,102) | (5,522,804) |
| Total capital assets (net of accumulated depreciation) | 1,881,282 | -- | 1,881,282 | 1,990,484 |
| Total assets | 9,533,257 | 4,172,074 | 13,705,331 | 9,064,355 |
| Net Assets | | | | |
| Invested in capital assets | 1,881,282 | -- | 1,881,282 | 1,990,484 |
| Unrestricted | 7,651,975 | 4,172,074 | 11,824,049 | 7,073,871 |
| Total net assets | \$ 9,533,257 | \$ 4,172,074 | \$ 13,705,331 | \$ 9,064,355 |

See accompanying notes to basic financial statements.

For the Year Ended June 30, 2009
 With Comparative Totals
 For the Year Ended June 30, 2008

INTERNAL SERVICE FUNDS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS

| | Equipment Replacement | Health Insurance | Total Internal Service Funds | |
|--|--------------------------|---------------------|------------------------------|--------------|
| | | | 2009 | 2008 |
| Operating revenues: | | | | |
| Charges for sales and services | \$ 470,338 | \$ -- | \$ 470,338 | \$ 510,192 |
| Operating expenses: | | | | |
| Depreciation | 470,338 | -- | 470,338 | 510,192 |
| Operating income | -- | -- | -- | -- |
| Non-operating revenues: | | | | |
| Gain on sale of capital assets | 1,854 | -- | 1,854 | -- |
| Investment income | 105,912 | -- | 105,912 | 293,420 |
| Total income before capital contributions and transfers | 107,766 | -- | 107,766 | 293,420 |
| Capital contributions | 361,136 | -- | 361,136 | 731,451 |
| Transfers in - General Fund | -- | 4,172,074 | 4,172,074 | 600,000 |
| Total capital contributions and transfers | 361,136 | 4,172,074 | 4,533,210 | 1,331,451 |
| Changes in net assets | 468,902 | 4,172,074 | 4,640,976 | 1,624,871 |
| Net assets at beginning of year | 9,064,355 | -- | 9,064,355 | 7,439,484 |
| Net assets at end of year | \$ 9,533,257 | \$ 4,172,074 | \$ 13,705,331 | \$ 9,064,355 |

For the Year Ended June 30, 2009
With Comparative Totals
For the Year Ended June 30, 2008

INTERNAL SERVICE FUNDS

STATEMENT OF CASH FLOWS

| | Equipment Replacement | Health Insurance | Total Internal Service Funds | |
|--|--------------------------|---------------------|------------------------------|------------|
| | | | 2009 | 2008 |
| Cash flows from operating activities: | | | | |
| Cash received from charges for sales and services | \$ 470,338 | \$ -- | \$ 470,338 | \$ 510,192 |
| Cash used for depreciation | (470,338) | -- | (470,338) | (510,192) |
| Net cash flows provided by operating activities | -- | -- | -- | -- |
| Cash flows from noncapital financing activities: | | | | |
| (Advances to) repayment from General Fund | 517,912 | (4,172,074) | (3,654,162) | (431,165) |
| Cash flows from capital and related financing activities | | | | |
| Contributed capital | -- | 4,172,074 | 4,172,074 | 600,000 |
| Cash flows from investing activities: | | | | |
| Proceeds from matured investments | 376,176 | -- | 376,176 | 201,745 |
| Purchase of investments | (1,000,000) | -- | (1,000,000) | (664,000) |
| Interest earnings received | 105,912 | -- | 105,912 | 293,420 |
| Net cash used in investing activities | (517,912) | -- | (517,912) | (168,835) |
| Net increase in cash | -- | -- | -- | -- |
| Cash at beginning of year | -- | -- | -- | -- |
| Cash at end of year | \$ -- | \$ -- | \$ -- | \$ -- |
| Noncash investing, capital, and financing activities: | | | | |
| Increase in fair value of investments | \$ (109,360) | \$ -- | \$ (109,360) | \$ 32,162 |
| Noncash transactions | | | | |
| Assets contributed from the General Fund | \$ 361,136 | \$ -- | \$ 361,136 | \$ 731,451 |

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 assets, 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 assets 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 assets 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 the following major governmental funds based on quantitative criteria:

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

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for major capital outlay relating to the acquisition, construction and remodeling of capital facilities.

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

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

The other governmental funds of the district are considered nonmajor and are as follows:

Special Revenue Funds - Special Revenue Funds 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 two special revenue funds are as follows:

Food Service Fund - This fund is 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.

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.

Proprietary Funds

Internal Service Funds - The 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 Fund 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 Fund ongoing operations. The district's Internal Service Funds are considered nonmajor 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 service employee's health insurance plan. This includes six of the nine employee groups within the district.

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 (i.e., revenues and other financing sources) and decreases (i.e., 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. The source of revenue not considered susceptible to accrual is Federal Impact Aid Program. 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 United States School Lunch and Breakfast Program. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term obligations and compensated absences, 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. 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. 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, State and Federal Grants Special Revenue Fund, Food Service Special Revenue Fund, and Debt Service Fund.

Budgetary control by the district is maintained by fund, organization and object in the General Fund and Food Service Special Revenue Fund only. Budgetary control in the State and Federal Grants Special Revenue Fund is authorized and maintained by the granting agencies. The management of the district has the authority to approve budget transfers up to \$30,000 in the General Fund and Food Service Special

Revenue Fund. Budget transfers in excess of \$30,000 require Board approval only. Under the State and Federal 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 State and Federal 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 25, 2008, the Assembly approved the district's combined budget of \$736,769,943 with \$217,603,786 in local tax appropriation for the following funds: General Fund, State and Federal Grants Special Revenue Fund, Food Service Special Revenue Fund and Debt Service Fund. On April 29, 2008, the Assembly approved a \$142,797 increase to the General Fund to increase the General Fund budget from \$580,772,909 to \$580,915,706 to reflect an increase of additional taxes due to an adjustment in the new construction amount, which contributes to the local property tax cap limitation. In addition, the Debt Service Fund was increased by \$606,250 from \$83,720,034 to \$84,326,284 to reflect a scheduled bond sale within the upcoming fiscal year. Subsequent to these increases, the Revised Fiscal Year 2008-2009 Financial Plan provides for an upper limit spending authority of \$737,518,990.

On June 8, 2009, the School Board took action with ASD Memorandum #325 to approve a recommendation from management to make budget adjustments, within the upper limit spending authority, between funds to account for increased grant revenues, lower utility costs, contracted services, and personnel costs than anticipated in the General Fund. Additionally, the Debt Service Fund was reduced because of a lower interest rate on the 2008 bond sale, and the Food Service Fund was increased to allow for the increase in revenue and cost of reimbursable meals.

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 reservations 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 carry over at year-end; all other appropriations lapse at year-end to the extent that they have not been expended or encumbered.

F. Assets, Liabilities and Fund Equity

Cash and Investments

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

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

The district can invest excess funds held in the central treasury through direct investments allowed by the School Board Policy. The School 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, 2009, the district holds equity total of \$95,874,890, about 22.5% 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. Commercial paper, including asset-backed commercial paper, rated at least "A-1" by S&P or "P-1" by Moody's or "F-1" by Fitch.
3. 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 or "P-1" by Moody's or "F-1" by Fitch and is either:
 - a. Incorporated under the laws of the United States of America, or any state thereof, and subject to supervision and examination by federal or state banking authorities; or
 - b. Issued through a foreign bank with a branch or agency licensed under the laws of the United States of America, or any state thereof, or under the laws of a country with a Moody's sovereign rating for bank deposits of "Aaa", or an S&P sovereign rating of "AAA", or a Fitch national rating of "AAA", and subject to supervision and examination by federal or state banking authorities.
4. Repurchase agreements secured by obligations of the U.S. government, U.S. agencies or U.S. government-sponsored corporations and agencies.
5. Dollar denominated corporate debt instruments rated "BBB-" or better by S&P's Rating Service (investment grade) or the equivalent by another nationally recognized rating agency.
6. Dollar denominated corporate debt instruments rated below "BBB-" by S&P's Rating Service or the equivalent by another nationally recognized rating agency, including emerging market.
7. Asset-backed securities (ABS), other than commercial paper, collateralized by credit cards, automobile loans, leases and other receivables which must have a credit rating of "AA-" or above by S&P's Rating Service or the equivalent by another nationally recognized rating agency.
8. Mortgage-backed securities (MBS), including generic mortgage-backed pass-through securities issued by GNMA, FHLMC, FNMA, non-agency mortgage-backed securities, collateralized mortgage obligations (CMOs), or commercial mortgage-backed securities (CMBS), which must have a credit rating of "AA-" or above by S&P's Rating Service or the equivalent by another nationally recognized rating agency.
9. Fixed income derivative instruments used in an un-levered manner to implement portfolio strategies.
10. Money market mutual funds rated "Am" or better by S&P Rating Service, or the equivalent by another nationally recognized rating agency.
11. Alaska Municipal League Investment Pool (AMLIP).
12. Mutual fund investments consisting of a diversified mutual fund, registered under the Securities Act of 1933 and Investment Company Act of 1940.
13. Interfund loans from a Municipal Cash Pool to a Municipal Fund.

As of June 30, 2009, the district maintains a \$1,203,864 non-interest bearing "Time Open Account" as a compensatory balance in return for zero-balance banking services. A summary of the demand and time deposits is as follows:

| <u>Fund</u> | <u>Carrying Amount</u> | <u>Bank Balance</u> |
|--|----------------------------|-------------------------|
| Insured (FDIC, NCUSIF) or collateralized by securities held by the Municipality or its agent in the Municipality's name: | | |
| Demand deposits: | | |
| Student Activities Special Revenue Fund | \$ 1,920,218 | \$ 1,989,145 |

| Fund | Carrying Amount | Bank Balance |
|--|-----------------------|---------------------|
| Time deposits: | | |
| Student Activities Special Revenue Fund | \$ 314,991 | \$ 314,991 |
| Total | <u>2,235,209</u> | <u>2,304,136</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 | <u>(6,546,995)</u> | <u>1,204,549</u> |
| Total demand deposits and time deposits | <u>\$ (4,311,786)</u> | <u>\$ 3,508,685</u> |

The district's investments are not subject to custodial credit risk. A summary of the district's investments as of June 30, 2009 is as follows:

| | Carrying Amount |
|-----------------------------------|-----------------------|
| District investments: | |
| Repurchase agreements | \$ 20,440,792 |
| Investments through Municipality: | |
| Certificates of deposit | 2,502,000 |
| Commercial paper | 9,981,396 |
| U.S. government securities | 35,907,997 |
| Corporate bonds | 2,681,000 |
| Investment discount | 49,652 |
| Municipal Investment Pool | 95,874,890 |
| Cash with paying agent: | |
| U.S. government securities | <u>25,703,901</u> |
| | <u>\$ 193,141,628</u> |

The following is a schedule of investments by fund including the equity position in the Municipal Investment Pool of the governmental fund type and proprietary fund type at June 30, 2009. All discounted notes issued by the U.S. Government agencies have implied ratings of "A-1+" by S&P, "P-1" by Moody's or "F1+" by Fitch.

| | Date Acquired | Interest Rate | Maturity Date | Carrying Amount |
|------------------------------------|------------------|------------------|------------------|-----------------------|
| <u>General Fund:</u> | | | | |
| KeyBank | | | | |
| Repurchase Agreement | 06/30/09 | 0.2500% | 07/01/09 | \$ 16,339,219 |
| Repurchase Agreement | 06/30/09 | 0.2500 | 07/01/09 | 3,744,223 |
| Repurchase Agreement | 06/30/09 | 0.2500 | 07/01/09 | <u>357,350</u> |
| | | | | 20,440,792 |
| Municipal Investment Pool | | | | <u>82,676,012</u> |
| Total General Fund | | | | <u>\$ 103,116,804</u> |
| <u>Capital Projects Fund:</u> | | | | |
| Commercial Paper | | | | |
| General Electric Corporation | 04/09/09 | 0.4505% | 07/08/09 | \$ 999 |
| General Electric Corporation | 04/09/09 | 0.4505 | 07/08/09 | 1,364,463 |
| Danske Corporation | 04/16/09 | 0.6913 | 07/24/09 | 1,750,672 |
| BASF SE | 05/06/09 | 0.3303 | 08/04/09 | 1,998,350 |
| Wal-Mart Corporation | 04/03/09 | 6.8750 | 08/10/09 | 219,000 |
| Royal Bank of Scotland | 05/21/09 | 0.5706 | 07/21/09 | 105,898 |
| Royal Bank of Scotland | 05/21/09 | 0.5706 | 07/21/09 | 7,992 |
| Royal Bank of Scotland | 05/21/09 | 0.5706 | 07/21/09 | 26,974 |
| Alaska Housing Finance Corporation | 05/14/09 | 1.2537 | 08/07/09 | 997,048 |

| <u>Capital Projects Fund (continued):</u> | <u>Date Acquired</u> | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Carrying Amount</u> |
|---|--------------------------|--------------------------|--------------------------|----------------------------|
| Wal-Mart Corporation | 06/26/09 | 6.8750% | 08/10/09 | \$ 610,000 |
| AT&T Incorporated | 01/29/09 | 4.1250 | 09/15/09 | 1,100,000 |
| Wachovia Mortgage FSB | 02/09/09 | 4.1250 | 12/15/09 | 1,582,000 |
| Wachovia Mortgage FSB | 02/09/09 | 4.1250 | 12/15/09 | 118,000 |
| Total Commercial Paper | | | | <u>9,881,396</u> |
| Certificates of Deposit | | | | |
| Union Bank of California CD | 01/28/09 | 0.8000 | 08/17/09 | 1,600,000 |
| Bank of America CD | 02/19/09 | 1.2000 | 11/19/09 | 902,000 |
| Total Certificates of Deposit | | | | <u>2,502,000</u> |
| Corporate Bond | | | | |
| Wal-Mart Corporation | 12/17/08 | 6.8750 | 08/10/09 | 200,000 |
| AT&T | 02/27/09 | 4.1250 | 09/15/09 | 839,000 |
| IBM | 12/16/08 | 4.2500 | 09/15/09 | 876,000 |
| AT&T | 12/17/08 | 4.2000 | 09/15/09 | 442,000 |
| AT&T | 12/17/08 | 4.1250 | 09/15/09 | 324,000 |
| Total Corporate Bond | | | | <u>2,681,000</u> |
| United States Agency | | | | |
| Federal Farm Credit Bank | 01/28/09 | 4.1250 | 07/17/09 | 1,000,000 |
| Federal Farm Credit Bank | 01/28/09 | 4.1250 | 07/17/09 | 1,336,000 |
| Federal Farm Credit Bank | 01/28/09 | 4.1250 | 07/17/09 | 868,000 |
| FNMA Discount Note | 06/16/09 | 0.1600 | 07/21/09 | 999,845 |
| FNMA Discount Note | 06/16/09 | 0.1600 | 07/21/09 | 1,000 |
| FNMA Discount Note | 02/03/09 | 0.5012 | 07/21/09 | 865,975 |
| FNMA Discount Note | 02/03/09 | 0.5012 | 07/21/09 | 1,278,011 |
| FNMA Discount Note | 02/03/09 | 0.5012 | 07/21/09 | 1,148,314 |
| FNMA Discount Note | 02/03/09 | 0.5012 | 07/21/09 | 1,696,033 |
| FNMA Discount Note | 02/09/09 | 5.3750 | 08/15/09 | 1,085,000 |
| Freddie Mac Discount Note | 03/30/09 | 0.3100 | 08/24/09 | 1,997 |
| Freddie Mac Discount Note | 03/30/09 | 0.3100 | 08/24/09 | 191,757 |
| Freddie Mac Discount Note | 03/30/09 | 0.3100 | 08/24/09 | 357,547 |
| Federal Home Loan Bank | 06/09/09 | 0.2000 | 08/28/09 | 251,888 |
| Federal Home Loan Bank | 06/09/09 | 0.2000 | 08/28/09 | 3,998 |
| Federal Home Loan Bank | 06/09/09 | 0.2000 | 08/28/09 | 611,728 |
| FNMA Discount Note | 02/04/09 | 0.6000 | 09/01/09 | 12,955 |
| FNMA Discount Note | 03/30/09 | 0.3610 | 09/04/09 | 995,425 |
| FNMA Discount Note | 05/07/09 | 0.2639 | 10/16/09 | 4,994,150 |
| Federal Home Loan Bank | 05/07/09 | 0.3250 | 10/30/09 | 4,992,178 |
| Federal Home Loan Bank | 02/24/09 | 0.8150 | 11/18/09 | 11,101,737 |
| Federal Home Loan Bank | 02/24/09 | 0.8150 | 11/18/09 | 82,507 |
| Freddie Mac Discount Note | 02/10/09 | 0.8460 | 12/21/09 | 1,098,986 |
| Freddie Mac Discount Note | 02/10/09 | 0.8460 | 12/21/09 | 21,841 |
| Freddie Mac Discount Note | 02/10/09 | 0.8460 | 12/21/09 | 750,527 |
| Total United States Agency | | | | <u>35,747,399</u> |
| Investment discount | | | | 49,624 |
| Municipal Investment Pool | | | | <u>6,123,456</u> |
| Total Capital Projects Fund | | | | <u>\$ 56,984,875</u> |
| <u>Internal Service Fund:</u> | | | | |
| Municipal Investment Pool | | | | <u>\$ 7,075,422</u> |

| | <u>Date Acquired</u> | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Carrying Amount</u> |
|------------------------------|--------------------------|--------------------------|--------------------------|----------------------------|
| <u>Debt Service Fund:</u> | | | | |
| United States Treasury | | | | |
| Federal Home Loan Bank | 02/04/09 | 0.5490% | 07/31/09 | \$ 149,602 |
| FNMA Discount Note | 02/04/09 | 0.6000 | 09/01/09 | <u>996</u> |
| Total Debt Service Fund | | | | <u>\$ 150,598</u> |
| <u>Special Revenue Fund:</u> | | | | |
| United States Treasury | | | | |
| USTR Coupon Note | 08/31/07 | 4.0000% | 08/31/09 | \$ 10,000 |
| Commercial Paper | | | | |
| Citigroup, Inc. | 03/10/08 | 4.2500 | 07/29/09 | <u>100,000</u> |
| Investment discount | | | | <u>28</u> |
| Total Special Revenue Fund | | | | <u>\$ 110,028</u> |

Cash with Paying Agent

The total amount of cash with the paying agent at June 30 is \$25,703,901, which is recorded in the Capital Projects Fund and Debt Service Fund.

Due from Other Governments

The amounts due from the Municipality of Anchorage are mainly 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 is \$95,956,874 and \$20,516,916, respectively. The amounts due from the State of Alaska in the Special Revenue Funds include \$14,141,365 for 2009 reimbursements under cost reimbursable grants and \$122,315 for the final 2009 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 \$434,862 for 2009 reimbursements under the Aid for School Construction Program. The amounts due from the United States Government in the Special Revenue Funds includes \$1,126,732 for 2009 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 2009 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 2009, taxes were levied on May 1. Real property taxes are payable in two installments on June 15 and August 15, and personal property taxes in two installments on August 31 and October 31.

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

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

Computation of Mill Rate Required to Fund Calendar Year 2009
Contribution from Real and Personal Property Taxes

Amount required by the district to fund the second half of the fiscal year 2008-2009 budget:

January 1, 2009 through June 30, 2009 \$217,971,708 x 50% = \$ 108,985,854

Amount required by the district to fund the first half of the fiscal year 2009-2010 budget:

July 1, 2009 through December 31, 2009 232,947,582 x 50 = 116,473,791

Total amount required by the district for calendar year 2009 \$ 225,459,645

Based on an assessed valuation of \$31,652,617,659, the mill rate assessment for schools during calendar year 2009 is 7.12 mills.

The district has accrued the taxes of \$95,956,874 and \$20,516,916 for funding of the first half of the fiscal year 2009-2010 budget as of June 30, 2009 in the General Fund and Debt Service Fund, respectively. The corresponding unearned revenue has been established.

Prepaid Items

Prepaid items primarily represent utilities and supplies paid for in advance of the period to which they apply. The district prepaids utility costs in order to be able to take advantage of reduced costs and an interest earning agreement with the utility. Supplies are prepaid due to the time required for transportation, as it is necessary to order certain supplies in advance in order to insure 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 a reservation of fund balance.

Inventories

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

Inventories for building and grounds maintenance use are maintained under the purchase method of inventory. The expenditures are recorded in the General Fund upon acquisition. The value of the purchase method of inventory at June 30 is \$1,579,615 and is equally offset by a fund balance reserve.

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 \$436,900 and \$832,622, respectively, and are equally offset by a fund balance reserve. \$150,643 is the value of the USDA food commodities under the consumption method of inventory at June 30. This amount is also reported as unearned revenue at June 30. The total fund balance inventory reservation in the General Fund is \$2,016,515.

Capital Assets

General capitals 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 Assets but are not reported in the fund financial statements.

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

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

| <u>Description</u> | Governmental Activities <u>Estimated Lives</u> |
|--------------------------------|--|
| Land improvements | 20 years |
| Buildings | 45 years |
| Equipment | 5 – 20 years |
| Pupil transportation equipment | 7 years |

Compensated Absences

It is the district's policy to allow employees to accumulate earned but unused vacation pay benefits. Seven of the eight collective bargaining 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 as a reservation of the fund balance in the governmental funds for the amounts equal to the value of the accrued leave at June 30. A liability for these amounts is reported in the governmental funds only if they are due and payable, for example, as a result of employee resignations or retirements. All vacation pay is accrued when incurred in the government-wide financial statements at June 30 and liquidated within one year of 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.

Unearned Revenue

Unearned revenues 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 unearned revenue may be recorded for out-of-district tuition received for the next fiscal year within the General Fund.

Grant proceeds received prior to incurring the related expenditures are generally deferred 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, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Reservation of Fund Balance

Reserved for encumbrances represent commitments related to unperformed contracts for goods or services authorized by current and prior years' appropriations. They are reported as reserved fund balance since they do not constitute liabilities or expenditures.

Reserved for inventory represents the portion of the fund balance, which indicates that inventories recorded on the purchase and consumption method of inventory do not constitute "available spendable resources".

Reserved for Federal Impact Aid represents the amount required to be reserved to offset a reduction of funding in the Alaska Public School Funding Program.

Reserved for prepaid items represent that portion of fund balance, which indicates that prepaid items recorded on the purchases method do not constitute "available spendable resources".

Reserved for self-insurance represents an amount established to cover estimates for reserves for workers' compensation and liability claims and incurred but not reported claims. In addition, the amount is established to cover self-insured retention in the event of multiple losses related to auto and general liability, workers' compensation, and/or property losses.

Reserved for debt service represents the fund balance legally restricted and available for debt service.

Designation of Fund Balance

Designated for accrued compensated absences represents the portion of the fund balance, which has been allocated to fund the value of the unused personal leave at June 30.

Designated for subsequent years expenditures represents the portion of the fund balance, which has been allocated for use to balance the budget in future years.

Designated for bond rating represents the portion of the fund balance, which has been allocated to be held in perpetuity by agreement with the Municipality of Anchorage to maintain and increase the bond rating of the municipality.

Designated for authorized construction represents the portion of the unreserved fund balance, which has been allocated to specific capital projects at June 30.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt excludes unspent debt proceeds. Net assets are 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 appropriation.

The district first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets 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 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. A summary of individual interfund receivables and payables at June 30, 2009 is as follows:

| | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|--------------------------|---------------------------------|------------------------------|
| Major funds: | | |
| General Fund | \$ 36,955,857 | \$ 7,621,937 |
| State and Federal Grants | | |
| Special Revenue Fund | -- | 15,038,157 |
| Debt Service Fund | -- | 19,789,606 |
| Capital Projects Fund | -- | 2,086,969 |
| Non-major funds | <u>7,621,937</u> | <u>41,125</u> |
| | <u>\$ 44,577,794</u> | <u>\$ 44,577,794</u> |

A summary of interfund transfers is as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|-------------------|---------------------|----------------------|
| Major funds: | | |
| General Fund | \$ -- | \$ 4,339,074 |
| Debt Service Fund | 342,889 | -- |

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|-----------------------|---------------------|----------------------|
| Capital Projects Fund | -- | 175,889 |
| Non-major funds | <u>4,172,074</u> | <u>--</u> |
| | <u>\$ 4,514,963</u> | <u>\$ 4,514,963</u> |

The district transferred \$175,889 from the Capital Projects Fund to the Debt Service Fund. The amount transferred includes a portion of 2008B bond premium. This transfer was allocated to make debt service payments for 2008B general obligation bonds. The amount of \$167,000 was transferred from the General Fund to the Debt Service Fund to make debt service payments related to school bus purchases. In addition, the district transferred \$4,172,074 from General Fund when establishing the Health Insurance Internal Service Fund. These funds were held in the General Fund previously on behalf of the district's health insurance fund.

G. 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, 2009, from which the summarized information was derived.

NOTE 2 - CHANGES IN CAPITAL ASSETS

The capital assets activity for the fiscal year ended June 30, 2009 are as follows:

| | <u>Balance July 1, 2008</u> | <u>Additions/ Transfers</u> | <u>Deductions/ Transfers</u> | <u>Balance June 30, 2009</u> |
|--|---------------------------------|---------------------------------|----------------------------------|----------------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 31,426,615 | \$ 10,930,448 | \$ -- | \$ 42,357,063 |
| Construction in progress | <u>242,577,787</u> | <u>50,587,640</u> | <u>206,385,794</u> | <u>86,779,633</u> |
| Total capital assets not being depreciated | <u>274,004,402</u> | <u>61,518,088</u> | <u>206,385,794</u> | <u>129,136,696</u> |
| Capital assets being depreciated: | | | | |
| Land improvements | 46,742,909 | 330,817 | -- | 47,073,726 |
| Buildings and equipment | 1,233,816,847 | 207,919,799 | 8,387,922 | 1,433,348,724 |
| Pupil transportation equipment | <u>9,142,408</u> | <u>--</u> | <u>98,028</u> | <u>9,044,380</u> |
| Total capital assets being depreciated | <u>1,289,702,164</u> | <u>208,250,616</u> | <u>8,485,950</u> | <u>1,489,466,830</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | (33,210,468) | (1,227,230) | -- | (34,437,698) |
| Buildings and equipment | (332,243,529) | (31,439,955) | (4,388,605) | (359,294,879) |
| Pupil transportation equipment | <u>(7,947,966)</u> | <u>(412,749)</u> | <u>(98,028)</u> | <u>(8,262,687)</u> |
| Total accumulated depreciation | <u>(373,401,963)</u> | <u>(33,079,934)</u> | <u>(4,486,633)</u> | <u>(401,995,264)</u> |
| Total capital assets, being depreciated, net | <u>916,300,201</u> | <u>175,170,682</u> | <u>3,999,317</u> | <u>1,087,471,566</u> |
| Governmental activities capital assets, net | <u>\$ 1,190,304,603</u> | <u>\$ 236,688,770</u> | <u>\$ 210,385,111</u> | <u>\$ 1,216,608,262</u> |

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

| | <u>Amount</u> |
|---|----------------------|
| Governmental activities: | |
| General administration | \$ 859,822 |
| Instruction | 30,837,226 |
| Pupil transportation | 436,364 |
| Operation and maintenance of plant | 667,570 |
| Community services | 1,211 |
| Non-departmental | 147 |
| Food services | <u>277,594</u> |
| Total depreciation expense, governmental activities | <u>\$ 33,079,934</u> |

Construction in progress, less projects completed in 2009 is composed of the following:

| | Project Authorization | Expended to 6/30/2009 | Committed |
|--|--------------------------|--------------------------|-------------------|
| Secondary schools: | | | |
| Bartlett High School Electrical Upgrade | \$ 6,977 | \$ -- | \$ -- |
| Bartlett High School Phase 2 Design and Renovation | 1,403,645 | 1,055,382 | 3,950 |
| Bartlett High School Phase 3A Design | 1,000,000 | 928,165 | -- |
| Central Middle School Track | 750,000 | 220,191 | 257,753 |
| Chugiak High School Electrical Upgrades | 1,624,702 | 1,410,142 | 40,960.00 |
| Chugiak High School Design | 900,000 | 742,054 | 120,038.00 |
| Clark Middle School Replacement | 65,000,000 | 58,650,308 | 2,754,505 |
| Dimond Emergency Preparedness Design | 133,197 | -- | 17,100 |
| Eagle River High School Sewer | 2,300,000 | 1,100,000 | -- |
| East High School Phase 2 Design | 939,709 | 798,488 | -- |
| East High School Phase 3 Renovation/Phase 4 Design | 625,524 | 518,133 | 102,022 |
| East High School Renovation | 714,153 | 348,766 | 254,761 |
| East High School Security Upgrades | 550,000 | 109,234 | -- |
| Goldenview Middle School Power/Data Technology | 500,000 | 22,204 | 262,939 |
| Gruening Middle School Electrical Upgrade | 889,143 | 826,854 | 35,355 |
| Gruening Middle School Track | 750,001 | 302,588 | 291,593 |
| Hanshew Middle School Track | 750,001 | 543,473 | 102,693 |
| Hanshew Middle School Domestic Water Pipe | 1,100,000 | -- | -- |
| Mears Middle School Traffic Safety Upgrades | 500,000 | 246,288 | 149,349 |
| Nicholas J. Begich Middle School Construction | 4,522,093 | -- | 127,645 |
| Service High School Electrical | 17,786 | -- | -- |
| Service High School Phase 2A Design and Construction | 2,495,588 | 2,160,600 | 106,671 |
| Service High School Renovation | 1,843,665 | 1,066,937 | 76,482 |
| Service High School Turf Field Design | 500,000 | 60,425 | 19,239 |
| South Anchorage High School Turf Field Design | 500,000 | 60,253 | 19,242 |
| West High School HVAC | 770,406 | -- | 16,207 |
| West High School Utilidor Abatement | 500,000 | 12,861 | -- |
| West High School Restrooms | 12,602 | 2,439 | 1,147 |
| West High School/Romig Middle School Master Plan | 900,000 | 463,095 | 394,372 |
| West High School Fire Alarm Replacement | 700,000 | -- | -- |
| West High School Theater | 205,000 | 1,450 | 190,909 |
| Other secondary schools | <u>15,247,571</u> | <u>3,226,107</u> | <u>2,801,409</u> |
| Total secondary schools | <u>108,651,763</u> | <u>74,876,437</u> | <u>8,146,341</u> |
| Elementary schools: | | | |
| Abbott Loop Elementary School Traffic | 89,033 | -- | -- |
| Campbell Elementary School Roof | 40,166 | -- | -- |
| Chester Valley Elementary School Addition | 17,480,001 | 1,103,201 | 13,012,736 |
| Chugach Optional Elementary School Renovation | 42,317 | 36,929 | -- |
| Chugiak Elementary School Roof | 1,076 | -- | -- |
| Chugiak Elementary School Traffic | 1,249,999 | 1,148,896 | 18,235 |
| College Gate Elementary School Lighting | 810,000 | -- | -- |
| Creekside Elementary School Roof | 1,010,000 | 264 | -- |
| Eagle River Elementary School Water Pipe | 650,000 | 73,897 | 112,648 |
| Inlet View Elementary Roof Upgrade | 1,145,000 | -- | -- |
| North Star Elementary School Lighting/Ceiling | 500,000 | 38,246 | 242,297 |
| Orion Elementary School Heating | 400,455 | -- | -- |
| Polaris K-12 Renovation/Design | 277,396 | 69,201 | 14,495 |
| Rogers Park Elementary School Traffic | 123,103 | -- | -- |
| Sand Lake Elementary School Addition | 17,500,000 | 897,835 | 14,461,077 |
| Sand Lake Elementary School Boiler | 801,177 | 69,001 | 732,176 |
| Scenic Park Elementary School Boiler | 748,235 | 662,488 | 55,462 |
| Susitna Elementary School Roof | 750,000 | 475,558 | 175,604 |
| Tudor Elementary School Asbestos | 6,719 | 2,590 | -- |
| Tudor Elementary School Windows | 3,001 | 240 | -- |
| Willow Crest Elementary School Boiler | 725,785 | 679,643 | 24,372 |
| Other elementary schools | <u>13,125,161</u> | <u>3,816,965</u> | <u>3,709,149</u> |
| Total elementary schools | <u>57,478,624</u> | <u>9,074,954</u> | <u>32,558,251</u> |
| Other capital projects: | | | |
| District-wide Asbestos/ADA/Code | 612,013 | -- | 6,928 |
| District-wide Site Acquisition | 904,895 | -- | -- |
| Maintenance Water Pipe | 445,000 | -- | -- |

| | Project Authorization | Expended to 6/30/2009 | Committed |
|--|--------------------------|--------------------------|----------------------|
| Pupil Transportation | \$ 176,440 | \$ -- | \$ -- |
| Student Nutrition Emergency Preparedness | 198,246 | 139,670 | 19,926 |
| Warehouse Upgrade | 800,000 | 593,363 | 12,396 |
| Other capital projects | 7,659,829 | 2,095,209 | 548,752 |
| Total other capital projects | <u>10,796,423</u> | <u>2,828,242</u> | <u>588,002</u> |
| Total construction in progress | <u>\$ 176,926,810</u> | <u>\$ 86,779,633</u> | <u>\$ 41,292,594</u> |

NOTE 3 - CHANGES IN LONG-TERM OBLIGATIONS

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 fiscal year ended June 30, 2009 (in thousands):

| | Balance July 1, 2008 | Additions | Reductions | Balance June 30, 2009 |
|---------------------------------------|-------------------------|------------------|------------------|--------------------------|
| General obligation bonds | \$ 789,375 | \$ 29,840 | \$ 46,630 | \$ 772,585 |
| Unamortized premium/discount on bonds | 16,951 | 395 | 1,064 | 16,282 |
| | <u>\$ 806,326</u> | <u>\$ 30,235</u> | <u>\$ 47,694</u> | <u>\$ 788,867</u> |

Defeasance of Debt

The district has defeased certain general obligation bonds by placing the proceeds of new bonds and other available funds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for defeased bonds are not included in district's financial statements. At June 30, 2009 the amount of general obligation bonds considered defeased was \$301,025,000.

Bonds payable at June 30, 2009 are comprised of the following individual issues (in thousands):

| General Obligation Bonds | Amount | Due within One Year |
|---|-----------|------------------------|
| \$60,000,000 1995 series A school construction serial bonds due in annual installments of \$3,490,000 to \$5,030,000 through October 2015; interest at 5.0 percent to 6.0 percent | \$ 16,935 | \$ 3,490 |
| \$29,765,000 1995 series A school construction refunding bonds due in annual installments of \$3,300,000 to \$3,515,000 through October 2010; interest 6.0 percent | 6,815 | 3,300 |
| \$20,735,000 1998 series A school construction refunding bonds due in annual installments of \$165,000 to \$5,120,000 through July 2014; interest at 4.25 percent to 5.0 percent | 19,420 | 165 |
| \$55,900,000 1999 series A school construction serial bonds due in annual installments of \$2,735,000 through December 2009; interest at 5.125 percent | 2,735 | 2,735 |
| \$35,000,000 2000 series A school construction serial bonds due in annual installments of \$1,540,000 to \$1,715,000 through December 2011; interest at 5.0 percent to 5.5 percent | 4,880 | 1,540 |
| \$77,900,000 2000 series B school construction serial bonds due in annual installments of \$3,420,000 to \$3,590,000 through December 2010; interest at 5 percent | 7,010 | 3,420 |
| \$65,000,000 2001 series A school construction serial bonds due in annual installments of \$2,840,000 to \$2,995,000 through June 2011; interest at 5.5 percent | 5,835 | 2,840 |
| \$51,805,000 2001 school construction refunding bonds due in annual installments of \$5,155,000 to \$10,345,000 through July 2013; interest at 4.625 percent to 5.5 percent | 43,415 | 5,155 |
| \$131,800,000 2002 series B school construction serial bonds due in annual installments of \$5,225,000 to \$6,350,000 through July 2022; interest at 4.125 percent to 5.5 percent | 28,775 | 5,225 |
| \$70,345,000 2002 school construction refunding bonds due in annual installments of \$4,700,000 to \$9,120,000 through July 2015; interest at 3.75 percent to 5.5 percent | 44,900 | 5,825 |
| \$126,770,000 2003 series B school construction serial bonds due in annual installments of \$1,145,000 to \$6,080,000 through September 2020; interest at 3.25 percent to 4.8 percent | 37,660 | 5,035 |

| General Obligation Bonds (continued) | Amount | Due within One Year |
|---|-------------------|------------------------|
| \$80,735,000 2004 series B school construction refunding bonds due in annual installments of \$70,000 to \$27,390,000 through December 2017; interest at 3.5 percent to 5.25 percent | \$ 80,475 | \$ 70 |
| \$86,240,000 2004 series D school construction serial bonds due in annual installments of \$3,230,000 to \$4,385,000 through December 2016; interest at 2.4 percent to 5.0 percent | 29,895 | 3,230 |
| \$63,850,000 2005 series A school construction serial bonds due in annual installments of \$2,450,000 to \$3,050,000 through March 2016; interest at 3.25 percent to 5.0 percent | 19,130 | 2,450 |
| \$29,155,000 2005 series B school construction refunding bonds due in annual installments of \$45,000 to \$8,140,000 through December 2020; interest at 3.1 percent to 5.0 percent | 28,975 | 45 |
| \$14,790,000 2005 series E school construction refunding bonds due in annual installments of \$3,035,000 to \$4,110,000 through December 2018; interest at 5.0 percent | 14,790 | -- |
| \$48,495,000 2006 series A school construction serial bonds due in annual installments of \$1,710,000 to \$3,640,000 through October 2026; interest at 3.75 percent to 5.0 percent | 45,265 | 1,710 |
| \$28,885,000 2006 series B school construction refunding bonds due in annual installments of \$40,000 to \$7,075,000 through October 2020; interest at 3.75 percent of 5.0 percent | 22,655 | 40 |
| \$51,705,000 2006 series C school construction refunding bonds due in annual installments of \$65,000 to \$9,770,000 through July 2021; interest at 3.75 percent to 5.0 percent | 51,380 | 165 |
| \$171,155,000 2007 series B school construction refunding bonds due in annual installments of \$50,000 to \$29,530,000 through September 2024; interest at 4.0 percent to 5.0 percent | 170,005 | 50 |
| \$63,790,000 2007 series D school construction serial bonds due in annual installments of \$2,080,000 to \$4,885,000 through August 2027; interest at 4.0 percent to 5.0 percent | 61,795 | 2,080 |
| \$29,840,000 2008 series B school construction serial bonds due in annual installments of \$950,000 to \$2,285,000 through August 2028; interest at 3.0 percent to 5.25 percent | 29,840 | 950 |
| | <u>\$ 772,585</u> | <u>\$ 49,520</u> |

The annual requirements to amortize all general obligation debt outstanding as of June 30, 2009, including interest payments in the amount of \$287,012,687 are as follows (in thousands):

| | Principal | Interest | Total |
|-----------|-------------------|-------------------|---------------------|
| 2010 | \$ 49,520 | \$ 36,373 | \$ 85,893 |
| 2011 | 51,795 | 34,064 | 85,859 |
| 2012 | 54,085 | 31,575 | 85,660 |
| 2013 | 54,210 | 29,086 | 83,296 |
| 2014 | 55,505 | 26,385 | 81,890 |
| 2015-2019 | 260,045 | 91,588 | 351,633 |
| 2020-2024 | 197,255 | 33,676 | 230,931 |
| 2025-2029 | 50,170 | 4,265 | 54,435 |
| | <u>\$ 772,585</u> | <u>\$ 287,012</u> | <u>\$ 1,059,597</u> |

Bonds Authorized But Unissued

There are \$33,870,000 authorized but unissued general obligation school bonds of the Municipality of Anchorage at June 30, 2009 as follows (in thousands):

| Purpose | Election Date | Interest Limitation | Amount Authorized | Amount Issued | Remaining Authorization |
|---|----------------|------------------------|----------------------|------------------|----------------------------|
| Construction/renovation/ replacement/major maintenance | April 03, 2007 | none | \$ 85,000 | \$ 74,020 | \$ 10,980 |
| Construction/renovation/ replacement/major maintenance | April 01, 2008 | none | 43,710 | 20,820 | 22,890 |
| | | | <u>\$ 128,710</u> | <u>\$ 94,840</u> | <u>\$ 33,870</u> |

Refunded Bond Issues

There were no refunded bond issues in fiscal year 2008-2009.

Compensated Absences

General Fund, State and Federal Grants Special Revenue Fund, Food Service Special Revenue Fund and Capital Projects Fund liquidated the liability of compensated absences. The balance changes of compensated absences in the fiscal year ended June 30, 2009 are considered as due within one year and are disclosed as the following:

| Beginning Balance | Increases | Decreases | Ending Balance | Due within One Year |
|----------------------|--------------|--------------|-------------------|------------------------|
| \$ 8,919,787 | \$ 9,421,190 | \$ 8,919,787 | \$ 9,421,190 | \$ 9,421,190 |

Workers' Compensation Payable

General Fund, State and Federal Grants Special Revenue Fund, Food Service Special Revenue Fund and Capital Projects Fund liquidated the liability of workers' compensation. The balance changes of workers' compensation in the fiscal year ended June 30, 2009 are disclosed as the following:

| Beginning Balance | Increases | Decreases | Ending Balance | Due within One Year |
|----------------------|--------------|--------------|-------------------|------------------------|
| \$ 16,734,430 | \$ 3,309,342 | \$ 4,812,634 | \$ 15,231,138 | \$ 4,364,719 |

Net Pension Obligation and Other Post-employment Benefits

General Fund, State and Federal Grants Special Revenue Fund, Food Service Special Revenue Fund and Capital Projects Fund liquidated the liability of net pension obligation and other post-employment benefits. This liability has been eliminated based on the action of the Senate Bill 125. Please see note 4 for more details.

| Beginning Balance | Increases | Decreases | Ending Balance |
|----------------------|-----------|---------------|-------------------|
| \$ 17,582,137 | \$ -- | \$ 17,582,137 | \$ -- |

NOTE 4 - RETIREMENT PLANS

As of June 30, 2009, substantially all employees of the district are either members of the Alaska Public Employees' Retirement System (PERS) or the Alaska Teachers' Retirement System (TRS). Both plans are either defined benefit or defined contribution pension plans, dependent on the date of membership. The TRS is a cost-sharing multiple employer plan which covers teachers and other eligible participants. The PERS was originally established as an agent multiple employer plan, but was converted by legislation to a cost-sharing plan, effective July 1, 2008. PERS covers eligible state and local government employees, other than teachers. Both plans were established and are administered by the State of Alaska to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by state law and may be amended only by the state legislature. In addition to PERS, the Alaska Teamster-Employer Pension Trust Fund also covers bus drivers and attendants. The Alaska Teamster-Employer Pension Trust Fund Plan is a multi-employer cost-sharing defined benefit plan created and administered by Teamster Local 959.

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

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.

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.

As a result of the conversion to cost-sharing, the district will not be obligated to pay or to continue amortizing any prior recorded Net Pension/other post employment benefits obligation. Accordingly, the district has written off its June 30, 2008 net pension/other post employment benefits obligation and has recognized a special item (gain) in the amount of \$17,582,137 in the Statement of Activities.

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, 2009 was \$228,128,328 which compares to the district's total payroll of \$333,933,293.

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

Pension Benefits

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

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

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

Postemployment Health Care Benefits

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

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

Funding Policy

Regular employees are required to contribute 6.75% of their annual covered salary (2.09% for pension and 4.66% for healthcare) for PERS and 8.65% (4.03% for pension and 4.62% for healthcare) for TRS. The funding policy provides for periodic employer contributions based on actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate sufficient assets to pay both pension and postemployment healthcare benefits when due.

For both plans the employer contribution rate is statutorily capped at 22% and 12.56% for PERS and TRS respectively, although state legislation currently provides that the State of Alaska will contribute any amount over the statutory limit such that the total contribution

equals the Alaska Retirement Management Board adopted rates. The board adopted rate will generally be consistent with the actuarially determined rate, but not the same as the Governmental Accounting Standards Board (GASB) Statement 45 accounting rate.

The district's contribution rates for 2009 were determined as part of the June 30, 2006 actuarial valuation and are as follows:

| <u>PERS</u> | Contractual <u>Rate</u> | ARM Board Adopted <u>Rate</u> | GASB 45* <u>Rate</u> |
|---------------------------|----------------------------|-------------------------------------|-------------------------|
| Pension | 6.82% | 10.91% | 8.47% |
| Postemployment healthcare | <u>15.18</u> | <u>24.31</u> | <u>37.25</u> |
| Total contribution rate | <u>22.00%</u> | <u>35.22%</u> | <u>45.72%</u> |
| <u>TRS</u> | | | |
| Pension | 5.84% | 20.57% | 18.52% |
| Postemployment healthcare | <u>6.72</u> | <u>23.60</u> | <u>40.44</u> |
| Total contribution rate | <u>12.56%</u> | <u>44.17%</u> | <u>58.96%</u> |

*This rate uses a 4.5% OPEB discount rate and disregards future Medicare Part D payments.

The significant actuarial information and assumptions used in the most recent valuation of the plan follow:

| | | |
|--|---|--|
| <u>Valuation Date</u> | June 30, 2008 | |
| <u>Actuarial Cost Method</u> | Entry age normal Level percentage of pay for pension Level dollar for healthcare | |
| <u>Amortization Method</u> | Level dollar, closed | |
| <u>Equivalent Single Amortization Period</u> | 20 years PERS, 19 years TRS | |
| <u>Asset Valuation Method</u> | 5-year smoothed market | |
| <u>Investment Rate of Return</u> | 8.25% pension, 4.5% healthcare | |
| <u>Salary Scale</u> | <i>PERS</i> | Merit: 5.5% per year grading down to 1.5% after 5 years, for more than 6 years of service, 1.0% grading down to 0% |
| | <i>TRS</i> | Productivity: 0.5% per year Merit: 6.0% for the first five years grading down to 4.0% after 15 years |
| <u>Payroll Growth</u> | 4.0% | |
| <u>Inflation</u> | 3.5% | |
| <u>Health Cost Trend</u> | Medical – 8.0% in FY09 trending downward by variable amounts to 5.9% in FY15, 5.8% through FY25, 5.7% through FY50, and 5.1% through FY100 Prescription Drugs – 10.8% in FY09 trending downward by variable amounts to 5.9% in FY15, 5.8% through FY25, 5.7% through FY50 and 5.1% through FY100 | |

Under both plans, retiree healthcare benefits are partially funded. Both plans use the percentage of Annually Required Contributions methodology in the development of the investment rate of return.

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

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the district and the plan members at that point.

Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial values of assets.

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

Annual Pension and Postemployment Healthcare Cost - PERS

The district is required to contribute 22% of covered payroll, subject to a wage floor. In addition, the State of Alaska contributed approximately 13.22% of covered payroll to the Plan. In accordance with the provisions of GASB Statement Number 24, the district has recorded the state contribution in the amount of \$11,671,689 as a PERS on-behalf payment. However, because the district is not statutorily obligated for these payments, this amount is excluded from pension and OPEB cost as described here. Only one year of information is available at this time.

| Year Ended <u>June 30</u> | Annual Pension <u>Cost</u> | Annual OPEB <u>Cost</u> | Total Benefit Cost <u>(TBC)</u> | District <u>Contributions</u> | Percent of TBC <u>Contributed</u> |
|---------------------------|----------------------------|-------------------------|---------------------------------|-------------------------------|-----------------------------------|
| 2009 | \$5,889,555 | \$13,874,053 | \$19,763,608 | \$19,763,608 | 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 31.61% of covered payroll to the Plan. In accordance with the provisions of GASB Statement Number 24, the district has recorded the state contribution in the amount of \$68,210,009 as a TRS on-behalf payment. 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, 2009, 2008, and 2007, respectively, were equal to the contractually agreed upon rate for each year.

| Year Ended <u>June 30</u> | Annual Pension <u>Cost</u> | Annual OPEB <u>Cost</u> | Benefit Cost <u>(TBC)</u> | District <u>Contributions</u> | Percent of TBC <u>Contributed</u> |
|---------------------------|----------------------------|-------------------------|---------------------------|-------------------------------|-----------------------------------|
| 2009 | \$10,558,060 | \$18,447,599 | \$29,005,659 | \$29,005,659 | 100% |
| 2008 | 7,668,548 | 16,676,050 | 24,344,598 | 24,344,598 | 100 |
| 2007 | 40,362,084 | 10,535,878 | 50,897,962 | 50,897,962 | 100 |

Defined Contribution Pension Plan

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

| | <u>PERS TIER IV</u> | <u>TRS TIER III</u> |
|--|---------------------|---------------------|
| Individual account | 5.00 % | 7.00 % |
| Health reimbursement arrangement * | 3.00 | 3.00 |
| Retiree medical plan | 0.99 | 0.99 |
| Occupational death and disability benefits | <u>0.58</u> | <u>0.62</u> |
| | <u>9.57 %</u> | <u>11.61 %</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, 2009 were \$19,763,608 and \$6,562,307, respectively. The district and employee contributions to TRS for the year ended June 30, 2009 were \$29,005,659 and \$19,526,097, respectively.

Investment - PERS, TRS and Teamster Pension

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

Alaska Teamster-Employer Pension Trust Fund

The Alaska Teamster-Employer Pension Trust Fund is a cost-sharing multi-employer defined benefit plan for bus drivers and attendants. The district contributes two dollars (\$2.00) 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 (\$1.00) 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 \$213,886.61 in 2009, \$195,914 in 2008, and \$189,058 in 2007 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, 2009 was \$2,466,421, which compares to the district's total of \$333,933,293. Employees are not required to make contributions towards the trust fund.

NOTE 5 - POST-EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 4, the district provides basic post-employment 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 87 as of June 30, 2009. The cost of the retiree supplemental health benefits is recognized as expenditure when premiums are paid. The total amount expended for the year ended June 30, 2009 is \$915,941.

NOTE 6 - RISK MANAGEMENT

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

The district self-insures to the extent of \$1,000,000 per occurrence for school bus, auto, and general liability, \$750,000 per occurrence on workers' compensation, and \$100,000 per occurrence on property losses with coverage in excess thereof provided by private carriers. The district is self-insured for earthquake or flood damage. The district has maintained the same insurance coverage and reflected no reduction of insurance coverage in the prior year by major categories of risk. In addition, there are no settlements that exceeded insurance coverage for each of the prior three fiscal years. As of June 30, 2009, the district's healthcare program is a self-funded minimum premium split plan.

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 as a reserve for self-insurance a portion of the fund balance in the General Fund and Food Service Special Revenue Fund to provide for reserves for workers' compensation and liability claims and incurred but not reported claims. The reserve 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 \$21,033,755. 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, 2009 is dependent upon future developments. The district has no settlements that exceeded the amount of insurance coverage.

Changes in the funds' claim liability amounts in 2009, 2008 and 2007 are as follow:

| | | Liability Balance July 1 | Current Year Claims and Changes in Estimates | Claims Payment | Liability Balance June 30 |
|------|--------------|--------------------------------|---|----------------------|---------------------------------|
| 2009 | Health | \$ 5,468,253 | \$ 20,601,215 | \$ 20,446,045 | \$ 5,623,423 |
| | Unemployment | 66,970 | 295,394 | 291,902 | 70,462 |
| | | <u>\$ 5,535,223</u> | <u>\$ 20,896,609</u> | <u>\$ 20,737,947</u> | <u>\$ 5,693,885</u> |
| 2008 | Health | \$ 7,130,520 | \$ 18,418,528 | \$ 20,080,795 | \$ 5,468,253 |
| | Unemployment | 59,635 | (138,150) | 264,755 | 66,970 |
| | | <u>\$ 7,190,155</u> | <u>\$ 18,280,378</u> | <u>\$ 20,345,550</u> | <u>\$ 5,535,223</u> |
| 2007 | Health | \$ 6,527,571 | \$ 19,025,764 | \$ 18,422,815 | \$ 7,130,520 |
| | Unemployment | 52,062 | 282,558 | 274,985 | 59,635 |
| | | <u>\$ 6,579,633</u> | <u>\$ 19,308,322</u> | <u>\$ 18,697,800</u> | <u>\$ 7,190,155</u> |

NOTE 7 - COMMITMENTS

Commitments under lease agreements for the various administration buildings provide for minimum annual rental payments as follows:

| | |
|------|---------------------|
| 2009 | <u>\$ 1,858,956</u> |
|------|---------------------|

The rent expenditures for the year ending June 30, 2009 were \$4,783,207.

NOTE 8 - CONTINGENT LIABILITIES

Grants

The district participates in a variety of state and federal assistance grant 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, 2009 have not been concluded. Accordingly, the district's compliance with the applicable grantor revenue sharing program will be established at some future date. The amount, if any, of expenditures or revenues, which may be disallowed by the granting agencies cannot be determined at this time. Any disallowed claims, including amounts already collected, would become a liability of the General Fund or other applicable funds. 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) 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 attorney's, 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 | \$ | 178,556,242 |
| Debt Service Fund | \$ | 39,415,466 |
| Grant revenues from State of Alaska passed through to the district: | | |
| State and Federal Grants Special Revenue Fund | \$ | 239,398 |
| Charges for services: | | |
| Operations of swimming pools | \$ | 690,938 |
| Joint property and liability insurance: | | |
| Purchase of a single property and liability policy, which covers both the municipality and district | \$ | 1,313,303 |

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 to the district, the construction management of school projects. In order to reflect all the capital assets used for school purposes and the related obligations serviced by the district, real property and the associated obligations have been reported in the accompanying financial statements.

June 30, 2009
With Comparative Totals for
June 30, 2008

BALANCE SHEET

| Assets | <u>2009</u> | <u>2008</u> |
|--|-----------------------|-----------------------|
| Cash and investments, at cost | \$ 96,694,534 | \$ 100,429,715 |
| Accounts receivable (net of any allowances for uncollectibles) | 1,169,406 | 1,466,672 |
| Due from other funds: | | |
| State and Federal Grants Special Revenue Fund | 15,038,157 | 13,698,505 |
| Capital Projects Fund | 2,086,969 | -- |
| Student Activity Special Revenue Fund | 41,125 | 8,940 |
| Debt Service Fund | 19,789,606 | 22,078,508 |
| Due from other governments: | | |
| Municipality of Anchorage | 95,956,874 | 89,488,747 |
| State of Alaska | -- | 391,020 |
| United States Government | -- | 107,619 |
| Prepaid items | 10,507,949 | 8,187,537 |
| Inventory, at weighted average cost | 2,016,515 | 2,004,661 |
| Total assets | <u>\$ 243,301,135</u> | <u>\$ 237,861,924</u> |
| Liabilities and Fund Balance | | |
| Liabilities: | | |
| Accounts payable | \$ 3,930,995 | \$ 7,603,029 |
| Medical claims payable | 5,623,423 | 5,468,253 |
| Due to other funds: | | |
| Equipment Replacement Fund | 576,553 | 1,094,465 |
| Food Service Special Revenue Fund | 1,502,280 | 690,212 |
| Student Activity Special Revenue Fund | 1,371,030 | 1,342,930 |
| Health Insurance Fund | 4,172,074 | -- |
| Capital Projects Fund | -- | 2,894,639 |
| Accrued salaries and related items: | | |
| Wages and salaries payable | 2,017,482 | 1,729,795 |
| Payroll taxes, other accrued and withheld items | 8,893,728 | 8,057,381 |
| Unearned revenue | 95,972,443 | 89,301,885 |
| Total liabilities | <u>124,060,008</u> | <u>118,182,589</u> |
| Fund balance: | | |
| Reserved: | | |
| Encumbrances | 19,066,639 | 22,102,814 |
| Inventory | 2,016,515 | 2,004,661 |
| Federal Impact Aid | 12,228,199 | 12,645,547 |
| Prepaid items | 10,506,092 | 8,187,537 |
| Self-insurance | 21,033,755 | 20,896,840 |
| Unreserved: | | |
| Designated for bond rating | 18,600,421 | 17,503,677 |
| Designated for subsequent year's expenditures | 3,900,000 | 3,959,000 |
| Designated for accrued compensated absences | 8,380,055 | 7,936,952 |
| Undesignated | 23,509,451 | 24,442,307 |
| Total fund balance | <u>119,241,127</u> | <u>119,679,335</u> |
| Total liabilities and fund balance | <u>\$ 243,301,135</u> | <u>\$ 237,861,924</u> |

For the Year Ended June 30, 2009
 With Comparative Totals
 For the Year Ended June 30, 2008

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

| | <u>2009</u> | <u>2008</u> |
|--|--------------------|--------------------|
| Revenues: | | |
| Revenues from local sources: | | |
| Appropriation from Municipality of Anchorage | \$ 178,556,242 | \$ 169,197,819 |
| Reimbursement for school facilities rental | 580,448 | 849,453 |
| Nonresident tuition | 3,910 | 42,847 |
| Investment income | 1,734,779 | 4,115,914 |
| E-Rate | 1,591,650 | 2,044,567 |
| Other revenues | 1,723,694 | 1,883,679 |
| Total revenues from local sources | <u>184,190,723</u> | <u>178,134,279</u> |
| Revenues from state sources: | | |
| Public school funding program | 281,733,376 | 264,718,682 |
| Transportation | 18,176,337 | 16,877,496 |
| Youth detention program | -- | 393,287 |
| Contract school - Providence Heights | -- | 145,000 |
| Energy relief | -- | 6,656,602 |
| Retirement systems employer relief | 73,805,572 | 88,473,209 |
| School improvement grant | -- | 7,890,604 |
| On-Base tuition | 408,484 | 408,484 |
| Total revenues from state sources | <u>374,123,769</u> | <u>385,563,364</u> |
| Revenues from federal sources: | | |
| Reserve Officers Training Corps | 579,250 | 695,831 |
| Federal Impact Aid | 14,639,709 | 13,668,868 |
| Medicaid reimbursement | -- | 1,317,328 |
| Total revenues from federal sources | <u>15,218,959</u> | <u>15,682,027</u> |
| Total revenues | <u>573,533,451</u> | <u>579,379,670</u> |
| Expenditures: | | |
| Current: | | |
| General administration | 17,674,860 | 19,239,207 |
| Instruction | 500,988,714 | 484,255,121 |
| Pupil transportation | 19,234,255 | 18,982,195 |
| Operation and maintenance of plant | 27,357,834 | 26,772,621 |
| Community services | 951,649 | 840,031 |
| Non-departmental | 3,436,400 | 3,144,562 |
| Total expenditures | <u>569,643,712</u> | <u>553,233,737</u> |
| Excess of revenues over expenditures | 3,889,739 | 26,145,933 |

(Continued)

For the Year Ended June 30, 2009
 With Comparative Totals
 For the Year Ended June 30, 2008

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

| | <u>2009</u> | <u>2008</u> |
|---|-----------------------|-----------------------|
| Other financing sources and (uses): | | |
| Proceeds from sale of property and equipment | \$ 11,127 | \$ 51,531 |
| Transfers out - Food Service Fund | -- | (1,125,000) |
| Transfers out - Health Insurance Fund | (4,172,074) | -- |
| Transfers out - Internal Service Fund | -- | (600,000) |
| Transfers out - Debt Service Fund | <u>(167,000)</u> | <u>(167,000)</u> |
| Total other financing sources and (uses) | <u>(4,327,947)</u> | <u>(1,840,469)</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | (438,208) | 24,305,464 |
| Fund balance at beginning of year | 119,679,335 | 95,383,692 |
| Decrease in reserve for inventory | <u>--</u> | <u>(9,821)</u> |
| Fund balance at end of year | <u>\$ 119,241,127</u> | <u>\$ 119,679,335</u> |

For the Year Ended June 30, 2009
 With Comparative Totals
 For the Year Ended June 30, 2008

SCHEDULE OF EXPENDITURES GAAP BASIS

| | <u>2009</u> | <u>2008</u> |
|---|--------------------|--------------------|
| Current: | | |
| General administration: | | |
| Anchorage School Board | \$ 484,855 | \$ 421,405 |
| Superintendent | 1,663,415 | 1,854,768 |
| Instruction | 4,250,639 | 6,570,428 |
| Support services | 4,272,749 | 3,825,578 |
| Planning, communications and development | 1,081,058 | 927,478 |
| Business management | 3,016,254 | 2,791,219 |
| Employee relations | <u>2,905,890</u> | <u>2,848,331</u> |
| Total general administration | <u>17,674,860</u> | <u>19,239,207</u> |
| Instruction: | | |
| Instructional support: | | |
| Curriculum and staff development | 11,284,918 | 11,287,538 |
| Instructional media | 3,235,430 | 2,925,899 |
| Assessment and evaluation | 1,099,077 | 925,151 |
| Technology/management information systems | <u>11,357,044</u> | <u>9,664,867</u> |
| Total instructional support | 26,976,469 | 24,803,455 |
| Elementary education | 167,720,085 | 164,521,222 |
| Charter schools | 17,147,265 | 14,127,158 |
| Middle school education | 57,892,318 | 57,677,653 |
| High school education | 111,918,795 | 109,766,248 |
| Special education services: | | |
| Special services | 29,450,283 | 28,148,668 |
| Special education | <u>72,799,636</u> | <u>69,179,603</u> |
| Total special education services | 102,249,919 | 97,328,271 |
| English language learners | 11,215,771 | 10,207,639 |
| Gifted education | 5,759,205 | 5,823,475 |
| Native education | <u>108,887</u> | <u>--</u> |
| Total instruction | <u>500,988,714</u> | <u>484,255,121</u> |
| Pupil transportation | <u>19,234,255</u> | <u>18,982,195</u> |
| Operation and maintenance of plant: | | |
| Custodial services | 3,320,112 | 3,048,548 |
| Facilities | 22,785,063 | 22,516,239 |
| Vehicle maintenance | <u>1,252,659</u> | <u>1,207,834</u> |
| Total operation and maintenance of plant | <u>27,357,834</u> | <u>26,772,621</u> |

(Continued)

For the Year Ended June 30, 2009
 With Comparative Totals
 For the Year Ended June 30, 2008

SCHEDULE OF EXPENDITURES GAAP BASIS (Continued)

| | <u>2009</u> | <u>2008</u> |
|------------------------------|-----------------------|-----------------------|
| Community services | \$ 951,649 | \$ 840,031 |
| Non-departmental: | | |
| Contracted services | 54,877 | (37,706) |
| Employee benefits: | | |
| Association benefits | 176,864 | 176,124 |
| Employee assistance | 70,225 | 66,879 |
| Medical insurance - retirees | 915,941 | 870,191 |
| Sick leave bank | <u>252,640</u> | <u>219,252</u> |
| Total employee benefits | 1,415,670 | 1,332,446 |
| Insurance | 1,333,617 | 1,193,867 |
| Rental land and buildings | 1,824,174 | 1,803,995 |
| Utilities | 291,466 | 266,190 |
| Other non-departmental | <u>(1,483,404)</u> | <u>(1,414,230)</u> |
| Total non-departmental | <u>3,436,400</u> | <u>3,144,562</u> |
| Total expenditures | <u>\$ 569,643,712</u> | <u>\$ 553,233,737</u> |

For the Year Ended June 30, 2009

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

| | Actual | Adjustment to Basis of Budgeting | Actual on Basis of Budgeting | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|---|------------------|--|------------------------------------|------------------|------------------|---|
| | | | | Original | Final | |
| Current: | | | | | | |
| General administration: | | | | | | |
| Anchorage School Board: | | | | | | |
| Personnel services | \$ 210,617 | \$ -- | \$ 210,617 | \$ 203,694 | \$ 202,433 | \$ (8,184) |
| Employee benefits | 85,160 | -- | 85,160 | 79,697 | 84,308 | (852) |
| Purchased services | 172,726 | (25,917) | 146,809 | 250,350 | 243,824 | 97,015 |
| Supplies and materials | 14,207 | (1,725) | 12,482 | 12,600 | 12,883 | 401 |
| Capital outlay | 2,145 | (1,378) | 767 | -- | 768 | 1 |
| Total Anchorage School Board | 484,855 | (29,020) | 455,835 | 546,341 | 544,216 | 88,381 |
| Superintendent: | | | | | | |
| Personnel services | 230,838 | -- | 230,838 | 244,770 | 249,449 | 18,611 |
| Employee benefits | 143,995 | -- | 143,995 | 145,656 | 146,251 | 2,256 |
| Purchased services | 1,276,987 | 10,448 | 1,287,435 | 1,428,500 | 1,429,350 | 141,915 |
| Supplies and materials | 5,716 | (264) | 5,452 | 7,175 | 6,125 | 673 |
| Capital outlay | 5,879 | (5,118) | 761 | -- | 761 | -- |
| Total superintendent | 1,663,415 | 5,066 | 1,668,481 | 1,826,101 | 1,831,936 | 163,455 |
| Instruction: | | | | | | |
| Personnel services | 1,558,905 | -- | 1,558,905 | 1,359,175 | 1,461,298 | (97,607) |
| Employee benefits | 932,583 | -- | 932,583 | 874,204 | 888,905 | (43,678) |
| Purchased services | 499,829 | (236,560) | 263,269 | 61,600 | 268,024 | 4,755 |
| Supplies and materials | 717,981 | (44,930) | 673,051 | 98,297 | 673,924 | 873 |
| Capital outlay | 541,341 | (337,456) | 203,885 | 202,859 | 203,886 | 1 |
| Total instruction | 4,250,639 | (618,946) | 3,631,693 | 2,596,135 | 3,496,037 | (135,656) |
| Support services: | | | | | | |
| Personnel services | 2,497,924 | -- | 2,497,924 | 2,498,520 | 2,483,034 | (14,890) |
| Employee benefits | 1,602,320 | -- | 1,602,320 | 1,636,954 | 1,613,771 | 11,451 |
| Purchased services | 102,324 | (35,673) | 66,651 | 98,881 | 86,418 | 19,767 |
| Supplies and materials | 44,618 | 545 | 45,163 | 50,330 | 45,021 | (142) |
| Capital outlay | 25,563 | 31,727 | 57,290 | 21,456 | 69,699 | 12,409 |
| Total support services | 4,272,749 | (3,401) | 4,269,348 | 4,306,141 | 4,297,943 | 28,595 |
| Planning, communications and development: | | | | | | |
| Personnel services | 504,282 | -- | 504,282 | 526,523 | 506,354 | 2,072 |
| Employee benefits | 306,920 | -- | 306,920 | 339,587 | 321,638 | 14,718 |
| Purchased services | 262,973 | 29,139 | 292,112 | 292,300 | 294,073 | 1,961 |
| Supplies and materials | 4,449 | 524 | 4,973 | 11,050 | 4,983 | 10 |
| Capital outlay | 2,434 | -- | 2,434 | 2,171 | 2,434 | -- |
| Total planning, communications and development | 1,081,058 | 29,663 | 1,110,721 | 1,171,631 | 1,129,482 | 18,761 |
| Business management: | | | | | | |
| Personnel services | 1,760,687 | -- | 1,760,687 | 1,949,945 | 1,717,896 | (42,791) |
| Employee benefits | 1,053,275 | -- | 1,053,275 | 1,211,433 | 1,068,229 | 14,954 |
| Purchased services | 172,667 | 102,833 | 275,500 | 11,848 | 279,322 | 3,822 |
| Supplies and materials | 24,451 | 12,567 | 37,018 | 24,274 | 37,047 | 29 |
| Capital outlay | 5,174 | 119,952 | 125,126 | -- | 125,126 | -- |
| Total business management | 3,016,254 | 235,352 | 3,251,606 | 3,197,500 | 3,227,620 | (23,986) |

(Continued)

For the Year Ended June 30, 2009

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

| | Actual | Adjustment to Basis of Budgeting | Actual on Basis of Budgeting | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|--|--------------|--|------------------------------------|------------------|--------------|---|
| | | | | Original | Final | |
| Employee relations: | | | | | | |
| Personnel services | \$ 1,729,752 | \$ -- | \$ 1,729,752 | \$ 1,836,282 | \$ 1,819,208 | \$ 89,456 |
| Employee benefits | 1,050,646 | -- | 1,050,646 | 1,106,128 | 1,091,752 | 41,106 |
| Purchased services | 90,011 | 69,804 | 159,815 | 199,400 | 186,794 | 26,979 |
| Supplies and materials | 23,636 | (4,393) | 19,243 | 16,050 | 21,825 | 2,582 |
| Capital outlay | 11,845 | (9,811) | 2,034 | -- | 2,250 | 216 |
| Total employee relations | 2,905,890 | 55,600 | 2,961,490 | 3,157,860 | 3,121,829 | 160,339 |
| Total general administration | 17,674,860 | (325,686) | 17,349,174 | 16,801,709 | 17,649,063 | 299,889 |
| Instruction: | | | | | | |
| Instructional support: | | | | | | |
| Curriculum and staff development: | | | | | | |
| Personnel services | 6,046,570 | -- | 6,046,570 | 6,165,462 | 6,245,557 | 198,987 |
| Employee benefits | 3,403,667 | -- | 3,403,667 | 3,567,633 | 3,513,869 | 110,202 |
| Purchased services | 219,980 | 26,563 | 246,543 | 317,119 | 283,729 | 37,186 |
| Supplies and materials | 1,140,962 | (406,324) | 734,638 | 374,512 | 745,800 | 11,162 |
| Capital outlay | 473,739 | 1,229 | 474,968 | 324,971 | 492,413 | 17,445 |
| Total curriculum and staff development | 11,284,918 | (378,532) | 10,906,386 | 10,749,697 | 11,281,368 | 374,982 |
| Instructional media: | | | | | | |
| Personnel services | 1,359,624 | -- | 1,359,624 | 1,342,354 | 1,353,048 | (6,576) |
| Employee benefits | 873,091 | -- | 873,091 | 894,754 | 895,033 | 21,942 |
| Purchased services | 374,775 | (5,302) | 369,473 | 437,597 | 398,065 | 28,592 |
| Supplies and materials | 499,575 | 44,228 | 543,803 | 569,814 | 550,422 | 6,619 |
| Capital outlay | 128,365 | (63,330) | 65,035 | 21,994 | 69,770 | 4,735 |
| Total instructional media | 3,235,430 | (24,404) | 3,211,026 | 3,266,513 | 3,266,338 | 55,312 |
| Assessment and evaluation: | | | | | | |
| Personnel services | 635,633 | -- | 635,633 | 635,303 | 630,043 | (5,590) |
| Employee benefits | 362,598 | -- | 362,598 | 380,928 | 369,135 | 6,537 |
| Purchased services | 71,709 | 1,065 | 72,774 | 56,645 | 89,392 | 16,618 |
| Supplies and materials | 17,293 | (181) | 17,112 | 36,419 | 29,922 | 12,810 |
| Capital outlay | 11,844 | (272) | 11,572 | 9,154 | 13,874 | 2,302 |
| Total assessment and evaluation | 1,099,077 | 612 | 1,099,689 | 1,118,449 | 1,132,366 | 32,677 |
| Technology/management information systems: | | | | | | |
| Personnel services | 3,631,341 | -- | 3,631,341 | 3,605,432 | 3,676,852 | 45,511 |
| Employee benefits | 2,193,415 | -- | 2,193,415 | 2,287,075 | 2,256,722 | 63,307 |
| Purchased services | 3,851,285 | (208,052) | 3,643,233 | 3,494,966 | 3,743,898 | 100,665 |
| Supplies and materials | 369,956 | 140,214 | 510,170 | 162,030 | 539,416 | 29,246 |
| Capital outlay | 1,311,047 | 172,973 | 1,484,020 | 313,824 | 1,445,302 | (38,718) |
| Total technology/management information systems | 11,357,044 | 105,135 | 11,462,179 | 9,863,327 | 11,662,190 | 200,011 |
| Total instructional support | 26,976,469 | (297,189) | 26,679,280 | 24,997,986 | 27,342,262 | 662,982 |
| Elementary education: | | | | | | |
| Personnel services | 96,221,391 | -- | 96,221,391 | 97,204,041 | 97,894,144 | 1,672,753 |
| Employee benefits | 59,557,098 | -- | 59,557,098 | 62,449,976 | 61,559,823 | 2,002,725 |
| Purchased services | 8,624,829 | 154,936 | 8,779,765 | 10,558,152 | 9,045,872 | 266,107 |
| Supplies and materials | 2,990,546 | (710,218) | 2,280,328 | 2,370,927 | 2,405,378 | 125,050 |
| Capital outlay | 326,221 | (110,050) | 216,171 | 254,488 | 235,583 | 19,412 |
| Total elementary education | 167,720,085 | (665,332) | 167,054,753 | 172,837,584 | 171,140,800 | 4,086,047 |

(Continued)

For the Year Ended June 30, 2009

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

| | Actual | Adjustment to Basis of Budgeting | Actual on Basis of Budgeting | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|------------------------------------|--------------|--|------------------------------------|------------------|--------------|---|
| | | | | Original | Final | |
| Charter schools: | | | | | | |
| Personnel services | \$ 7,316,323 | \$ -- | \$ 7,316,323 | \$ 7,640,778 | \$ 7,304,167 | \$ (12,156) |
| Employee benefits | 4,485,753 | -- | 4,485,753 | 4,874,303 | 4,587,865 | 102,112 |
| Purchased services | 4,141,148 | (272,825) | 3,868,323 | 3,563,652 | 3,992,969 | 124,646 |
| Supplies and materials | 789,257 | 186,313 | 975,570 | 794,902 | 988,236 | 12,666 |
| Capital outlay | 324,687 | (227,303) | 97,384 | 189,922 | 101,242 | 3,858 |
| Other | 90,097 | -- | 90,097 | 141,001 | 90,099 | 2 |
| Total charter schools | 17,147,265 | (313,815) | 16,833,450 | 17,204,558 | 17,064,578 | 231,128 |
| Middle school education: | | | | | | |
| Personnel services | 32,681,033 | -- | 32,681,033 | 33,618,552 | 33,629,195 | 948,162 |
| Employee benefits | 20,497,585 | -- | 20,497,585 | 21,772,533 | 21,267,889 | 770,304 |
| Purchased services | 3,165,614 | 118,461 | 3,284,075 | 4,294,229 | 3,237,086 | (46,989) |
| Supplies and materials | 1,234,327 | 420,594 | 1,654,921 | 821,583 | 1,680,835 | 25,914 |
| Capital outlay | 310,652 | (11,779) | 298,873 | 264,898 | 304,858 | 5,985 |
| Other | 3,107 | (3,118) | (11) | -- | -- | 11 |
| Total middle school education | 57,892,318 | 524,158 | 58,416,476 | 60,771,795 | 60,119,863 | 1,703,387 |
| High school education: | | | | | | |
| Personnel services | 61,655,303 | -- | 61,655,303 | 61,574,577 | 62,082,862 | 427,559 |
| Employee benefits | 38,129,598 | -- | 38,129,598 | 39,387,913 | 39,229,451 | 1,099,853 |
| Purchased services | 9,138,401 | 19,690 | 9,158,091 | 10,646,384 | 9,573,100 | 415,009 |
| Supplies and materials | 2,286,666 | (313,783) | 1,972,883 | 2,228,290 | 2,018,842 | 45,959 |
| Capital outlay | 601,108 | 32,325 | 633,433 | 572,439 | 650,404 | 16,971 |
| Other | 107,719 | -- | 107,719 | 111,725 | 107,719 | -- |
| Total high school education | 111,918,795 | (261,768) | 111,657,027 | 114,521,328 | 113,662,378 | 2,005,351 |
| Special education services: | | | | | | |
| Special services: | | | | | | |
| Personnel services | 17,396,732 | -- | 17,396,732 | 17,127,834 | 17,167,752 | (228,980) |
| Employee benefits | 11,114,621 | -- | 11,114,621 | 11,574,951 | 11,420,754 | 306,133 |
| Purchased services | 743,866 | 21,769 | 765,635 | 624,372 | 799,959 | 34,324 |
| Supplies and materials | 157,540 | (3,447) | 154,093 | 145,141 | 157,472 | 3,379 |
| Capital outlay | 37,524 | 5,499 | 43,023 | 34,878 | 45,178 | 2,155 |
| Total special services | 29,450,283 | 23,821 | 29,474,104 | 29,507,176 | 29,591,115 | 117,011 |
| Special education: | | | | | | |
| Personnel services | 41,967,484 | -- | 41,967,484 | 43,094,412 | 42,592,146 | 624,662 |
| Employee benefits | 28,664,791 | -- | 28,664,791 | 31,061,222 | 30,274,055 | 1,609,264 |
| Purchased services | 986,253 | 81,805 | 1,068,058 | 1,065,382 | 1,120,224 | 52,166 |
| Supplies and materials | 1,112,927 | (850,541) | 262,386 | 394,339 | 274,768 | 12,382 |
| Capital outlay | 68,181 | (6,042) | 62,139 | 68,633 | 70,765 | 8,626 |
| Total special education | 72,799,636 | (774,778) | 72,024,858 | 75,683,988 | 74,331,958 | 2,307,100 |
| Total special education services | 102,249,919 | (750,957) | 101,498,962 | 105,191,164 | 103,923,073 | 2,424,111 |
| English language learners | | | | | | |
| Personnel services | 6,405,808 | -- | 6,405,808 | 6,632,508 | 6,558,256 | 152,448 |
| Employee benefits | 4,717,652 | -- | 4,717,652 | 4,997,352 | 4,901,432 | 183,780 |
| Purchased services | 44,308 | 20,601 | 64,909 | 43,930 | 70,705 | 5,796 |
| Supplies and materials | 46,499 | 1,512 | 48,011 | 54,697 | 53,423 | 5,412 |
| Capital outlay | 1,504 | (306) | 1,198 | -- | 1,199 | 1 |
| Total english language learners | 11,215,771 | 21,807 | 11,237,578 | 11,728,487 | 11,585,015 | 347,437 |
| Gifted education | | | | | | |
| Personnel services | 3,460,644 | -- | 3,460,644 | 3,562,367 | 3,549,378 | 88,734 |
| Employee benefits | 2,182,835 | -- | 2,182,835 | 2,328,662 | 2,269,690 | 86,855 |
| Purchased services | 24,939 | (447) | 24,492 | 55,944 | 28,209 | 3,717 |
| Supplies and materials | 72,814 | 23,343 | 96,157 | 91,995 | 101,853 | 5,696 |
| Capital outlay | 17,973 | 7,212 | 25,185 | 12,244 | 25,957 | 772 |
| Total gifted education | 5,759,205 | 30,108 | 5,789,313 | 6,051,212 | 5,975,087 | 185,774 |

(Continued)

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

For the Year Ended June 30, 2009

| | Actual | Adjustment to Basis of Budgeting | Actual on Basis of Budgeting | Budgeted Amounts | | Variance with Final Budget Positive Negative |
|---|----------------|--|------------------------------------|------------------|----------------|---|
| | | | | Original | Final | |
| Native education | | | | | | |
| Personnel services | \$ 64,216 | \$ -- | \$ 64,216 | \$ -- | \$ 64,217 | \$ 1 |
| Employee benefits | 44,388 | -- | 44,388 | -- | 45,224 | 836 |
| Purchased services | 283 | -- | 283 | -- | 284 | 1 |
| Total native education | 108,887 | -- | 108,887 | -- | 109,725 | 838 |
| Total instruction | 500,988,714 | (1,712,988) | 499,275,726 | 513,304,114 | 510,922,781 | 11,647,055 |
| Pupil transportation: | | | | | | |
| Personnel services | 4,087,998 | -- | 4,087,998 | 4,108,446 | 4,081,262 | (6,736) |
| Employee benefits | 3,280,044 | -- | 3,280,044 | 3,272,499 | 3,264,349 | (15,695) |
| Purchased services | 10,815,401 | 29,350 | 10,844,751 | 11,427,350 | 10,872,032 | 27,281 |
| Supplies and materials | 971,473 | 297 | 971,770 | 1,233,957 | 972,504 | 734 |
| Capital outlay | 43,920 | 9,464 | 53,384 | 32,272 | 54,272 | 888 |
| Other | 35,419 | -- | 35,419 | 115,000 | 100,100 | 64,681 |
| Total pupil transportation | 19,234,255 | 39,111 | 19,273,366 | 20,189,524 | 19,344,519 | 71,153 |
| Operation and maintenance of plant: | | | | | | |
| Custodial services: | | | | | | |
| Personnel services | 1,468,679 | -- | 1,468,679 | 1,441,894 | 1,468,233 | (446) |
| Employee benefits | 797,364 | -- | 797,364 | 992,154 | 884,022 | 86,658 |
| Purchased services | 170,900 | (14,035) | 156,865 | 210,710 | 163,491 | 6,626 |
| Supplies and materials | 789,201 | (90,875) | 698,326 | 687,250 | 699,469 | 1,143 |
| Capital outlay | 93,968 | (50,410) | 43,558 | 44,421 | 44,421 | 863 |
| Total custodial services | 3,320,112 | (155,320) | 3,164,792 | 3,376,429 | 3,259,636 | 94,844 |
| Facilities: | | | | | | |
| Personnel services | 9,359,017 | -- | 9,359,017 | 9,468,738 | 9,329,943 | (29,074) |
| Employee benefits | 6,167,709 | -- | 6,167,709 | 6,506,230 | 6,344,001 | 176,292 |
| Purchased services | 4,521,148 | (194,531) | 4,326,617 | 4,376,513 | 4,374,680 | 48,063 |
| Supplies and materials | 2,234,841 | 128,901 | 2,363,742 | 2,492,543 | 2,297,649 | (66,093) |
| Capital outlay | 502,348 | (123,070) | 379,278 | 372,107 | 372,417 | (6,861) |
| Total facilities | 22,785,063 | (188,700) | 22,596,363 | 23,216,131 | 22,718,690 | 122,327 |
| Vehicle maintenance: | | | | | | |
| Personnel services | 433,134 | -- | 433,134 | 440,520 | 447,910 | 14,776 |
| Employee benefits | 290,951 | -- | 290,951 | 307,841 | 310,076 | 19,125 |
| Purchased services | 79,273 | 246 | 79,519 | 81,803 | 80,059 | 540 |
| Supplies and materials | 374,817 | -- | 374,817 | 374,600 | 375,116 | 299 |
| Capital outlay | 74,484 | (14,707) | 59,777 | 71,397 | 71,397 | 11,620 |
| Total vehicle maintenance | 1,252,659 | (14,461) | 1,238,198 | 1,276,161 | 1,284,558 | 46,360 |
| Total operation and maintenance of plant | 27,357,834 | (358,481) | 26,999,353 | 27,868,721 | 27,262,884 | 263,531 |
| Community services: | | | | | | |
| Personnel services | 546,877 | -- | 546,877 | 508,114 | 519,390 | (27,487) |
| Employee benefits | 348,426 | -- | 348,426 | 335,471 | 339,912 | (8,514) |
| Purchased services | 9,662 | 140 | 9,802 | 6,750 | 12,254 | 2,452 |
| Supplies and materials | 7,821 | 88 | 7,909 | 8,300 | 8,119 | 210 |
| Capital outlay | 38,863 | (25,681) | 13,182 | 18,262 | 13,183 | 1 |
| Total community services | 951,649 | (25,453) | 926,196 | 876,897 | 892,858 | (33,338) |
| Non-departmental: | | | | | | |
| Personnel services | 336,353 | -- | 336,353 | (459,979) | (984,979) | (1,321,332) |
| Employee benefits | 1,086,090 | (3,610) | 1,082,480 | (42,462) | (42,462) | (1,124,942) |
| Purchased services | 456,689 | (51,924) | 404,765 | 663,120 | 244,657 | (160,108) |
| Supplies and materials | -- | -- | -- | (274,500) | (274,500) | (274,500) |
| Capital outlay | 1,009 | 99,139 | 100,148 | 150,147 | 150,147 | 49,999 |
| Other | 1,556,259 | (52,982) | 1,503,277 | 1,838,415 | 1,750,738 | 247,461 |
| Total non-departmental | 3,436,400 | (9,377) | 3,427,023 | 1,874,741 | 843,601 | (2,583,422) |
| Total current | \$ 569,643,712 | \$ (2,392,874) | \$ 567,250,838 | \$ 580,915,706 | \$ 576,915,706 | \$ 9,664,868 |

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

For the Year Ended June 30, 2009

| | Personnel Services | Employee Benefits | Purchased Services | Supplies and Materials | Capital Outlay | Other | Total |
|---|-----------------------|----------------------|-----------------------|------------------------------|-------------------|----------------|--------------------|
| Current: | | | | | | | |
| General administration: | | | | | | | |
| Anchorage School Board | \$ 210,617 | \$ 85,159 | \$ 172,727 | \$ 14,207 | \$ 2,145 | \$ -- | \$ 484,855 |
| Superintendent | 230,837 | 143,995 | 1,276,988 | 5,716 | 5,879 | -- | 1,663,415 |
| Instruction | 1,558,905 | 932,583 | 499,829 | 717,981 | 541,341 | -- | 4,250,639 |
| Support services | 2,497,924 | 1,602,320 | 102,324 | 44,618 | 25,563 | -- | 4,272,749 |
| Planning, communications and development | 504,282 | 306,920 | 262,973 | 4,449 | 2,434 | -- | 1,081,058 |
| Business management | 1,760,687 | 1,053,275 | 172,667 | 24,451 | 5,174 | -- | 3,016,254 |
| Employee relations | 1,729,752 | 1,050,646 | 90,011 | 23,636 | 11,845 | -- | 2,905,890 |
| Total general administration | 8,493,004 | 5,174,898 | 2,577,519 | 835,058 | 594,381 | -- | 17,674,860 |
| Instruction: | | | | | | | |
| Instructional support: | | | | | | | |
| Curriculum and staff development | 6,046,570 | 3,403,667 | 219,980 | 1,140,962 | 473,739 | -- | 11,284,918 |
| Instructional media | 1,359,624 | 873,091 | 374,775 | 499,575 | 128,365 | -- | 3,235,430 |
| Assessment and evaluation | 635,633 | 362,598 | 71,709 | 17,293 | 11,844 | -- | 1,099,077 |
| Technology/manage- ment information systems | 3,631,341 | 2,193,415 | 3,851,285 | 369,956 | 1,311,047 | -- | 11,357,044 |
| Total instructional support | 11,673,168 | 6,832,771 | 4,517,749 | 2,027,786 | 1,924,995 | -- | 26,976,469 |
| Elementary education | 96,221,391 | 59,557,098 | 8,624,829 | 2,990,546 | 326,221 | -- | 167,720,085 |
| Charter schools | 7,316,323 | 4,485,753 | 4,141,148 | 789,256 | 324,687 | 90,098 | 17,147,265 |
| Middle school education | 32,681,033 | 20,497,585 | 3,165,614 | 1,234,327 | 310,652 | 3,107 | 57,892,318 |
| High school education | 61,655,303 | 38,129,598 | 9,138,401 | 2,286,666 | 601,108 | 107,719 | 111,918,795 |
| Special education services: | | | | | | | |
| Special services | 17,396,732 | 11,114,621 | 743,866 | 157,540 | 37,524 | -- | 29,450,283 |
| Special education | 41,967,484 | 28,664,791 | 986,253 | 1,112,927 | 68,181 | -- | 72,799,636 |
| Total special education services | 59,364,216 | 39,779,412 | 1,730,119 | 1,270,467 | 105,705 | -- | 102,249,919 |
| English language learners | 6,405,808 | 4,717,653 | 44,307 | 46,499 | 1,504 | -- | 11,215,771 |
| Gifted education | 3,460,645 | 2,182,835 | 24,939 | 72,813 | 17,973 | -- | 5,759,205 |
| Native education | 64,216 | 44,388 | 283 | -- | -- | -- | 108,887 |
| Total instruction | 278,842,103 | 176,227,093 | 31,387,389 | 10,718,360 | 3,612,845 | 200,924 | 500,988,714 |
| Pupil transportation | 4,087,998 | 3,280,044 | 10,815,401 | 971,473 | 43,920 | 35,419 | 19,234,255 |
| Operation and maintenance of plant: | | | | | | | |
| Custodial services | 1,468,679 | 797,364 | 170,900 | 789,201 | 93,968 | -- | 3,320,112 |
| Facilities | 9,359,017 | 6,167,709 | 4,521,148 | 2,234,841 | 502,348 | -- | 22,785,063 |
| Vehicle maintenance | 433,134 | 290,951 | 79,273 | 374,817 | 74,484 | -- | 1,252,659 |
| Total operation and maintenance of plant | 11,260,830 | 7,256,024 | 4,771,321 | 3,398,859 | 670,800 | -- | 27,357,834 |

(Continued)

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

For the Year Ended June 30, 2009

| | Personnel Services | Employee Benefits | Purchased Services | Supplies and Materials | Capital Outlay | Other | Total |
|------------------------------|-----------------------|----------------------|-----------------------|------------------------------|-------------------|--------------|----------------|
| Community services | \$ 546,877 | \$ 348,426 | \$ 9,662 | \$ 7,821 | \$ 38,863 | \$ -- | \$ 951,649 |
| Non-departmental: | | | | | | | |
| Contracted services | -- | -- | 41,828 | -- | -- | -- | 41,828 |
| Employee benefits: | | | | | | | |
| Association benefits | 100,910 | 75,954 | -- | -- | -- | -- | 176,864 |
| Employee assistance | -- | 70,225 | -- | -- | -- | -- | 70,225 |
| Medical insurance - retirees | -- | 915,941 | -- | -- | -- | -- | 915,941 |
| Sick leave bank | 232,498 | 20,142 | -- | -- | -- | -- | 252,640 |
| Total employee benefits | 333,408 | 1,082,262 | -- | -- | -- | -- | 1,415,670 |
| Insurance | -- | -- | -- | -- | -- | 1,323,460 | 1,323,460 |
| Rental land and buildings | -- | -- | 1,824,174 | -- | -- | -- | 1,824,174 |
| Utilities | -- | -- | 291,466 | -- | -- | -- | 291,466 |
| Other non-departmental | 2,945 | 3,828 | (1,700,779) | -- | 1,009 | 232,799 | (1,460,198) |
| Total non-departmental | 336,353 | 1,086,090 | 456,689 | -- | 1,009 | 1,556,259 | 3,436,400 |
| Total current | \$ 303,567,165 | \$ 193,372,575 | \$ 50,017,981 | \$ 15,931,571 | \$ 4,961,818 | \$ 1,792,602 | \$ 569,643,712 |

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June 30, 2009
With Comparative Totals for
June 30, 2008

BALANCE SHEET

| | <u>2009</u> | <u>2008</u> |
|---|----------------------|----------------------|
| Assets | | |
| Accounts receivable | \$ 558,847 | \$ 434,344 |
| Due from other governments: | | |
| Municipality of Anchorage | 328,337 | 365,665 |
| State of Alaska | 14,141,365 | 12,913,587 |
| United States Government | 1,126,732 | 1,165,326 |
| Prepaid items | <u>54,155</u> | <u>16,159</u> |
| Total assets | <u>\$ 16,209,436</u> | <u>\$ 14,895,081</u> |
| Liabilities and Fund Balance | | |
| Liabilities: | | |
| Accounts payable | \$ 373,285 | \$ 620,065 |
| Due to General Fund | 15,038,157 | 13,698,505 |
| Accrued salaries and related items: | | |
| Wages and salaries payable | 315,089 | 196,168 |
| Payroll taxes, other accrued and withheld items | 219,455 | 39,904 |
| Unearned revenue: | | |
| Unearned revenue - local grants | 197,179 | 166,563 |
| Unearned revenue - state grants | 58,118 | 102,259 |
| Unearned revenue - federal grants | <u>8,153</u> | <u>71,617</u> |
| Total liabilities | <u>16,209,436</u> | <u>14,895,081</u> |
| Fund balance: | | |
| Reserved: | | |
| Encumbrances | 445,214 | 447,437 |
| Prepaid items | 54,155 | 16,159 |
| Unreserved: | | |
| Designated for accrued compensated absences | 507,744 | 473,435 |
| Undesignated | <u>(1,007,113)</u> | <u>(937,031)</u> |
| Total fund balance | <u>--</u> | <u>--</u> |
| Total liabilities and fund balance | <u>\$ 16,209,436</u> | <u>\$ 14,895,081</u> |

For the Year Ended June 30, 2009
With Comparative Totals
For the Year Ended June 30, 2008

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

| | 2009 | 2008 |
|--|------------|------------|
| Revenues: | | |
| Revenues from local grants: | | |
| Alaska Railroad Summer Youth Program | \$ 32,754 | \$ 32,705 |
| Donations From Local Agencies | 1,488,732 | 749,094 |
| Reading is Fundamental Grant | 9,522 | 9,617 |
| Bus Shelter Cleaning Grant | 25,218 | 30,387 |
| Emergency Response and Crisis Management Grant | 28,273 | -- |
| Partners in Homeless Education | 3,378 | 8,486 |
| Barbara Bush Literacy Grant | 41,739 | -- |
| MOA Recycling Grant | 183,818 | -- |
| Community Partners Diversity | 745 | -- |
| Reduce Underage Drinking | 40,836 | -- |
| Buddy Bear Peer Program | -- | 54,055 |
| Data Domain Donation | -- | 106,000 |
| Total revenues from local grants | 1,855,015 | 990,344 |
| Revenues from state grants: | | |
| Contract Schools - Memorandum of Agreement | | |
| Alaska State School for Deaf | 290,817 | 265,308 |
| Charter Schools Supplemental Grants | 22,685 | -- |
| Alaska Science and Technology Program | 336 | 1,652 |
| Creating Successful Futures | 70,081 | 9,708 |
| Salmon in the Classroom Program | 6,679 | 2,122 |
| Designated Legislative Grants | | |
| Senate Bill 46 | 27,562 | 49,056 |
| Senate Bill 53 | 107,561 | 886,644 |
| Senate Bill 221 | 1,173,564 | -- |
| Senate Bill 231 | 153,326 | 216,554 |
| Senate Bill 283 | 19,427 | 7,103 |
| Total Designated Legislative Grants | 1,481,440 | 1,159,357 |
| Health Career Pathways | 9,007 | -- |
| Providence Heights Grant | 128,962 | -- |
| Youth in Detention | 362,603 | -- |
| Retirement Systems Employer Relief | 4,882,888 | 6,308,744 |
| Total revenues from state grants | 7,255,498 | 7,746,891 |
| Revenues from federal grants: | | |
| Title I - Elementary and Secondary Education Act | | |
| No Child Left Behind Act | | |
| Public Law 107-110 Congress Statute 115 | | |
| District-wide Grant | 10,235,465 | 9,741,111 |
| Summer School Program | 162,091 | 62,450 |
| McLaughlin Youth Center | 115,032 | 121,836 |
| Delinquent and At-Risk Youth Program | 106,398 | 115,842 |
| Highly Qualified Program | 15,621 | 20,260 |
| Professional Development | 1,185,205 | 1,020,470 |
| Parent Involvement Program | 2,819 | 4,682 |
| Supplemental Education Services Program | 619,028 | 399,987 |
| School Improvement Program | 213,001 | 101,669 |
| Total Title I - Elementary and Secondary Education Act | | |
| No Child Left Behind Act | | |
| Public Law 107-110 Congress Statute 115 | 12,654,660 | 11,588,307 |

(Continued)

For the Year Ended June 30, 2009
With Comparative Totals
For the Year Ended June 30, 2008SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GAAP BASIS (Continued)

| | 2009 | 2008 |
|--|------------|------------|
| Title I - Elementary and Secondary Education Act | | |
| No Child Left Behind Act | | |
| Public Law 107-110 Congress Statute 115 | | |
| Migrant Education | | |
| District-wide Grant | \$ 891,979 | \$ 894,405 |
| Summer Program | 336,233 | 221,099 |
| Book Program | 893 | 516 |
| Parent Involvement Program | 2,103 | 2,291 |
| Total Title I - Elementary and Secondary Education Act | | |
| No Child Left Behind Act | | |
| Public Law 107-110 Congress Statute 115 | | |
| Migrant Education | 1,231,208 | 1,118,311 |
| Title II-A - Elementary and Secondary Education Act | | |
| No Child Left Behind Act | | |
| Public Law 107-110 Congress Statute 115 | | |
| Professional Development Program | 4,940,882 | 4,816,791 |
| Title II-D - Elementary and Secondary Education Act | | |
| No Child Left Behind Act | | |
| Public Law 107-110 Congress Statute 115 | | |
| Enhancing Education Through Technology | 280,872 | 469,197 |
| Title III - Elementary and Secondary Education Act | | |
| No Child Left Behind Act | | |
| Public Law 107-110 Congress Statute 115 | | |
| English Language Acquisition | 439,060 | 306,363 |
| Title IV-A - Elementary and Secondary Education Act | | |
| No Child Left Behind Act | | |
| Public Law 107-110 Congress Statute 115 | | |
| Safe and Drug Free Schools | 431,491 | 394,611 |
| Title V - Elementary and Secondary Education Act | | |
| No Child Left Behind Act | | |
| Public Law 107-110 Congress Statute 115 | | |
| Innovative Program | 100,040 | 51,525 |
| Title VI-B - Education of All Handicapped Children Act | | |
| Public Law 94-142 | 10,853,295 | 9,509,044 |
| Title VII - Elementary and Secondary Education Act | | |
| No Child Left Behind Act | | |
| Public Law 107-110 Congress Statute 115 | | |
| Indian, Native Hawaiian, and Alaska Native Education | 2,094,198 | 1,719,359 |
| Pre-School Handicapped Grant | | |
| Public Law 99-457 | 341,143 | 395,852 |
| Reading is Fundamental Grant | 28,565 | 28,805 |
| Alaska State School for Deaf Program | 44,579 | 51,430 |
| Carl Perkins Vocational Education Basic Grant | 1,015,188 | 1,085,126 |
| High Growth Job Training - Implementation Grant | -- | 34,814 |
| Access to Education for Homeless Children Program | 53,885 | 48,589 |
| Drug and Violence Prevention Program | 3,497 | 50,389 |
| Right Start Program | -- | 18,001 |
| Community Action Prevention and Intervention Program | 168,609 | 143,106 |
| Community Business Partner Program | -- | 2,848 |
| Charter Schools Grants | 1,009 | 710,776 |
| Standard and Assessment Training Program | -- | 596 |
| Reading First Grant | 443,692 | 630,693 |
| Work Investment Act School Youth Program | 73,172 | 62,288 |
| Foreign Language Assistance Program | 194,370 | 250,234 |

(Continued)

For the Year Ended June 30, 2009
With Comparative Totals
For the Year Ended June 30, 2008

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

| | 2009 | 2008 |
|---|-------------------|-------------------|
| Teaching American History Program | \$ 205,745 | \$ 275,642 |
| Community Centers Learning Program | 1,523,983 | 1,541,404 |
| Alaska Family Directory Website | 30,760 | 28,801 |
| Youth in Detention | 11,762 | -- |
| Advanced Placement for Every Able Learner Grant | 520,036 | 319,232 |
| Alaska Educational Innovations Network Program | 58,864 | 55,932 |
| Excellence in Economic Education Program | 7,316 | 2,992 |
| Alaska Parent Information & Resource Center | 152,333 | 211,861 |
| Emergency Response & Crisis Management Grant | 177,979 | 125,465 |
| Alaska Mentorship Project | 395,710 | 94,626 |
| School Health Program | 32,591 | -- |
| Safe and Drug Free Schools | 18,250 | 294,277 |
| National Writing Project | 11,624 | 12,360 |
| Presidential Award Program | 280 | -- |
| Project Ki'l | 132,210 | -- |
| Project Soar | 97,893 | 42,923 |
| Alaska/Russian Climate | 30,589 | 28,190 |
| Water Education Festival | 2,000 | -- |
| Universal Design Learning | 18,684 | -- |
| Operations Grant | 178,073 | -- |
| Arise Program | -- | 15,960 |
| Northwest Eisenhower Consortium Program | -- | 734 |
| Fund for the Improvement of Education Grant | -- | 16,137 |
| Total revenues from federal grants | <u>39,000,097</u> | <u>36,553,591</u> |
| Total revenues | <u>48,110,610</u> | <u>45,290,826</u> |
| Expenditures: | | |
| Current: | | |
| Instruction: | | |
| Local grants | 1,855,015 | 990,344 |
| State grants | 7,255,498 | 7,746,891 |
| Federal grants | 39,000,097 | 36,553,591 |
| Total expenditures | <u>48,110,610</u> | <u>45,290,826</u> |
| Excess of revenues over expenditures | -- | -- |
| Fund balance at beginning of year | <u>--</u> | <u>--</u> |
| Fund balance at end of year | <u>\$ --</u> | <u>\$ --</u> |

For the Year Ended June 30, 2009
With Comparative Totals
For the Year Ended June 30, 2008

SCHEDULE OF EXPENDITURES - GAAP BASIS

| | 2009 | 2008 |
|--|------------------|------------------|
| Current: | | |
| Instruction: | | |
| Local grants: | | |
| Alaska Railroad Summer Youth Program | \$ 32,754 | \$ 32,705 |
| Donations From Local Agencies | 1,488,732 | 749,094 |
| Reading is Fundamental Grant | 9,522 | 9,617 |
| Bus Shelter Cleaning Grant | 25,218 | 30,387 |
| Emergency Response and Crisis Management Grant | 28,273 | -- |
| Partners in Homeless Education | 3,378 | 8,486 |
| Barbara Bush Literacy Grant | 41,739 | -- |
| MOA Recycling Grant | 183,818 | -- |
| Community Partners Diversity | 745 | -- |
| Reduce Underage Drinking | 40,836 | -- |
| Buddy Bear Peer Program | -- | 54,055 |
| Data Domain Donation | -- | 106,000 |
| Total local grants | <u>1,855,015</u> | <u>990,344</u> |
| State grants: | | |
| Contract Schools - Memorandum of Agreement | | |
| Alaska State School for Deaf | 290,817 | 265,308 |
| Charter Schools Supplemental Grants | 22,685 | -- |
| Alaska Science and Technology Program | 336 | 1,652 |
| Creating Successful Futures | 70,081 | 9,708 |
| Salmon in the Classroom Program | 6,679 | 2,122 |
| Designated Legislative Grants | | |
| Senate Bill 46 | 27,562 | 49,056 |
| Senate Bill 53 | 107,561 | 886,644 |
| Senate Bill 221 | 1,173,564 | -- |
| Senate Bill 231 | 153,326 | 216,554 |
| Senate Bill 283 | 19,427 | 7,103 |
| Total Designated Legislative Grants | <u>1,481,440</u> | <u>1,159,357</u> |
| Health Career Pathways | 9,007 | -- |
| Providence Heights Grant | 128,962 | -- |
| Youth in Detention | 362,603 | -- |
| Retirement Systems Employer Relief | 4,882,888 | 6,308,744 |
| Total state grants | <u>7,255,498</u> | <u>7,746,891</u> |
| Federal grants: | | |
| Title I - Elementary and Secondary Education Act | | |
| No Child Left Behind Act | | |
| Public Law 107-110 Congress Statute 115 | | |
| District-wide Grant | 10,235,465 | 9,741,111 |
| Summer School Program | 162,091 | 62,450 |
| McLaughlin Youth Center | 115,032 | 121,836 |
| Delinquent and At-Risk Youth Program | 106,398 | 115,842 |
| Highly Qualified Program | 15,621 | 20,260 |
| Professional Development | 1,185,205 | 1,020,470 |
| Parent Involvement Program | 2,819 | 4,682 |
| Supplemental Education Services Program | 619,028 | 399,987 |
| School Improvement Program | 213,001 | 101,669 |
| Total Title I - Elementary and Secondary Education Act | | |
| No Child Left Behind Act | | |
| Public Law 107-110 Congress Statute 115 | 12,654,660 | 11,588,307 |

(Continued)

For the Year Ended June 30, 2009
With Comparative Totals
For the Year Ended June 30, 2008

SCHEDULE OF EXPENDITURES - GAAP BASIS (Continued)

| | 2009 | 2008 |
|--|------------|------------|
| Title I - Elementary and Secondary Education Act | | |
| No Child Left Behind Act | | |
| Public Law 107-110 Congress Statute 115 | | |
| Migrant Education | | |
| District-wide Grant | \$ 891,979 | \$ 894,405 |
| Summer Program | 336,233 | 221,099 |
| Book Program | 893 | 516 |
| Parent Involvement Program | 2,103 | 2,291 |
| Total Title I - Elementary and Secondary Education Act | | |
| No Child Left Behind Act | | |
| Public Law 107-110 Congress Statute 115 | | |
| Migrant Education | 1,231,208 | 1,118,311 |
| Title II-A - Elementary and Secondary Education Act | | |
| No Child Left Behind Act | | |
| Public Law 107-110 Congress Statute 115 | | |
| Professional Development Program | 4,940,882 | 4,816,791 |
| Title II-D - Elementary and Secondary Education Act | | |
| No Child Left Behind Act | | |
| Public Law 107-110 Congress Statute 115 | | |
| Enhancing Education Through Technology | 280,872 | 469,197 |
| Title III - Elementary and Secondary Education Act | | |
| No Child Left Behind Act | | |
| Public Law 107-110 Congress Statute 115 | | |
| English Language Acquisition | 439,060 | 306,363 |
| Title IV-A - Elementary and Secondary Education Act | | |
| No Child Left Behind Act | | |
| Public Law 107-110 Congress Statute 115 | | |
| Safe and Drug Free Schools | 431,491 | 394,611 |
| Title V - Elementary and Secondary Education Act | | |
| No Child Left Behind Act | | |
| Public Law 107-110 Congress Statute 115 | | |
| Innovative Program | 100,040 | 51,525 |
| Title VI-B - Education of All Handicapped Children Act | | |
| Public Law 94-142 | 10,853,295 | 9,509,044 |
| Title VII - Elementary and Secondary Education Act | | |
| No Child Left Behind Act | | |
| Public Law 107-110 Congress Statute 115 | | |
| Indian, Native Hawaiian, and Alaska Native Education | 2,094,198 | 1,719,359 |
| Pre-School Handicapped Grant | | |
| Public Law 99-457 | 341,143 | 395,852 |
| Reading is Fundamental Grant | 28,565 | 28,805 |
| Alaska State School for Deaf Program | 44,579 | 51,430 |
| Carl Perkins Vocational Education Basic Grant | 1,015,188 | 1,085,126 |
| High Growth Job Training - Implementation Grant | -- | 34,814 |
| Access to Education for Homeless Children Program | 53,885 | 48,589 |
| Drug and Violence Prevention Program | 3,497 | 50,389 |
| Right Start Program | -- | 18,001 |
| Community Action Prevention and Intervention Program | 168,609 | 143,106 |
| Community Business Partner Program | -- | 2,848 |
| Charter Schools Grants | 1,009 | 710,776 |
| Standard and Assessment Training Program | -- | 596 |
| Reading First Grant | 443,692 | 630,693 |
| Work Investment Act School Youth Program | 73,172 | 62,288 |
| Foreign Language Assistance Program | 194,370 | 250,234 |

(Continued)

For the Year Ended June 30, 2009
With Comparative Totals
For the Year Ended June 30, 2008

SCHEDULE OF EXPENDITURES - GAAP BASIS (Continued)

| | 2009 | 2008 |
|---|----------------------|----------------------|
| Teaching American History Program | \$ 205,745 | \$ 275,642 |
| Community Centers Learning Program | 1,523,983 | 1,541,404 |
| Alaska Family Directory Website | 30,760 | 28,801 |
| Youth in Detention | 11,762 | -- |
| Advanced Placement for Every Able Learner Grant | 520,036 | 319,232 |
| Alaska Educational Innovations Network Program | 58,864 | 55,932 |
| Excellence in Economic Education Program | 7,316 | 2,992 |
| Alaska Parent Information & Resource Center | 152,333 | 211,861 |
| Emergency Response & Crisis Management Grant | 177,979 | 125,465 |
| Alaska Mentorship Project | 395,710 | 94,626 |
| School Health Program | 32,591 | -- |
| Safe and Drug Free Schools | 18,250 | 294,277 |
| National Writing Project | 11,624 | 12,360 |
| Presidential Award Program | 280 | -- |
| Project Ki'l | 132,210 | -- |
| Project Soar | 97,893 | 42,923 |
| Alaska/Russian Climate | 30,589 | 28,190 |
| Water Education Festival | 2,000 | -- |
| Universal Design Learning | 18,684 | -- |
| Operations Grant | 178,073 | -- |
| Arise Program | -- | 15,960 |
| Fund for the Improvement of Education Grant | -- | 16,137 |
| Northwest Eisenhower Consortium Program | -- | 734 |
| Total federal grants | <u>39,000,097</u> | <u>36,553,591</u> |
| Total current expenditures | <u>\$ 48,110,610</u> | <u>\$ 45,290,826</u> |

For the Year Ended June 30, 2009

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

| | Actual | Adjustment to Basis of Budgeting | Actual on Basis of Budgeting | Original and Final Budget | Variance - Positive (Negative) |
|--|-----------|--|------------------------------------|------------------------------------|--------------------------------------|
| Current: | | | | | |
| Instruction: | | | | | |
| Local grants: | | | | | |
| Alaska Railroad Summer Youth Program | | | | | |
| Personnel services | \$ 24,992 | \$ -- | \$ 24,992 | \$ 25,672 | \$ 680 |
| Employee benefits | 3,716 | -- | 3,716 | 3,697 | (19) |
| Purchased services | 4,046 | -- | 4,046 | 4,631 | 585 |
| Total Alaska Railroad Summer Youth Program | 32,754 | -- | 32,754 | 34,000 | 1,246 |
| Donations From Local Agencies | | | | | |
| Personnel services | 318,256 | -- | 318,256 | 313,019 | (5,237) |
| Employee benefits | 60,447 | -- | 60,447 | 60,969 | 522 |
| Purchased services | 264,507 | (23,961) | 240,546 | 173,731 | (66,815) |
| Supplies and materials | 269,347 | (16,717) | 252,630 | 258,664 | 6,034 |
| Capital outlay | 576,175 | (24,005) | 552,170 | 533,654 | (18,516) |
| Total Donations From Local Agencies | 1,488,732 | (64,683) | 1,424,049 | 1,340,037 | (84,012) |
| Reading is Fundamental Grant | | | | | |
| Supplies and materials | 9,522 | -- | 9,522 | 9,603 | 81 |
| Bus Shelter Cleaning Grant | | | | | |
| Personnel services | 21,270 | -- | 21,270 | 26,150 | 4,880 |
| Employee benefits | 1,843 | -- | 1,843 | 2,300 | 457 |
| Supplies and materials | 2,105 | -- | 2,105 | 3,450 | 1,345 |
| Total Bus Shelter Cleaning Grant | 25,218 | -- | 25,218 | 31,900 | 6,682 |
| Emergency Response & Crisis Management Grant | | | | | |
| Personnel services | 6,943 | -- | 6,943 | 8,406 | 1,463 |
| Employee benefits | 796 | -- | 796 | 974 | 178 |
| Purchased services | 20,534 | -- | 20,534 | 20,595 | 61 |
| Total Emergency Response & Crisis Mgmt | 28,273 | -- | 28,273 | 29,975 | 1,702 |
| Partners in Homeless Education | | | | | |
| Purchased services | 100 | 51 | 151 | -- | (151) |
| Supplies and materials | 3,278 | -- | 3,278 | -- | (3,278) |
| Total Partners in Homeless Education | 3,378 | 51 | 3,429 | -- | (3,429) |
| Barbara Bush Literacy Grant | | | | | |
| Personnel services | 22,674 | -- | 22,674 | 23,219 | 545 |
| Employee benefits | 12,502 | -- | 12,502 | 12,532 | 30 |
| Purchased services | 3,179 | -- | 3,179 | 25,237 | 22,058 |
| Supplies and materials | 3,384 | 254 | 3,638 | 3,638 | -- |
| Total Barbara Bush Literacy Grant | 41,739 | 254 | 41,993 | 64,626 | 22,633 |
| MOA Recycling Grant | | | | | |
| Personnel services | 43,416 | -- | 43,416 | 49,200 | 5,784 |
| Employee benefits | 20,241 | -- | 20,241 | 25,600 | 5,359 |
| Purchased services | 3,399 | -- | 3,399 | 3,800 | 401 |
| Capital outlay | 116,762 | 4,082 | 120,844 | 144,400 | 23,556 |
| Total MOA Recycling Grant | 183,818 | 4,082 | 187,900 | 223,000 | 35,100 |

For the Year Ended June 30, 2009

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

| | Actual | Adjustment to Basis of Budgeting | Actual on Basis of Budgeting | Original and Final Budget | Variance - Positive (Negative) |
|--|-----------|--|------------------------------------|------------------------------------|--------------------------------------|
| Community Partners Diversity Project | | | | | |
| Personnel services | \$ 300 | \$ -- | \$ 300 | \$ 300 | \$ -- |
| Employee benefits | 45 | -- | 45 | 46 | 1 |
| Purchased services | 400 | -- | 400 | 3,532 | 3,132 |
| Supplies & materials | -- | 2,722 | 2,722 | 2,722 | -- |
| Total Community Partners Diversity Project | 745 | 2,722 | 3,467 | 6,600 | 3,133 |
| Reduce Underage Drinking Anch | | | | | |
| Personnel services | 21,951 | -- | 21,951 | 210,996 | 189,045 |
| Employee benefits | 5,219 | -- | 5,219 | 42,798 | 37,579 |
| Purchased services | 2,508 | -- | 2,508 | 137,099 | 134,591 |
| Supplies & materials | 114 | -- | 114 | 17,532 | 17,418 |
| Capital outlay | 11,044 | 550 | 11,594 | 15,195 | 3,601 |
| Total Reduce Underage Drinking | 40,836 | 550 | 41,386 | 423,620 | 382,234 |
| Data Domain Donation | | | | | |
| Capital outlay | -- | -- | -- | 106,000 | 106,000 |
| Contingency | -- | -- | -- | 1,111,164 | 1,111,164 |
| Total local grants | 1,855,015 | (57,024) | 1,797,991 | 3,380,525 | 1,582,534 |
| State grants: | | | | | |
| Contract School - Memorandum of Agreement | | | | | |
| Alaska State School for Deaf | | | | | |
| Personnel services | 177,177 | -- | 177,177 | 178,294 | 1,117 |
| Employee benefits | 75,418 | -- | 75,418 | 76,692 | 1,274 |
| Purchased services | 25,436 | -- | 25,436 | 42,356 | 16,920 |
| Supplies and materials | 12,786 | -- | 12,786 | 21,658 | 8,872 |
| Total Contract School - Memorandum of Agreement Alaska State School for Deaf | 290,817 | -- | 290,817 | 319,000 | 28,183 |
| Charter Schools Supplemental Grants | | | | | |
| Purchased services | 12,275 | -- | 12,275 | 12,274 | (1) |
| Supplies and materials | 10,410 | -- | 10,410 | 9,097 | (1,313) |
| Total Charter School Supplemental Grants | 22,685 | -- | 22,685 | 21,371 | (1,314) |
| Alaska Science and Technology Program | | | | | |
| Supplies and materials | 336 | (27) | 309 | -- | (309) |
| Creating Successful Futures | | | | | |
| Personnel services | 6,699 | -- | 6,699 | -- | (6,699) |
| Employee benefits | 580 | -- | 580 | -- | (580) |
| Purchased services | 35,047 | -- | 35,047 | -- | (35,047) |
| Supplies and materials | 24,628 | -- | 24,628 | -- | (24,628) |
| Capital outlay | 3,127 | -- | 3,127 | -- | (3,127) |
| Total Creating Successful Futures | 70,081 | -- | 70,081 | -- | (70,081) |
| Salmon in the Classroom Program | | | | | |
| Personnel services | 4,739 | -- | 4,739 | -- | (4,739) |
| Employee benefits | 1,160 | -- | 1,160 | -- | (1,160) |
| Supplies and materials | 780 | -- | 780 | -- | (780) |
| Total Salmon in the Classroom Program | 6,679 | -- | 6,679 | -- | (6,679) |

For the Year Ended June 30, 2009

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

| | Actual | Adjustment to Basis of Budgeting | Actual on Basis of Budgeting | Original and Final Budget | Variance - Positive (Negative) |
|-------------------------------------|-----------|--|------------------------------------|------------------------------------|--------------------------------------|
| Designated Legislative Grants | | | | | |
| Senate Bill 46 | | | | | |
| Supplies and materials | \$ 20,374 | \$ -- | \$ 20,374 | \$ -- | \$ (20,374) |
| Capital outlay | 7,188 | -- | 7,188 | -- | (7,188) |
| Total Senate Bill 46 | 27,562 | -- | 27,562 | -- | (27,562) |
| Senate Bill 53 | | | | | |
| Personnel services | 6,505 | -- | 6,505 | -- | (6,505) |
| Employee benefits | 834 | -- | 834 | -- | (834) |
| Supplies and materials | 19,040 | 9 | 19,049 | -- | (19,049) |
| Capital outlay | 81,182 | 1,568 | 82,750 | -- | (82,750) |
| Total Senate Bill 53 | 107,561 | 1,577 | 109,138 | -- | (109,138) |
| Senate Bill 221 | | | | | |
| Purchased services | 11,653 | 90 | 11,743 | 11,911 | 168 |
| Supplies and materials | 161,175 | 3,205 | 164,380 | 135,731 | (28,649) |
| Capital outlay | 1,000,736 | 12,396 | 1,013,132 | 746,358 | (266,774) |
| Total Senate Bill 221 | 1,173,564 | 15,691 | 1,189,255 | 894,000 | (295,255) |
| Senate Bill 231 | | | | | |
| Supplies and materials | 62,489 | (3,816) | 58,673 | -- | (58,673) |
| Capital outlay | 90,837 | 16,839 | 107,676 | -- | (107,676) |
| Total Senate Bill 231 | 153,326 | 13,023 | 166,349 | -- | (166,349) |
| Senate Bill 283 | | | | | |
| Personnel services | 9,576 | -- | 9,576 | -- | (9,576) |
| Employee benefits | 1,425 | -- | 1,425 | -- | (1,425) |
| Supplies and materials | 4,001 | -- | 4,001 | -- | (4,001) |
| Capital outlay | 4,425 | -- | 4,425 | -- | (4,425) |
| Total Senate Bill 283 | 19,427 | -- | 19,427 | -- | (19,427) |
| Total Designated Legislative Grants | 1,481,440 | 30,291 | 1,511,731 | 894,000 | (617,731) |
| Health Career Pathways | | | | | |
| Supplies and materials | 4,273 | (4,641) | (368) | -- | 368 |
| Capital outlay | 4,734 | (1,289) | 3,445 | -- | (3,445) |
| Total Health Career Pathways | 9,007 | (5,930) | 3,077 | -- | (3,077) |
| Providence Heights Grant | | | | | |
| Personnel services | 92,765 | -- | 92,765 | 104,592 | 11,827 |
| Employee benefits | 27,033 | -- | 27,033 | 30,671 | 3,638 |
| Purchased services | 4,589 | -- | 4,589 | 5,160 | 571 |
| Supplies and materials | 2,345 | -- | 2,345 | 2,346 | 1 |
| Capital outlay | 2,230 | -- | 2,230 | 2,231 | 1 |
| Total Providence Heights Grant | 128,962 | -- | 128,962 | 145,000 | 16,038 |
| Youth in Detention | | | | | |
| Personnel services | 270,614 | -- | 270,614 | 284,228 | 13,614 |
| Employee benefits | 91,989 | -- | 91,989 | 95,000 | 3,011 |
| Total Youth in Detention | 362,603 | -- | 362,603 | 379,228 | 16,625 |
| Retirement Systems Employer Relief | | | | | |
| Employee benefits | 4,882,888 | -- | 4,882,888 | 5,144,235 | 261,347 |
| Total state grants | 7,255,498 | 24,334 | 7,279,832 | 6,902,834 | (376,998) |

For the Year Ended June 30, 2009

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

| | Actual | Adjustment to Basis of Budgeting | Actual on Basis of Budgeting | Original and Final Budget | Variance - Positive (Negative) |
|---|--------------|--|------------------------------------|------------------------------------|--------------------------------------|
| Federal grants: | | | | | |
| Title I -Elementary and Secondary Education Act No Child Left Behind Act Public Law 107-110 Congress Statute 115 | | | | | |
| District-wide Grant | | | | | |
| Personnel services | \$ 5,682,838 | \$ -- | \$ 5,682,838 | \$ 6,589,678 | \$ 906,840 |
| Employee benefits | 2,249,365 | -- | 2,249,365 | 2,501,445 | 252,080 |
| Purchased services | 610,962 | (1,199) | 609,763 | 890,402 | 280,639 |
| Supplies and materials | 1,005,576 | (1,817) | 1,003,759 | 1,163,060 | 159,301 |
| Capital outlay | 686,724 | (903) | 685,821 | 768,227 | 82,406 |
| Total District-wide Grant | 10,235,465 | (3,919) | 10,231,546 | 11,912,812 | 1,681,266 |
| Summer School Program | | | | | |
| Personnel services | 64,642 | -- | 64,642 | 98,100 | 33,458 |
| Employee benefits | 10,328 | -- | 10,328 | 18,211 | 7,883 |
| Purchased services | 84,815 | -- | 84,815 | 114,093 | 29,278 |
| Supplies and materials | 2,306 | -- | 2,306 | 8,252 | 5,946 |
| Total Summer School Program | 162,091 | -- | 162,091 | 238,656 | 76,565 |
| McLaughlin Youth Center | | | | | |
| Personnel services | 67,981 | -- | 67,981 | 70,769 | 2,788 |
| Employee benefits | 32,271 | -- | 32,271 | 31,000 | (1,271) |
| Purchased services | 4,594 | -- | 4,594 | 5,374 | 780 |
| Supplies and materials | 4,482 | -- | 4,482 | 4,969 | 487 |
| Capital outlay | 5,704 | -- | 5,704 | 6,050 | 346 |
| Total McLaughlin Youth Center | 115,032 | -- | 115,032 | 118,162 | 3,130 |
| Delinquent and At-Risk Youth Program | | | | | |
| Personnel services | 67,039 | -- | 67,039 | 111,140 | 44,101 |
| Employee benefits | 34,137 | -- | 34,137 | 39,698 | 5,561 |
| Purchased services | 5,087 | -- | 5,087 | 22,828 | 17,741 |
| Supplies and materials | 135 | -- | 135 | 1,000 | 865 |
| Total Delinquent and At-Risk Youth Program | 106,398 | -- | 106,398 | 174,666 | 68,268 |
| Highly Qualified Program | | | | | |
| Personnel services | 6,450 | -- | 6,450 | 180,000 | 173,550 |
| Employee benefits | 702 | -- | 702 | 39,554 | 38,852 |
| Purchased services | 600 | -- | 600 | 80,000 | 79,400 |
| Supplies and materials | 7,869 | -- | 7,869 | 50,815 | 42,946 |
| Total Highly Qualified Program | 15,621 | -- | 15,621 | 350,369 | 334,748 |
| Professional Development | | | | | |
| Personnel services | 463,275 | -- | 463,275 | 603,609 | 140,334 |
| Employee benefits | 137,630 | -- | 137,630 | 152,932 | 15,302 |
| Purchased services | 573,259 | -- | 573,259 | 642,000 | 68,741 |
| Supplies and materials | 10,759 | -- | 10,759 | 22,148 | 11,389 |
| Capital outlay | 282 | -- | 282 | 300 | 18 |
| Total Professional Development | 1,185,205 | -- | 1,185,205 | 1,420,989 | 235,784 |
| Parent Involvement Program | | | | | |
| Purchased services | 1,481 | -- | 1,481 | 4,500 | 3,019 |
| Purchased services | 1,338 | -- | 1,338 | 1,339 | 1 |
| Total Parent Involvement Program | 2,819 | -- | 2,819 | 5,839 | 3,020 |

For the Year Ended June 30, 2009

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

| | Actual | Adjustment to Basis of Budgeting | Actual on Basis of Budgeting | Original and Final Budget | Variance - Positive (Negative) |
|---|------------|--|------------------------------------|------------------------------------|--------------------------------------|
| Title I -Elementary and Secondary Education Act No Child Left Behind Act Public Law 107-110 Congress Statute 115 (continued) | | | | | |
| Supplemental Education Services Program | | | | | |
| Personnel services | \$ 89,416 | \$ -- | \$ 89,416 | \$ 362,900 | \$ 273,484 |
| Employee benefits | 14,595 | -- | 14,595 | 53,060 | 38,465 |
| Purchased services | 502,886 | -- | 502,886 | 782,673 | 279,787 |
| Supplies and materials | 7,004 | 32 | 7,036 | 12,937 | 5,901 |
| Capital outlay | 5,127 | -- | 5,127 | 7,063 | 1,936 |
| Total Supplemental Education Services Program | 619,028 | 32 | 619,060 | 1,218,633 | 599,573 |
| School Improvement Program | | | | | |
| Personnel services | 127,995 | -- | 127,995 | 192,971 | 64,976 |
| Employee benefits | 19,850 | -- | 19,850 | 30,596 | 10,746 |
| Purchased services | 21,515 | -- | 21,515 | 31,067 | 9,552 |
| Supplies and materials | 27,387 | -- | 27,387 | 48,155 | 20,768 |
| Capital outlay | 16,254 | 11,097 | 27,351 | 40,547 | 13,196 |
| Total School Improvement Program | 213,001 | 11,097 | 224,098 | 343,336 | 119,238 |
| Total Title I - Elementary and Secondary Education Act No Child Left Behind Act Public Law 107-110 Congress Statute 115 | 12,654,660 | 7,210 | 12,661,870 | 15,783,462 | 3,121,592 |
| Title I - Elementary and Secondary Education Act No Child Left Behind Act Public Law 107-110 Congress Statute 115 | | | | | |
| Migrant Education | | | | | |
| District-wide Grant | | | | | |
| Personnel services | 511,734 | -- | 511,734 | 522,694 | 10,960 |
| Employee benefits | 248,021 | -- | 248,021 | 299,883 | 51,862 |
| Purchased services | 88,204 | (362) | 87,842 | 99,136 | 11,294 |
| Supplies and materials | 38,113 | -- | 38,113 | 38,550 | 437 |
| Capital outlay | 5,907 | -- | 5,907 | 6,550 | 643 |
| Total District-wide Grant | 891,979 | (362) | 891,617 | 966,813 | 75,196 |
| Summer Program | | | | | |
| Personnel services | 155,454 | -- | 155,454 | 266,040 | 110,586 |
| Employee benefits | 31,550 | -- | 31,550 | 97,755 | 66,205 |
| Purchased services | 60,683 | 58,275 | 118,958 | 178,646 | 59,688 |
| Supplies and materials | 32,976 | 9,659 | 42,635 | 63,558 | 20,923 |
| Capital outlay | 55,570 | 10,746 | 66,316 | 145,430 | 79,114 |
| Total Summer Program | 336,233 | 78,680 | 414,913 | 751,429 | 336,516 |
| Book Program | | | | | |
| Supplies and materials | 893 | -- | 893 | 893 | -- |
| Parent Involvement Program | | | | | |
| Purchased services | 2,103 | -- | 2,103 | 5,000 | 2,897 |
| Total Title I - Elementary and Secondary Education Act, No Child Left Behind Act Public Law 107-110 Congress Statute 115 Migrant Education | 1,231,208 | 78,318 | 1,309,526 | 1,724,135 | 414,609 |

For the Year Ended June 30, 2009

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

| | Actual | Adjustment to Basis of Budgeting | Actual on Basis of Budgeting | Original and Final Budget | Variance - Positive (Negative) |
|--|--------------|--|------------------------------------|------------------------------------|--------------------------------------|
| Title II-A - Elementary and Secondary Education Act No Child Left Behind Act Public Law 107-110 Congress Statute 115 Professional Development Program | | | | | |
| Personnel services | \$ 3,272,024 | \$ -- | \$ 3,272,024 | \$ 3,411,705 | \$ 139,681 |
| Employee benefits | 1,253,149 | -- | 1,253,149 | 1,291,826 | 38,677 |
| Purchased services | 260,552 | -- | 260,552 | 279,225 | 18,673 |
| Supplies and materials | 33,869 | -- | 33,869 | 40,417 | 6,548 |
| Capital outlay | 121,288 | -- | 121,288 | 122,940 | 1,652 |
| Total Title II-A - Elementary and Secondary Education Act No Child Left Behind Act Public Law 107-110 Congress Statute 115 Professional Development Program | 4,940,882 | -- | 4,940,882 | 5,146,113 | 205,231 |
| Title II-D - Elementary and Secondary Education Act No Child Left Behind Act Public Law 107-110 Congress Statute 115 Enhancing Education Through Technology | | | | | |
| Personnel services | 106,839 | -- | 106,839 | 176,015 | 69,176 |
| Employee benefits | 29,085 | -- | 29,085 | 38,254 | 9,169 |
| Purchased services | 84,662 | -- | 84,662 | 146,926 | 62,264 |
| Supplies and materials | 5,745 | -- | 5,745 | 14,221 | 8,476 |
| Capital outlay | 54,541 | -- | 54,541 | 79,006 | 24,465 |
| Total Title II-D - Elementary and Secondary Education Act No Child Left Behind Act Public Law 107-110 Congress Statute 115 Enhancing Education Through Technology | 280,872 | -- | 280,872 | 454,422 | 173,550 |
| Title III - Elementary and Secondary Education Act No Child Left Behind Act Public Law 107-110 Congress Statute 115 English Language Acquisition | | | | | |
| Personnel services | 248,048 | -- | 248,048 | 276,153 | 28,105 |
| Employee benefits | 82,691 | -- | 82,691 | 86,252 | 3,561 |
| Purchased services | 45,906 | -- | 45,906 | 62,122 | 16,216 |
| Supplies and materials | 38,916 | -- | 38,916 | 58,376 | 19,460 |
| Capital outlay | 23,499 | -- | 23,499 | 26,248 | 2,749 |
| Total Title III - Elementary and Secondary Education Act No Child Left Behind Act Public Law 107-110 Congress Statute 115 English Language Acquisition | 439,060 | -- | 439,060 | 509,151 | 70,091 |

For the Year Ended June 30, 2009

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

| | Actual | Adjustment to Basis of Budgeting | Actual on Basis of Budgeting | Original and Final Budget | Variance - Positive (Negative) |
|---|------------|--|------------------------------------|------------------------------------|--------------------------------------|
| Title IV-A - Elementary and Secondary Education Act | | | | | |
| No Child Left Behind Act | | | | | |
| Public Law 107-110 Congress Statute 115 | | | | | |
| Safe and Drug Free Schools | | | | | |
| Personnel services | \$ 304,024 | \$ -- | \$ 304,024 | \$ 346,726 | \$ 42,702 |
| Employee benefits | 84,908 | -- | 84,908 | 95,156 | 10,248 |
| Purchased services | 29,458 | (17) | 29,441 | 61,344 | 31,903 |
| Supplies and materials | 11,747 | 473 | 12,220 | 95,766 | 83,546 |
| Capital outlay | 1,354 | 330 | 1,684 | 32,000 | 30,316 |
| Total Title IV-A - Elementary and Secondary Education Act | | | | | |
| No Child Left Behind Act | | | | | |
| Public Law 107-110 | | | | | |
| Congress Statute 115 | | | | | |
| Safe and Drug Free Schools | 431,491 | 786 | 432,277 | 630,992 | 198,715 |
| Title V - Elementary and Secondary Education Act | | | | | |
| No Child Left Behind Act | | | | | |
| Public Law 107-110 Congress Statute 115 | | | | | |
| Innovative Program | | | | | |
| Personnel services | 66,501 | -- | 66,501 | 72,500 | 5,999 |
| Employee benefits | 6,272 | -- | 6,272 | 6,885 | 613 |
| Purchased services | 3,560 | -- | 3,560 | 3,804 | 244 |
| Supplies and materials | 18,671 | -- | 18,671 | 18,663 | (8) |
| Capital outlay | 5,036 | -- | 5,036 | 5,036 | -- |
| Total Title V - Elementary and Secondary Education Act | | | | | |
| No Child Left Behind Act | | | | | |
| Public Law 107-110 | | | | | |
| Congress Statute 115 | | | | | |
| Innovative Program | 100,040 | -- | 100,040 | 106,888 | 6,848 |
| Title VI-B - Education of All Handicapped Children Act | | | | | |
| Public Law 94-142 | | | | | |
| Personnel services | 5,971,144 | -- | 5,971,144 | 7,942,622 | 1,971,478 |
| Employee benefits | 2,848,666 | -- | 2,848,666 | 3,734,708 | 886,042 |
| Purchased services | 973,091 | -- | 973,091 | 1,507,555 | 534,464 |
| Supplies and materials | 688,580 | (12) | 688,568 | 1,515,900 | 827,332 |
| Capital outlay | 371,814 | (41,049) | 330,765 | 1,145,000 | 814,235 |
| Total Title VI-B Education of All Handicapped Children Act | | | | | |
| Public Law 94-142 | 10,853,295 | (41,061) | 10,812,234 | 15,845,785 | 5,033,551 |

For the Year Ended June 30, 2009

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

| | Actual | Adjustment to Basis of Budgeting | Actual on Basis of Budgeting | Original and Final Budget | Variance - Positive (Negative) |
|---|---------------------|--|------------------------------------|------------------------------------|--------------------------------------|
| Title VII - Elementary and Secondary Education Act | | | | | |
| No Child Left Behind Act | | | | | |
| Public Law 107-110 Congress Statute 115 | | | | | |
| Indian, Native Hawaiian, and Alaska Native Education | | | | | |
| Personnel services | \$ 1,146,318 | \$ -- | \$ 1,146,318 | \$ 1,265,245 | \$ 118,927 |
| Employee benefits | 647,599 | -- | 647,599 | 630,447 | (17,152) |
| Purchased services | 157,225 | (4,484) | 152,741 | 132,942 | (19,799) |
| Supplies and materials | 87,778 | 2,342 | 90,120 | 35,000 | (55,120) |
| Capital outlay | 55,278 | 1,880 | 57,158 | 7,000 | (50,158) |
| Total Title VII - Elementary and Secondary Education Act | | | | | |
| No Child Left Behind Act | | | | | |
| Public Law 107-110 Congress Statute 115 | | | | | |
| Indian, Native Hawaiian, and Alaska Native Education | 2,094,198 | (262) | 2,093,936 | 2,070,634 | (23,302) |
| Pre-School Handicapped Grant | | | | | |
| Public Law 99-457 | | | | | |
| Personnel services | 223,657 | -- | 223,657 | 238,952 | 15,295 |
| Employee benefits | 91,705 | -- | 91,705 | 92,941 | 1,236 |
| Purchased services | 15,881 | -- | 15,881 | 17,995 | 2,114 |
| Supplies and materials | 9,900 | (158) | 9,742 | 48,990 | 39,248 |
| Total Pre-School Handicapped Grant | | | | | |
| Public Law 99-457 | 341,143 | (158) | 340,985 | 398,878 | 57,893 |
| Reading is Fundamental Grant | | | | | |
| Supplies and materials | 28,565 | -- | 28,565 | 28,809 | 244 |
| Alaska State School for Deaf Program | | | | | |
| Personnel services | 5,564 | -- | 5,564 | 6,685 | 1,121 |
| Employee benefits | 1,299 | -- | 1,299 | 1,715 | 416 |
| Purchased services | 36,630 | -- | 36,630 | 96,280 | 59,650 |
| Supplies and materials | 1,086 | -- | 1,086 | 2,250 | 1,164 |
| Total Alaska State School for Deaf Program | 44,579 | -- | 44,579 | 106,930 | 62,351 |
| Carl Perkins Vocational Education Basic Grant | | | | | |
| Personnel services | 195,864 | -- | 195,864 | 230,000 | 34,136 |
| Employee benefits | 22,053 | -- | 22,053 | 27,015 | 4,962 |
| Purchased services | 242,675 | -- | 242,675 | 263,412 | 20,737 |
| Supplies and materials | 191,209 | -- | 191,209 | 220,000 | 28,791 |
| Capital outlay | 363,387 | (553) | 362,834 | 451,548 | 88,714 |
| Total Carl Perkins Vocational Education Basic Grant | 1,015,188 | (553) | 1,014,635 | 1,191,975 | 177,340 |
| Access to Education for Homeless Children Program | | | | | |
| Personnel services | 21,721 | -- | 21,721 | 22,411 | 690 |
| Employee benefits | 3,590 | -- | 3,590 | 3,792 | 202 |
| Purchased services | 12,638 | -- | 12,638 | 12,673 | 35 |
| Supplies and materials | 15,658 | (461) | 15,197 | 16,343 | 1,146 |
| Capital outlay | 278 | -- | 278 | 433 | 155 |
| Total Access to Education for Homeless Children Program | 53,885 ₉ | (461) | 53,424 | 55,652 | 2,228 |

(Continued)

For the Year Ended June 30, 2009

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

| | Actual | Adjustment to Basis of Budgeting | Actual on Basis of Budgeting | Original and Final Budget | Variance - Positive (Negative) |
|---|---------|--|------------------------------------|------------------------------------|--------------------------------------|
| Drug and Violence Prevention Program | | | | | |
| Purchased services | \$ 874 | \$ (750) | \$ 124 | \$ -- | \$ (124) |
| Supplies and materials | 2,623 | -- | 2,623 | -- | (2,623) |
| Total Drug and Violence Prevention Program | 3,497 | (750) | 2,747 | -- | (2,747) |
| Community Action Prevention and Intervention Program | | | | | |
| Personnel services | 117,014 | -- | 117,014 | 121,742 | 4,728 |
| Employee benefits | 34,176 | -- | 34,176 | 38,601 | 4,425 |
| Purchased services | 12,711 | -- | 12,711 | 13,982 | 1,271 |
| Supplies and materials | 4,708 | -- | 4,708 | 5,000 | 292 |
| Total Community Action Prevention and Intervention Program | 168,609 | -- | 168,609 | 179,325 | 10,716 |
| Charter Schools Grants | | | | | |
| Personnel services | -- | -- | -- | 4,600 | 4,600 |
| Employee benefits | -- | -- | -- | 400 | 400 |
| Purchased services | 1,009 | 374 | 1,383 | 10,000 | 8,617 |
| Supplies & materials | -- | -- | -- | 1,500 | 1,500 |
| Total Charter Schools Grants | 1,009 | 374 | 1,383 | 16,500 | 15,117 |
| Reading First Grant | | | | | |
| Personnel services | 240,069 | -- | 240,069 | 380,015 | 139,946 |
| Employee benefits | 57,732 | -- | 57,732 | 242,000 | 184,268 |
| Purchased services | 34,791 | -- | 34,791 | 67,811 | 33,020 |
| Supplies and materials | 85,382 | -- | 85,382 | 105,237 | 19,855 |
| Capital outlay | 25,718 | -- | 25,718 | 33,264 | 7,546 |
| Total Reading First Grant | 443,692 | -- | 443,692 | 828,327 | 384,635 |
| Work Investment Act School Youth Program | | | | | |
| Personnel services | 60,981 | -- | 60,981 | 62,518 | 1,537 |
| Employee benefits | 7,072 | -- | 7,072 | 7,023 | (49) |
| Purchased services | 2,604 | -- | 2,604 | 2,755 | 151 |
| Supplies and materials | 2,515 | -- | 2,515 | 5,118 | 2,603 |
| Total Work Investment Act School Youth Program | 73,172 | -- | 73,172 | 77,414 | 4,242 |
| Foreign Language Assistance Program | | | | | |
| Personnel services | 109,164 | -- | 109,164 | 143,742 | 34,578 |
| Employee benefits | 32,081 | -- | 32,081 | 37,763 | 5,682 |
| Purchased services | 29,936 | (5,164) | 24,772 | 24,326 | (446) |
| Supplies and materials | 18,215 | 1,150 | 19,365 | 16,484 | (2,881) |
| Capital outlay | 4,974 | -- | 4,974 | -- | (4,974) |
| Total Foreign Language Assistance Program | 194,370 | (4,014) | 190,356 | 222,315 | 31,959 |
| Teaching American History Program | | | | | |
| Personnel services | 65,800 | -- | 65,800 | 5,670 | (60,130) |
| Employee benefits | 30,060 | -- | 30,060 | 852 | (29,208) |
| Purchased services | 96,793 | 4,025 | 100,818 | 11,446 | (89,372) |
| Supplies and materials | 13,092 | (867) | 12,225 | 2,028 | (10,197) |
| Total Teaching American History Program | 205,745 | 3,158 | 208,903 | 19,996 | (188,907) |

For the Year Ended June 30, 2009

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

| | Actual | Adjustment to Basis of Budgeting | Actual on Basis of Budgeting | Original and Final Budget | Variance - Positive (Negative) |
|---|--------------|--|------------------------------------|------------------------------------|--------------------------------------|
| Community Centers Learning Program | | | | | |
| Personnel services | \$ 1,004,398 | \$ -- | \$ 1,004,398 | \$ 1,076,088 | \$ 71,690 |
| Employee benefits | 391,149 | -- | 391,149 | 409,941 | 18,792 |
| Purchased services | 90,356 | -- | 90,356 | 105,680 | 15,324 |
| Supplies and materials | 21,792 | -- | 21,792 | 29,235 | 7,443 |
| Capital outlay | 16,288 | -- | 16,288 | 20,132 | 3,844 |
| Total Community Centers Learning Program | 1,523,983 | -- | 1,523,983 | 1,641,076 | 117,093 |
| Alaska Family Directory Website | | | | | |
| Personnel services | 12,997 | -- | 12,997 | 13,166 | 169 |
| Employee benefits | 3,640 | -- | 3,640 | 3,693 | 53 |
| Purchased services | 4,595 | -- | 4,595 | 4,794 | 199 |
| Supplies and materials | 5,121 | -- | 5,121 | 5,137 | 16 |
| Capital outlay | 4,407 | -- | 4,407 | 5,210 | 803 |
| Total Alaska Family Directory Website | 30,760 | -- | 30,760 | 32,000 | 1,240 |
| Youth in Detention | | | | | |
| Personnel services | 5,092 | -- | 5,092 | 14,929 | 9,837 |
| Employee benefits | 790 | -- | 790 | 2,211 | 1,421 |
| Purchased services | 4,500 | 3,700 | 8,200 | 36,717 | 28,517 |
| Supplies & materials | 1,380 | 228 | 1,608 | 13,243 | 11,635 |
| Total Youth in Detention | 11,762 | 3,928 | 15,690 | 67,100 | 51,410 |
| Advanced Placement for Every Able Learner | | | | | |
| Personnel services | 169,321 | -- | 169,321 | -- | (169,321) |
| Employee benefits | 37,676 | -- | 37,676 | -- | (37,676) |
| Purchased services | 210,599 | (68,547) | 142,052 | -- | (142,052) |
| Supplies and materials | 77,872 | 14,171 | 92,043 | -- | (92,043) |
| Capital outlay | 24,568 | 10,821 | 35,389 | -- | (35,389) |
| Total Advanced Placement for Every Able Learner Grant | 520,036 | (43,555) | 476,481 | -- | (476,481) |
| Alaska Educational Innovations Network Program | | | | | |
| Personnel services | 35,641 | -- | 35,641 | 54,479 | 18,838 |
| Employee benefits | 4,816 | -- | 4,816 | 7,761 | 2,945 |
| Purchased services | 16,749 | -- | 16,749 | -- | (16,749) |
| Supplies and materials | 1,658 | -- | 1,658 | 1,642 | (16) |
| Total Alaska Educational Innovation Network Program | 58,864 | -- | 58,864 | 63,882 | 5,018 |
| Excellence in Economic Education Program | | | | | |
| Personnel services | 4,644 | -- | 4,644 | 5,545 | 901 |
| Employee benefits | 868 | -- | 868 | 957 | 89 |
| Purchased services | 124 | -- | 124 | 353 | 229 |
| Supplies & materials | 1,680 | -- | 1,680 | 3,063 | 1,383 |
| Total Excellence in Economic Education Program | 7,316 | -- | 7,316 | 9,918 | 2,602 |

For the Year Ended June 30, 2009

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

| | Actual | Adjustment to Basis of Budgeting | Actual on Basis of Budgeting | Original and Final Budget | Variance - Positive (Negative) |
|---|-----------|--|------------------------------------|------------------------------------|--------------------------------------|
| Alaska Parent Information & Resource Center | | | | | |
| Personnel services | \$ 67,831 | \$ -- | \$ 67,831 | \$ 152,577 | \$ 84,746 |
| Employee benefits | 47,209 | -- | 47,209 | 95,581 | 48,372 |
| Purchased services | 37,195 | 12,277 | 49,472 | 51,400 | 1,928 |
| Supplies and materials | 44 | -- | 44 | 1,090 | 1,046 |
| Capital outlay | 54 | -- | 54 | 100 | 46 |
| Total Alaska Parent Information & Resource Center | 152,333 | 12,277 | 164,610 | 300,748 | 136,138 |
| Emergency Response & Crisis Management | | | | | |
| Personnel services | 86,737 | -- | 86,737 | -- | (86,737) |
| Employee benefits | 17,339 | -- | 17,339 | -- | (17,339) |
| Purchased services | 73,210 | 6,582 | 79,792 | -- | (79,792) |
| Supplies and materials | 693 | -- | 693 | -- | (693) |
| Total for Emergency Response & Crisis Management Grant | 177,979 | 6,582 | 184,561 | -- | (184,561) |
| Alaska Mentorship Project | | | | | |
| Personnel services | 304,234 | -- | 304,234 | 313,780 | 9,546 |
| Employee benefits | 91,476 | -- | 91,476 | 93,941 | 2,465 |
| Total Alaska Mentorship Project | 395,710 | -- | 395,710 | 407,721 | 12,011 |
| School Health Program | | | | | |
| Personnel services | 17,816 | -- | 17,816 | 18,416 | 600 |
| Employee benefits | 3,328 | -- | 3,328 | 3,413 | 85 |
| Purchased services | 1,000 | -- | 1,000 | 2,246 | 1,246 |
| Supplies and materials | 9,847 | -- | 9,847 | 10,325 | 478 |
| Capital outlay | 600 | -- | 600 | 600 | -- |
| Total School Health Program | 32,591 | -- | 32,591 | 35,000 | 2,409 |
| Safe and Drug Free Schools | | | | | |
| Personnel services | 11,051 | -- | 11,051 | -- | (11,051) |
| Employee benefits | 3,913 | -- | 3,913 | -- | (3,913) |
| Purchased services | 830 | -- | 830 | -- | (830) |
| Supplies and materials | 2,456 | -- | 2,456 | -- | (2,456) |
| Total Safe and Drug Free Schools | 18,250 | -- | 18,250 | -- | (18,250) |
| National Writing Project | | | | | |
| Personnel services | 10,149 | -- | 10,149 | 10,149 | -- |
| Employee benefits | 1,475 | -- | 1,475 | 2,351 | 876 |
| Total National Writing Project | 11,624 | -- | 11,624 | 12,500 | 876 |
| Presidential Award Program | | | | | |
| Supplies & materials | 162 | -- | 162 | -- | (162) |
| Capital outlay | 118 | 274 | 392 | -- | (392) |
| Total Presidential Award Program | 280 | 274 | 554 | -- | (554) |
| Project Ki'l | | | | | |
| Personnel services | 60,087 | -- | 60,087 | 230,154 | 170,067 |
| Employee benefits | 20,978 | -- | 20,978 | 39,369 | 18,391 |
| Purchased services | 37,735 | 7,914 | 45,649 | 129,355 | 83,706 |
| Supplies & materials | 10,664 | 3,582 | 14,246 | 32,777 | 18,531 |
| Capital outlay | 2,746 | -- | 2,746 | 4,150 | 1,404 |
| Total Project Ki'l | 132,210 | 11,496 | 143,706 | 435,805 | 292,099 |

For the Year Ended June 30, 2009

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

| | Actual | Adjustment to Basis of Budgeting | Actual on Basis of Budgeting | Original and Final Budget | Variance - Positive (Negative) |
|---------------------------------|----------------------|--|------------------------------------|------------------------------------|--------------------------------------|
| Project Soar | | | | | |
| Personnel services | \$ 75,474 | \$ -- | \$ 75,474 | \$ 58,466 | \$ (17,008) |
| Employee benefits | 22,419 | -- | 22,419 | 16,534 | (5,885) |
| Total Project Soar | 97,893 | -- | 97,893 | 75,000 | (22,893) |
| Alaska/Russian Climate | | | | | |
| Purchased services | 30,589 | -- | 30,589 | 32,128 | 1,539 |
| Water Education Festival | | | | | |
| Purchased services | 2,000 | -- | 2,000 | 2,000 | -- |
| Universal Design Learning | | | | | |
| Personnel services | 16,268 | -- | 16,268 | 14,200 | (2,068) |
| Employee benefits | 2,289 | -- | 2,289 | 2,134 | (155) |
| Purchased services | -- | -- | -- | 2,400 | 2,400 |
| Supplies and materials | 127 | -- | 127 | 1,000 | 873 |
| Total Universal Design Learning | 18,684 | -- | 18,684 | 19,734 | 1,050 |
| Operations Grant | | | | | |
| Personnel services | 71,774 | -- | 71,774 | 302,703 | 230,929 |
| Employee benefits | 23,136 | -- | 23,136 | 134,511 | 111,375 |
| Purchased services | 79,797 | 138,430 | 218,227 | 514,294 | 296,067 |
| Supplies & materials | 887 | -- | 887 | 40,160 | 39,273 |
| Capital outlay | 2,479 | -- | 2,479 | 2,658 | 179 |
| Total Operations Grant | 178,073 | 138,430 | 316,503 | 994,326 | 677,823 |
| Total federal grants | 39,000,097 | 172,019 | 39,172,116 | 49,526,641 | 10,354,525 |
| Total current expenditures | <u>\$ 48,110,610</u> | <u>\$ 139,329</u> | <u>\$ 48,249,939</u> | <u>\$ 59,810,000</u> | <u>\$ 11,560,061</u> |

For the Year Ended June 30, 2009

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: | | | | | | |
| Alaska Railroad Summer Youth Program | \$ 24,992 | \$ 3,716 | \$ 4,046 | \$ -- | \$ -- | \$ 32,754 |
| Donations From | | | | | | |
| Local Agencies | 318,256 | 60,447 | 264,507 | 269,347 | 576,175 | 1,488,732 |
| Reading is Fundamental Grant | -- | -- | -- | 9,522 | -- | 9,522 |
| Bus Shelter Cleaning Grant | 21,270 | 1,843 | 2,105 | -- | -- | 25,218 |
| Emergency Response & Crisis Management | 6,943 | 796 | 20,534 | -- | -- | 28,273 |
| Partners in Homeless Education | -- | -- | 100 | 3,278 | -- | 3,378 |
| Barbara Bush Literacy Grant | 22,674 | 12,502 | 3,179 | 3,384 | -- | 41,739 |
| MOA Recycling Grant | 43,416 | 20,241 | 3,399 | 116,762 | -- | 183,818 |
| Community Partners Diversity Project | 300 | 45 | 400 | -- | -- | 745 |
| Reduce Underage Drinking Anch | 21,951 | 5,219 | 2,508 | 114 | 11,044 | 40,836 |
| Total local grants | 459,802 | 104,809 | 300,778 | 402,407 | 587,219 | 1,855,015 |
| State grants: | | | | | | |
| Contract Schools - Memorandum of Agreement | | | | | | |
| Alaska State School for Deaf | 177,177 | 75,418 | 25,436 | 12,786 | -- | 290,817 |
| Charter Schools Supplemental Grants | -- | -- | 12,275 | 10,410 | -- | 22,685 |
| Alaska Science and Technology Program | -- | -- | -- | 336 | -- | 336 |
| Creating Successful Futures | 6,699 | 580 | 35,047 | 24,628 | 3,127 | 70,081 |
| Salmon in the Classroom Program | 4,739 | 1,160 | -- | 780 | -- | 6,679 |
| Designated Legislative Grants | | | | | | |
| Senate Bill 46 | -- | -- | -- | 20,374 | 7,188 | 27,562 |
| Senate Bill 53 | 6,505 | 834 | -- | 19,040 | 81,182 | 107,561 |
| Senate Bill 221 | -- | -- | 11,653 | 161,175 | 1,000,736 | 1,173,564 |
| Senate Bill 231 | -- | -- | -- | 62,489 | 90,837 | 153,326 |
| Senate Bill 283 | 9,576 | 1,425 | -- | 4,001 | 4,425 | 19,427 |
| Total Designated Legislative Grants | 16,081 | 2,259 | 11,653 | 267,079 | 1,184,368 | 1,481,440 |
| Health Career Pathways | -- | -- | -- | 4,273 | 4,734 | 9,007 |
| Providence Heights Grant | 92,765 | 27,033 | 4,589 | 2,345 | 2,230 | 128,962 |
| Youth in Detention | 270,614 | 91,989 | -- | -- | -- | 362,603 |
| Retirement Systems Employer Relief | -- | 4,882,888 | -- | -- | -- | 4,882,888 |
| Total state grants | 568,075 | 5,081,327 | 89,000 | 322,638 | 1,194,459 | 7,255,498 |
| Federal grants: | | | | | | |
| Title I - Elementary and Secondary Education Act | | | | | | |
| No Child Left Behind Act | | | | | | |
| Public Law 107-110 | | | | | | |
| Congress Statute 115 | | | | | | |
| District-wide Grant | 5,682,838 | 2,249,365 | 610,962 | 1,005,576 | 686,724 | 10,235,465 |
| Summer School Program | 64,642 | 10,328 | 84,815 | 2,306 | -- | 162,091 |
| McLaughlin Youth Center Delinquent and At-Risk Youth Program | 67,981 | 32,271 | 4,594 | 4,482 | 5,704 | 115,032 |
| Highly Qualified Program | 67,039 | 34,137 | 5,087 | 135 | -- | 106,398 |
| Professional Development | 6,450 | 702 | 600 | 7,869 | -- | 15,621 |
| Parent Involvement Program | 463,275 | 137,630 | 573,259 | 10,759 | 282 | 1,185,205 |
| | -- | -- | 1,481 | 1,338 | -- | 2,819 |

(Continued)

For the Year Ended June 30, 2009

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

| | Personnel Services | Employee Benefits | Purchased Services | Supplies and Materials | Capital Outlay | Total |
|---|-----------------------|----------------------|-----------------------|------------------------------|-------------------|------------|
| Supplemental Education Services Program | \$ 89,416 | \$ 14,595 | \$ 502,886 | \$ 7,004 | \$ 5,127 | \$ 619,028 |
| School Improvement Program | 127,995 | 19,850 | 21,515 | 27,387 | 16,254 | 213,001 |
| Total Title I - Elementary and Secondary Education Act No Child Left Behind Act Public Law 107-110 Congress Statute 115 | 6,569,636 | 2,498,878 | 1,805,199 | 1,066,856 | 714,091 | 12,654,660 |
| Title I - Elementary and Secondary Education Act No Child Left Behind Act Public Law 107-110 Congress Statute 115 Migrant Education District-wide Grant | 511,734 | 248,021 | 88,204 | 38,113 | 5,907 | 891,979 |
| Summer Program | 155,454 | 31,550 | 60,683 | 32,976 | 55,570 | 336,233 |
| Book Program | -- | -- | -- | 893 | -- | 893 |
| Parent Involvement Program | -- | -- | 2,103 | -- | -- | 2,103 |
| Total Title I - Elementary and Secondary Education Act No Child Left Behind Act Public Law 107-110 Congress Statute 115 Migrant Education | 667,188 | 279,571 | 150,990 | 71,982 | 61,477 | 1,231,208 |
| Title II-A - Elementary and Secondary Education Act No Child Left Behind Act Public Law 107-110 Congress Statute 115 Professional Development Program | 3,272,024 | 1,253,149 | 260,552 | 33,869 | 121,288 | 4,940,882 |
| Title II-D - Elementary and Secondary Education Act No Child Left Behind Act Public Law 107-110 Congress Statute 115 Enhancing Education Through Technology | 106,839 | 29,085 | 84,662 | 5,745 | 54,541 | 280,872 |
| Title III - Elementary and Secondary Education Act No Child Left Behind Act Public Law 107-110 Congress Statute 115 English Language Acquisition | 248,048 | 82,691 | 45,906 | 38,916 | 23,499 | 439,060 |
| Title IV-A - Elementary and Secondary Education Act No Child Left Behind Act Public Law 107-110 Congress Statute 115 Safe and Drug Free Schools | 304,024 | 84,908 | 29,458 | 11,747 | 1,354 | 431,491 |

(Continued)

For the Year Ended June 30, 2009

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

| | Personnel Services | Employee Benefits | Purchased Services | Supplies and Materials | Capital Outlay | Total |
|---|-----------------------|----------------------|-----------------------|------------------------------|-------------------|------------|
| Title V - Elementary and Secondary Education Act No Child Left Behind Act Public Law 107-110 Congress Statute 115 Innovative Program | \$ 66,501 | \$ 6,272 | \$ 3,560 | \$ 18,671 | \$ 5,036 | \$ 100,040 |
| Title VI-B - Education of All Handicapped Children Act Public Law 94-142 | 5,971,144 | 2,848,666 | 973,091 | 688,580 | 371,814 | 10,853,295 |
| Title VII- Elementary and Secondary Education Act No Child Left Behind Act Public Law 107-110 Congress Statute 115 Indian, Native Hawaiian, and Alaska Native Education | 1,146,318 | 647,599 | 157,225 | 87,778 | 55,278 | 2,094,198 |
| Pre-School Handicapped Grant Public Law 99-457 | 223,657 | 91,705 | 15,881 | 9,900 | -- | 341,143 |
| Reading is Fundamental Grant Alaska State School for Deaf Program | -- | -- | -- | 28,565 | -- | 28,565 |
| Carl Perkins Vocational Education Basic Grant | 5,564 | 1,299 | 36,630 | 1,086 | -- | 44,579 |
| Access to Education for Homeless Children Program | 195,864 | 22,053 | 242,675 | 191,209 | 363,387 | 1,015,188 |
| Drug and Violence Prevention Program | 21,721 | 3,590 | 12,638 | 15,658 | 278 | 53,885 |
| Community Action Prevention and Intervention Program | -- | -- | 874 | 2,623 | -- | 3,497 |
| Charter Schools Grants | 117,014 | 34,176 | 12,711 | 4,708 | -- | 168,609 |
| Reading First Grant | -- | -- | 1,009 | -- | -- | 1,009 |
| Work Investment Act School Youth Program | 240,069 | 57,732 | 34,791 | 85,382 | 25,718 | 443,692 |
| Foreign Language Assistance Program | 60,981 | 7,072 | 2,604 | 2,515 | -- | 73,172 |
| Teaching American History Program | 109,164 | 32,081 | 29,936 | 18,215 | 4,974 | 194,370 |
| Community Centers Learning Program | 65,800 | 30,060 | 96,793 | 13,092 | -- | 205,745 |
| Governor's Drug Prevention Program | 1,004,398 | 391,149 | 90,356 | 21,792 | 16,288 | 1,523,983 |
| Alaska Family Directory Website | 12,997 | 3,640 | 4,595 | 5,121 | 4,407 | 30,760 |
| Y Education Grant | 5,092 | 790 | 4,500 | 1,380 | -- | 11,762 |
| Advanced Placement for Every Able Learner Grant | 169,321 | 37,676 | 210,599 | 77,872 | 24,568 | 520,036 |
| Alaska Educational Innovations Network Program | 35,641 | 4,816 | 16,749 | 1,658 | -- | 58,864 |
| Excellence in Economic Education Program | 4,644 | 868 | 124 | 1,680 | -- | 7,316 |
| Alaska Parent Information & Resource Center | 67,831 | 47,209 | 37,195 | 44 | 54 | 152,333 |

(Continued)

For the Year Ended June 30, 2009

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

| | Personnel Services | Employee Benefits | Purchased Services | Supplies and Materials | Capital Outlay | Total |
|---|-----------------------|----------------------|-----------------------|------------------------------|---------------------|----------------------|
| Emergency Response & Crisis Management Grant | \$ 86,737 | \$ 17,339 | \$ 73,210 | \$ 693 | \$ -- | \$ 177,979 |
| Alaska Mentorship Project | 304,234 | 91,476 | -- | -- | -- | 395,710 |
| School Health Program | 17,816 | 3,328 | 1,000 | 9,847 | 600 | 32,591 |
| Safe and Drug Free Schools | 11,051 | 3,913 | 830 | 2,456 | -- | 18,250 |
| National Writing Project | 10,149 | 1,475 | -- | -- | -- | 11,624 |
| Presidential Award Program | -- | -- | -- | 162 | 118 | 280 |
| Project Ki'l | 60,087 | 20,978 | 37,735 | 10,664 | 2,746 | 132,210 |
| Project Soar | 75,474 | 22,419 | -- | -- | -- | 97,893 |
| Alaska/Russian Climate | -- | -- | 30,589 | -- | -- | 30,589 |
| Water Education Festival | -- | -- | 2,000 | -- | -- | 2,000 |
| Universal Design Learning | 16,268 | 2,289 | -- | 127 | -- | 18,684 |
| Operations Grant | 71,774 | 23,136 | 79,797 | 887 | 2,479 | 178,073 |
| Total federal grants | <u>21,345,070</u> | <u>8,683,088</u> | <u>4,586,464</u> | <u>2,531,480</u> | <u>1,853,995</u> | <u>39,000,097</u> |
| Total current expenditures | <u>\$ 22,372,947</u> | <u>\$ 13,869,224</u> | <u>\$ 4,976,242</u> | <u>\$ 3,256,525</u> | <u>\$ 3,635,673</u> | <u>\$ 48,110,610</u> |

June 30, 2009
With Comparative Totals for
June 30, 2008

COMBINING BALANCE SHEET

| | Food Service | Student Activity | Totals | |
|---|---------------------|---------------------|---------------------|---------------------|
| | | | 2009 | 2008 |
| Assets | | | | |
| Cash and investments, at cost | \$ 600 | \$ 2,345,237 | \$ 2,345,837 | \$ 2,132,338 |
| Accounts receivable | 45,496 | 8,109 | 53,605 | 34,060 |
| Interest receivable | -- | 2,002 | 2,002 | -- |
| Due from General Fund | 1,502,280 | 1,371,030 | 2,873,310 | 2,033,142 |
| Due from State of Alaska | 122,315 | -- | 122,315 | 910,618 |
| Prepaid items | 23,602 | -- | 23,602 | 23,799 |
| U.S.D.A. food commodities, at U.S.D.A. allocated value | 150,643 | -- | 150,643 | 131,299 |
| Inventory, at weighted average cost | 832,622 | -- | 832,622 | 775,147 |
| Total assets | <u>\$ 2,677,558</u> | <u>\$ 3,726,378</u> | <u>\$ 6,403,936</u> | <u>\$ 6,040,403</u> |
| Liabilities and Fund Balance | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 24,309 | \$ 21,359 | \$ 45,668 | \$ 101,699 |
| Due to General Fund | -- | 41,125 | 41,125 | 8,940 |
| Accrued salaries and related items: | | | | |
| Wages and salaries payable | 26,825 | -- | 26,825 | 6,344 |
| Payroll taxes, other accrued and withheld items | 38,349 | -- | 38,349 | 6,518 |
| Unearned revenue | 323,197 | -- | 323,197 | 285,588 |
| Total liabilities | <u>412,680</u> | <u>62,484</u> | <u>475,164</u> | <u>409,089</u> |
| Fund balance: | | | | |
| Reserved: | | | | |
| Encumbrances | 3,221 | -- | 3,221 | 12,575 |
| Inventory | 832,622 | -- | 832,622 | 775,147 |
| Prepaid items | 23,602 | -- | 23,602 | 23,799 |
| Unreserved: | | | | |
| Designated for subsequent year's expenditures | -- | -- | -- | 400,000 |
| Designated for accrued compensated absences | 331,105 | -- | 331,105 | 336,858 |
| Undesignated | 1,074,328 | 3,663,894 | 4,738,222 | 4,082,935 |
| Total fund balance | <u>2,264,878</u> | <u>3,663,894</u> | <u>5,928,772</u> | <u>5,631,314</u> |
| Total liabilities and fund balance | <u>\$ 2,677,558</u> | <u>\$ 3,726,378</u> | <u>\$ 6,403,936</u> | <u>\$ 6,040,403</u> |

For the Year Ended June 30, 2009
With Comparative Totals
For the Year Ended June 30, 2008

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

| | Food Service | Student Activity | Totals | |
|--|---------------------|---------------------|---------------------|---------------------|
| | | | 2009 | 2008 |
| Revenues: | | | | |
| Revenues from local sources | \$ 5,008,314 | \$ 7,062,038 | \$ 12,070,352 | \$ 12,252,857 |
| Revenues from state sources | 643,508 | 38,759 | 682,267 | 521,769 |
| Revenues from federal sources | 10,984,019 | -- | 10,984,019 | 9,629,018 |
| Total revenues | <u>16,635,841</u> | <u>7,100,797</u> | <u>23,736,638</u> | <u>22,403,644</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | -- | 6,844,985 | 6,844,985 | 6,977,267 |
| Food services | <u>16,594,195</u> | <u>--</u> | <u>16,594,195</u> | <u>15,693,492</u> |
| Total expenditures | <u>16,594,195</u> | <u>6,844,985</u> | <u>23,439,180</u> | <u>22,670,759</u> |
| Excess (deficiency) of revenues over expenditures | 41,646 | 255,812 | 297,458 | (267,115) |
| Other financing source | | | | |
| Transfer in - General Fund | <u>--</u> | <u>--</u> | <u>--</u> | <u>1,125,000</u> |
| Excess of revenues and other financing source over expenditures | 41,646 | 255,812 | 297,458 | 857,885 |
| Fund balance at beginning of year | <u>2,223,232</u> | <u>3,408,082</u> | <u>5,631,314</u> | <u>4,773,429</u> |
| Fund balance at end of year | <u>\$ 2,264,878</u> | <u>\$ 3,663,894</u> | <u>\$ 5,928,772</u> | <u>\$ 5,631,314</u> |

June 30, 2009
With Comparative Totals for
June 30, 2008

BALANCE SHEET

| | <u>2009</u> | <u>2008</u> |
|--|----------------------------|----------------------------|
| Assets | | |
| Cash and investments, at cost | \$ 600 | \$ 1,200 |
| Accounts receivable | 45,496 | 26,449 |
| Due from General Fund | 1,502,280 | 690,212 |
| Due from State of Alaska | 122,315 | 910,618 |
| Prepaid items | 23,602 | 22,833 |
| U.S.D.A. food commodities, at U.S.D.A. allocated value | 150,643 | 131,299 |
| Inventory, at weighted average cost | <u>832,622</u> | <u>775,147</u> |
| Total assets | <u>\$ 2,677,558</u> | <u>\$ 2,557,758</u> |
| Liabilities and Fund Balance | | |
| Liabilities: | | |
| Accounts payable | \$ 24,309 | \$ 36,076 |
| Due to General Fund | -- | -- |
| Accrued salaries and related items: | | |
| Wages and salaries payable | 26,825 | 6,344 |
| Payroll taxes, other accrued and withheld items | 38,349 | 6,518 |
| Unearned revenue: | | |
| Prepaid meal charges | 172,554 | 154,289 |
| U.S.D.A. food commodities | <u>150,643</u> | <u>131,299</u> |
| Total liabilities | <u>412,680</u> | <u>334,526</u> |
| Fund balance: | | |
| Reserved: | | |
| Encumbrances | 3,221 | 12,575 |
| Inventory | 832,622 | 775,147 |
| Prepaid items | 23,602 | 22,833 |
| Unreserved: | | |
| Designated for subsequent year's expenditures | -- | 400,000 |
| Designated for accrued compensated absences | 331,105 | 336,858 |
| Undesignated | <u>1,074,328</u> | <u>675,819</u> |
| Total fund balance | <u>2,264,878</u> | <u>2,223,232</u> |
| Total liabilities and fund balance | <u>\$ 2,677,558</u> | <u>\$ 2,557,758</u> |

For the Year Ended June 30, 2009
 With Comparative Totals
 For the Year Ended June 30, 2008

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

| | <u>2009</u> | <u>2008</u> |
|---|---------------------|---------------------|
| Revenues: | | |
| Revenues from local sources: | | |
| Lunch sales - student | \$ 3,101,173 | \$ 2,936,022 |
| Lunch sales - adult | 62,789 | 58,203 |
| Breakfast program | 162,447 | 129,579 |
| Milk program | 87,592 | 83,407 |
| A la carte program | 1,401,884 | 1,777,953 |
| Special meals | 95,386 | 96,377 |
| Other revenues | 97,043 | 24,239 |
| Total revenues from local sources | <u>5,008,314</u> | <u>5,105,780</u> |
| Revenues from state sources: | | |
| Retirement system employer relief | <u>643,508</u> | <u>511,603</u> |
| Revenues from federal sources: | | |
| Type A lunch program - reimbursement | 8,656,593 | 7,539,236 |
| Breakfast program - reimbursement | 1,596,621 | 1,409,048 |
| After school snack program - reimbursement | 137,817 | 138,032 |
| United States Department of Agriculture commodities | 481,477 | 542,702 |
| Fresh Fruits & Vegetable Program -USDA | 111,511 | -- |
| Total revenues from federal sources | <u>10,984,019</u> | <u>9,629,018</u> |
| Total revenues | <u>16,635,841</u> | <u>15,246,401</u> |
| Expenditures: | | |
| Current: | | |
| Food services: | | |
| General administration | 1,277,826 | 1,223,429 |
| Kitchens and food center | 13,881,246 | 13,099,079 |
| Delivery | 1,435,123 | 1,370,984 |
| Total expenditures | <u>16,594,195</u> | <u>15,693,492</u> |
| Excess of revenues over expenditures | 41,646 | (447,091) |
| Other financing source: | | |
| Transfer in - General Fund | <u>--</u> | <u>1,125,000</u> |
| Excess (deficiency) of revenues and other financing source over expenditures | 41,646 | 677,909 |
| Fund balance at beginning of year | <u>2,223,232</u> | <u>1,545,323</u> |
| Fund balance at end of year | <u>\$ 2,264,878</u> | <u>\$ 2,223,232</u> |

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

For the Year Ended June 30, 2009

| | 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 | \$ 3,101,173 | \$ -- | \$ 3,101,173 | \$ 3,136,040 | \$ 3,136,040 | \$ (34,867) |
| Lunch sales - adult | 62,789 | -- | 62,789 | 66,658 | 66,658 | (3,869) |
| Breakfast program | 162,447 | -- | 162,447 | 147,297 | 147,297 | 15,150 |
| Milk program | 87,592 | -- | 87,592 | 83,580 | 83,580 | 4,012 |
| A la carte program | 1,401,884 | -- | 1,401,884 | 2,045,543 | 2,045,543 | (643,659) |
| Special meals | 95,386 | -- | 95,386 | 119,826 | 119,826 | (24,440) |
| Other revenues | 97,043 | -- | 97,043 | -- | -- | 97,043 |
| Total revenue from local sources | 5,008,314 | -- | 5,008,314 | 5,598,944 | 5,598,944 | (590,630) |
| Revenues from state sources: | | | | | | |
| Retirement system employer relief | 643,508 | -- | 643,508 | 720,000 | 720,000 | (76,492) |
| Revenues from federal sources: | | | | | | |
| Type A lunch program - reimbursement | 8,656,593 | -- | 8,656,593 | 7,637,800 | 7,937,800 | 718,793 |
| Breakfast program - reimbursement | 1,596,621 | -- | 1,596,621 | 1,412,266 | 1,412,266 | 184,355 |
| After school snack program - reimbursement | 137,817 | -- | 137,817 | 141,797 | 141,797 | (3,980) |
| United States Department of Agriculture commodities | 481,477 | -- | 481,477 | 656,193 | 656,193 | (174,716) |
| Fresh fruits & vegetable program | 111,511 | -- | 111,511 | -- | -- | 111,511 |
| Total revenue from federal sources | 10,984,019 | -- | 10,984,019 | 9,848,056 | 10,148,056 | 835,963 |
| Total revenues | 16,635,841 | -- | 16,635,841 | 16,167,000 | 16,467,000 | 168,841 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Food services | | | | | | |
| General administration | | | | | | |
| Personnel services | 399,554 | -- | 399,554 | 451,485 | 451,485 | 51,931 |
| Employee benefits | 259,951 | -- | 259,951 | 295,280 | 295,280 | 35,329 |
| Purchased services | 607,345 | (104) | 607,241 | 575,151 | 575,151 | (32,090) |
| Supplies and materials | 8,138 | 5 | 8,143 | 11,000 | 11,000 | 2,857 |
| Capital outlay | 2,838 | -- | 2,838 | 6,380 | 6,380 | 3,542 |
| Total general administration | 1,277,826 | (99) | 1,277,727 | 1,339,296 | 1,339,296 | 61,569 |
| Kitchens and food center | | | | | | |
| Personnel services | 3,946,864 | -- | 3,946,864 | 4,033,433 | 4,033,433 | 86,569 |
| Employee benefits | 3,424,589 | -- | 3,424,589 | 3,653,938 | 3,653,938 | 229,349 |
| Purchased services | 359,430 | 510 | 359,940 | 402,891 | 402,891 | 42,951 |
| Supplies and materials | 6,126,832 | (1,824) | 6,125,008 | 5,557,720 | 5,857,720 | (267,288) |
| Capital outlay | 23,531 | -- | 23,531 | 56,053 | 56,053 | 32,522 |
| Total kitchens and food center | 13,881,246 | (1,314) | 13,879,932 | 13,704,035 | 14,004,035 | 124,103 |

(Continued)

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

For the Year Ended June 30, 2009

| | Actual | Adjustment to Basis of Budgeting | Actual on Basis of Budgeting | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|--|---------------------|--|------------------------------------|---------------------|---------------------|---|
| | | | | Original | Final | |
| Delivery: | | | | | | |
| Personnel services | \$ 789,483 | \$ -- | \$ 789,483 | \$ 796,403 | \$ 796,403 | \$ 6,920 |
| Employee benefits | 535,311 | -- | 535,311 | 578,588 | 578,588 | 43,277 |
| Purchased services | 10,447 | 2,001 | 12,448 | 25,478 | 25,478 | 13,030 |
| Supplies and materials | 99,882 | (713) | 99,169 | 120,000 | 120,000 | 20,831 |
| Capital outlay | -- | -- | -- | 3,200 | 3,200 | 3,200 |
| Total delivery | <u>1,435,123</u> | <u>1,288</u> | <u>1,436,411</u> | <u>1,523,669</u> | <u>1,523,669</u> | <u>87,258</u> |
| Total expenditures | <u>16,594,195</u> | <u>(125)</u> | <u>16,594,070</u> | <u>16,567,000</u> | <u>16,867,000</u> | <u>272,930</u> |
| Excess (deficiency) of revenues over expenditures | 41,646 | 125 | 41,771 | (400,000) | (400,000) | (441,771) |
| Fund balance at beginning of year | <u>2,223,232</u> | -- | <u>2,223,232</u> | <u>2,223,232</u> | <u>2,223,232</u> | -- |
| Fund balance at end of year | <u>\$ 2,264,878</u> | <u>\$ 125</u> | <u>\$ 2,265,003</u> | <u>\$ 1,823,232</u> | <u>\$ 1,823,232</u> | <u>\$ (441,771)</u> |

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

| | | |
|---|----------------|----------------------|
| Revenues reported on the basis of GAAP | | <u>\$ 16,635,841</u> |
| Expenditures reported on the basis of GAAP | | 16,594,195 |
| Add: current year encumbrances | \$ 3,222 | |
| Deduct: expenditures on prior year's encumbrances | <u>(3,346)</u> | |
| | | <u>(124)</u> |
| Expenditures and encumbrances reported on the basis of budgeting | | <u>16,594,070</u> |
| Excess of revenues over expenditures on the basis of budgeting | | <u>\$ 41,771</u> |

For the Year Ended June 30, 2009

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>Total</u> |
|--------------------------|-------------------------------|------------------------------|-------------------------------|---------------------------------------|---------------------------|----------------------|
| Current: | | | | | | |
| Food services: | | | | | | |
| General administration | \$ 399,554 | \$ 259,951 | \$ 607,345 | \$ 8,138 | \$ 2,838 | \$ 1,277,826 |
| Kitchens and food center | 3,946,864 | 3,424,589 | 359,430 | 6,126,832 | 23,531 | 13,881,246 |
| Delivery | <u>789,483</u> | <u>535,311</u> | <u>10,447</u> | <u>99,882</u> | <u>--</u> | <u>1,435,123</u> |
| | <u>\$ 5,135,901</u> | <u>\$ 4,219,851</u> | <u>\$ 977,222</u> | <u>\$ 6,234,852</u> | <u>\$ 26,369</u> | <u>\$ 16,594,195</u> |

June 30, 2009
With Comparative Totals for
June 30, 2008

BALANCE SHEET - BY ACCOUNT

| | Decentralized Student Activities | Centralized Student Activities | Totals | |
|---------------------------------------|--|--------------------------------------|---------------------|---------------------|
| | | | 2009 | 2008 |
| Assets | | | | |
| Cash and investments, at cost | \$ 2,235,209 | \$ 110,028 | \$ 2,345,237 | \$ 2,131,138 |
| Accounts receivable | -- | 8,109 | 8,109 | 7,611 |
| Interest receivable | -- | 2,002 | 2,002 | -- |
| Due from General Fund | 15,571 | 1,355,459 | 1,371,030 | 1,342,930 |
| Prepays | -- | -- | -- | 966 |
| Total assets | <u>\$ 2,250,780</u> | <u>\$ 1,475,598</u> | <u>\$ 3,726,378</u> | <u>\$ 3,482,645</u> |
| Liabilities and Fund Balance | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ -- | \$ 21,359 | \$ 21,359 | \$ 65,623 |
| Due to General Fund | <u>41,125</u> | <u>--</u> | <u>41,125</u> | <u>8,940</u> |
| Total liabilities | <u>41,125</u> | <u>21,359</u> | <u>62,484</u> | <u>74,563</u> |
| Fund balance: | | | | |
| Reserved for prepaid items | -- | -- | -- | 966 |
| Unreserved - undesignated | <u>2,209,655</u> | <u>1,454,239</u> | <u>3,663,894</u> | <u>3,407,116</u> |
| Total fund balance | <u>2,209,655</u> | <u>1,454,239</u> | <u>3,663,894</u> | <u>3,408,082</u> |
| Total liabilities and fund balance | <u>\$ 2,250,780</u> | <u>\$ 1,475,598</u> | <u>\$ 3,726,378</u> | <u>\$ 3,482,645</u> |

For the Year Ended June 30, 2009
With Comparative Totals
For the Year Ended June 30, 2008

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

| | Decentralized Student Activities | Centralized Student Activities | Totals | |
|---|--|--------------------------------------|---------------------|---------------------|
| | | | 2009 | 2008 |
| Revenues: | | | | |
| Revenues from local sources: | | | | |
| Other revenues | \$ 5,839,652 | \$ 1,222,386 | \$ 7,062,038 | \$ 7,147,077 |
| Revenues from state sources: | | | | |
| Retirement systems employer relief | -- | 38,759 | 38,759 | 10,166 |
| Total revenues | <u>5,839,652</u> | <u>1,261,145</u> | <u>7,100,797</u> | <u>7,157,243</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Pupil activity | <u>5,768,385</u> | <u>1,076,600</u> | <u>6,844,985</u> | <u>6,977,267</u> |
| Excess of revenues over expenditures | 71,267 | 184,545 | 255,812 | 179,976 |
| Fund balance at beginning of year | <u>2,138,388</u> | <u>1,269,694</u> | <u>3,408,082</u> | <u>3,228,106</u> |
| Fund balance at end of year | <u>\$ 2,209,655</u> | <u>\$ 1,454,239</u> | <u>\$ 3,663,894</u> | <u>\$ 3,408,082</u> |

June 30, 2009
With Comparative Totals for
June 30, 2008

DECENTRALIZED STUDENT ACTIVITIES
BALANCE SHEET - BY DEPARTMENT

| | High Schools | Middle Schools | Alternative Schools and Others | Totals | |
|---------------------------------------|---------------------|-------------------|--------------------------------------|---------------------|---------------------|
| | | | | 2009 | 2008 |
| Assets | | | | | |
| Cash and investments, at cost | \$ 1,430,801 | \$ 527,646 | \$ 276,762 | \$ 2,235,209 | \$ 2,131,138 |
| Due from General Fund | -- | 15,571 | -- | 15,571 | 16,190 |
| Total assets | <u>\$ 1,430,801</u> | <u>\$ 543,217</u> | <u>\$ 276,762</u> | <u>\$ 2,250,780</u> | <u>\$ 2,147,328</u> |
| Liabilities and Fund Balance | | | | | |
| Liabilities: | | | | | |
| Due to General Fund | \$ 41,125 | \$ -- | \$ -- | \$ 41,125 | \$ 8,940 |
| Fund balance: | | | | | |
| Unreserved - undesignated | 1,389,676 | 543,217 | 276,762 | 2,209,655 | 2,138,388 |
| Total liabilities and fund balance | <u>\$ 1,430,801</u> | <u>\$ 543,217</u> | <u>\$ 276,762</u> | <u>\$ 2,250,780</u> | <u>\$ 2,147,328</u> |

For the Year Ended June 30, 2009
With Comparative Totals
For the Year Ended June 30, 2008

DECENTRALIZED STUDENT ACTIVITIES

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

| | High Schools | Middle Schools | Alternative Schools and Others | Totals | |
|---|-----------------|-------------------|--------------------------------------|--------------|--------------|
| | | | | 2009 | 2008 |
| Revenues: | | | | | |
| Revenues from local sources: | | | | | |
| Other revenues | \$ 4,166,496 | \$ 1,048,956 | \$ 624,200 | \$ 5,839,652 | \$ 6,006,503 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Pupil activity | 4,137,931 | 1,033,309 | 597,145 | 5,768,385 | 5,958,926 |
| Excess of revenues over expenditures | 28,565 | 15,647 | 27,055 | 71,267 | 47,577 |
| Fund balance at beginning of year | 1,361,111 | 527,570 | 249,707 | 2,138,388 | 2,090,811 |
| Fund balance at end of year | \$ 1,389,676 | \$ 543,217 | \$ 276,762 | \$ 2,209,655 | \$ 2,138,388 |

June 30, 2009
With Comparative Totals for
June 30, 2008

CENTRALIZED STUDENT ACTIVITIES
BALANCE SHEET - BY DEPARTMENT

| | PTA Support | Student Activities | Instructional Replacement Fees | Supplemental Sources | Totals | |
|-------------------------------------|-------------------|-----------------------|--------------------------------------|-------------------------|---------------------|---------------------|
| | | | | | 2009 | 2008 |
| Assets | | | | | | |
| Cash and investments, at cost | \$ -- | \$ -- | \$ -- | \$ 110,028 | \$ 110,028 | \$ -- |
| Accounts receivable | -- | -- | -- | 8,109 | 8,109 | 7,611 |
| Interest receivable | -- | -- | -- | 2,002 | 2,002 | -- |
| Due from General Fund | 176,582 | 220,506 | 584,432 | 373,939 | 1,355,459 | 1,326,740 |
| Prepaid Charges | -- | -- | -- | -- | -- | 966 |
| Total assets | <u>\$ 176,582</u> | <u>\$ 220,506</u> | <u>\$ 584,432</u> | <u>\$ 494,078</u> | <u>\$ 1,475,598</u> | <u>\$ 1,335,317</u> |
| Liabilities and Fund Balance | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | <u>\$ 1,586</u> | <u>\$ --</u> | <u>\$ 13,550</u> | <u>\$ 6,223</u> | <u>\$ 21,359</u> | <u>\$ 65,623</u> |
| Fund balance: | | | | | | |
| Reserved for prepaid items | -- | -- | -- | -- | -- | 966 |
| Unreserved - undesignated | <u>174,996</u> | <u>220,506</u> | <u>570,882</u> | <u>487,855</u> | <u>1,454,239</u> | <u>1,268,728</u> |
| Total fund balance | <u>174,996</u> | <u>220,506</u> | <u>570,882</u> | <u>487,855</u> | <u>1,454,239</u> | <u>1,269,694</u> |
| Total liabilities and fund balance | <u>\$ 176,582</u> | <u>\$ 220,506</u> | <u>\$ 584,432</u> | <u>\$ 494,078</u> | <u>\$ 1,475,598</u> | <u>\$ 1,335,317</u> |

For the Year Ended June 30, 2009
With Comparative Totals
For the Year Ended June 30, 2008

CENTRALIZED STUDENT ACTIVITIES

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

| | PTA Support | Student Activities | Instructional Replacement Fees | Supplemental Sources | Totals | |
|---|----------------|-----------------------|--------------------------------------|-------------------------|--------------|--------------|
| | | | | | 2009 | 2008 |
| Revenues: | | | | | | |
| Revenues from local sources: | | | | | | |
| Other revenues | \$ 189,412 | \$ 274,995 | \$ 339,510 | \$ 418,469 | \$ 1,222,386 | \$ 1,140,574 |
| Revenues from state sources: | | | | | | |
| Retirement systems employer relief | -- | -- | -- | 38,759 | 38,759 | 10,166 |
| Total revenues | 189,412 | 274,995 | 339,510 | 457,228 | 1,261,145 | 1,150,740 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Instruction: | | | | | | |
| Pupil activity | 174,983 | 265,613 | 324,197 | 311,807 | 1,076,600 | 1,018,341 |
| Excess of revenues over expenditures | 14,429 | 9,382 | 15,313 | 145,421 | 184,545 | 132,399 |
| Fund balance at beginning of year | 160,567 | 211,124 | 555,569 | 342,434 | 1,269,694 | 1,137,295 |
| Fund balance at end of year | \$ 174,996 | \$ 220,506 | \$ 570,882 | \$ 487,855 | \$ 1,454,239 | \$ 1,269,694 |

June 30, 2009
With Comparative Totals for
June 30, 2008

BALANCE SHEET

| | <u>2009</u> | <u>2008</u> |
|--|----------------------|----------------------|
| Assets | | |
| Cash and investments, at cost | \$ 150,598 | \$ -- |
| Cash and investments with paying agent | 21,248,819 | 24,387,096 |
| Interest receivable | 336 | 83 |
| Due from other governments: | | |
| Municipality of Anchorage | 20,516,916 | 19,707,733 |
| State of Alaska | <u>434,862</u> | <u>402,086</u> |
| Total assets | <u>\$ 42,351,531</u> | <u>\$ 44,496,998</u> |
| Liabilities and Fund Balance | | |
| Liabilities: | | |
| Accounts payable | \$ -- | \$ 1,133 |
| Due to General Fund | 19,789,606 | 22,078,508 |
| Unearned revenue - property taxes | <u>20,516,916</u> | <u>19,707,733</u> |
| Total liabilities | <u>40,306,522</u> | <u>41,787,374</u> |
| Fund balance: | | |
| Reserved for debt service | <u>2,046,009</u> | <u>2,709,624</u> |
| Total liabilities and fund balance | <u>\$ 42,352,531</u> | <u>\$ 44,496,998</u> |

For the Year Ended June 30, 2009
With Comparative Actual Amounts
For the Year Ended June 30, 2008

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

| | 2009 | | | | |
|---|------------------|---------------|---------------|---|---------------|
| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) | 2008 |
| | Original | Final | | | |
| Revenues: | | | | | |
| Revenues from local sources: | | | | | |
| Appropriation from Municipality of Anchorage | \$ 39,415,466 | \$ 39,415,466 | \$ 39,415,466 | \$ -- | \$ 37,162,042 |
| Investment income | -- | -- | 2,570 | 2,570 | 2,140 |
| Total revenues from local sources | 39,415,466 | 39,415,466 | 39,418,036 | 2,570 | 37,164,182 |
| Revenues from state sources: | | | | | |
| Aid for school construction | 43,743,818 | 43,743,818 | 43,487,039 | (256,779) | 40,206,933 |
| Total revenues | 83,159,284 | 83,159,284 | 82,905,075 | (254,209) | 77,371,115 |
| Expenditures: | | | | | |
| Debt service: | | | | | |
| Principal | 46,630,000 | 46,630,000 | 46,630,000 | -- | 44,080,000 |
| Interest | 37,681,284 | 37,281,284 | 37,270,931 | 10,353 | 35,884,852 |
| Fiscal agent fees | 15,000 | 15,000 | 10,648 | 4,352 | 11,605 |
| Total expenditures | 84,326,284 | 83,926,284 | 83,911,579 | 14,705 | 79,976,457 |
| Deficiency of revenues over expenditures | (1,167,000) | (767,000) | (1,006,504) | (239,504) | (2,605,342) |
| Other financing sources: | | | | | |
| Transfers in - General Fund | 167,000 | 167,000 | 167,000 | -- | 167,000 |
| Transfers in - Capital Projects Fund | -- | -- | 175,889 | 175,889 | 6,003 |
| Total other financing sources | 167,000 | 167,000 | 342,889 | 175,889 | 173,003 |
| Deficiency of revenues and other financing sources over expenditures | (1,000,000) | (600,000) | (663,615) | (63,615) | (2,432,339) |
| Fund balance at beginning of year | 2,709,624 | 2,709,624 | 2,709,624 | -- | 5,141,963 |
| Fund balance at end of year | \$ 1,709,624 | \$ 2,109,624 | \$ 2,046,009 | \$ (63,615) | \$ 2,709,624 |

June 30, 2009
With Comparative Totals for
June 30, 2008

BALANCE SHEET

| | 2009 | 2008 |
|--|----------------------|----------------------|
| Assets | | |
| Cash and investments, at cost | \$ 56,984,875 | \$ 83,725,314 |
| Cash with paying agent | 4,454,082 | 46,763 |
| Accounts Receivable | 439,988 | 25,982 |
| Interest receivable | 204,709 | 348,199 |
| Due from General Fund | -- | 2,894,639 |
| Due from other governments: | | |
| Municipality of Anchorage | 1,878,471 | 163,388 |
| State of Alaska | -- | 680,403 |
| Prepaid items | 23,306 | 102,356 |
| Total assets | <u>\$ 63,985,431</u> | <u>\$ 87,987,044</u> |
| Liabilities and Fund Balance | | |
| Liabilities: | | |
| Accounts payable | \$ 3,270 | \$ 3,238 |
| Contracts payable | 5,121,316 | 6,448,979 |
| Due to General Fund | 2,086,969 | -- |
| Accrued salaries and related items: | | |
| Wages and salaries payable | 34,323 | 19,709 |
| Payroll taxes, other accrued and withheld items | 59,733 | 2,278 |
| Unearned revenue | 22,863 | 6,487 |
| Total liabilities | <u>7,328,474</u> | <u>6,480,691</u> |
| Fund balance: | | |
| Reserved: | | |
| Encumbrances | 41,292,595 | 40,659,883 |
| Prepaid items | 23,306 | 102,356 |
| Unreserved: | | |
| Designated: | | |
| Accrued compensated absences | 202,286 | 172,542 |
| Authorized construction, net of authorized unissued bonds | (2,406,914) | 20,585,681 |
| Undesignated | 17,545,684 | 19,985,891 |
| Total fund balance | <u>56,656,957</u> | <u>81,506,353</u> |
| Total liabilities and fund balance | <u>\$ 63,985,431</u> | <u>\$ 87,987,044</u> |

For the Year Ended June 30, 2009
 With Comparative Totals
 For the Year Ended June 30, 2008

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

| | 2009 | 2008 |
|--|----------------------|----------------------|
| Revenues: | | |
| Revenues from local sources: | | |
| Investment income | \$ 1,305,096 | \$ 4,110,050 |
| Other revenues | 1,207,653 | 1,018,139 |
| Total revenues from local sources | <u>2,512,749</u> | <u>5,128,189</u> |
| Revenues from state sources: | | |
| State/Municipal grants | 2,965,445 | 630,551 |
| Retirement systems employer relief | 297,924 | 213,047 |
| Total revenues from state sources | <u>3,263,369</u> | <u>843,598</u> |
| Revenues from federal sources: | | |
| Federal Impact Aid | 694,106 | 481,310 |
| Federal capital grants | 358,503 | 63,725 |
| Total revenues from federal sources | <u>1,052,609</u> | <u>545,035</u> |
| Total revenues | <u>6,828,727</u> | <u>6,516,822</u> |
| Expenditures: | | |
| Bond issuance cost | 219,481 | 119,483 |
| Capital outlays: | | |
| Secondary schools | 37,533,208 | 44,434,616 |
| Elementary schools | 15,566,850 | 7,196,728 |
| Other capital outlays | 8,418,030 | 894,712 |
| Total capital outlays | <u>61,518,088</u> | <u>52,526,056</u> |
| Total expenditures | <u>61,737,569</u> | <u>52,645,539</u> |
| Deficiency of revenues over expenditures | (54,908,842) | (46,128,717) |
| Other financing sources and (uses): | | |
| Proceeds of general obligation bonds | 29,840,000 | 63,790,000 |
| Premium on issuance of general obligation bonds | 395,335 | 1,335,234 |
| Transfers out - Debt Service Fund | (175,889) | (6,003) |
| Total other financing sources and (uses) | <u>30,059,446</u> | <u>65,119,231</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | (24,849,396) | 18,990,514 |
| Fund balance at beginning of year | <u>81,506,353</u> | <u>62,515,839</u> |
| Fund balance at end of year | <u>\$ 56,656,957</u> | <u>\$ 81,506,353</u> |

Beginning of Projects
to June 30, 2009**PROJECT-LENGTH SCHEDULE
OF CONSTRUCTION PROJECTS**

| | |
|---------------------------------------|-----------------------|
| Total project authorization | <u>\$ 176,926,810</u> |
| Revenues and other financing sources: | |
| Local sources | \$ 1,305,096 |
| State sources | 3,263,369 |
| Federal sources | 1,052,609 |
| Legal settlements | 1,207,653 |
| Proceeds of general obligation bonds | 30,235,335 |
| Transfers Out | (175,889) |
| | <u>\$ 36,888,173</u> |
| Expenditures: | |
| Capital outlays: | |
| Secondary schools | \$ 224,988,733 |
| Elementary schools | 61,673,599 |
| Other capital outlays | 17,646,777 |
| | <u>\$ 304,309,109</u> |

For the Period Ended June 30, 2009

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

| | 2009 | | | | | | |
|--|--------------------|-----------------------------|-------------------------------|-------------------|--------------------|-------------------------------|---|
| | Prior Years | Land and Improvements | Buildings and Equipment | Total | Total | Project Authoriza- tion | Variance- favorable (unfavorable) |
| Capital outlays: | | | | | | | |
| Secondary schools: | | | | | | | |
| Bartlett Senior High | \$ 28,434,626 | \$ -- | \$ 972,276 | \$ 972,276 | \$ 29,406,902 | \$ 30,779,982 | \$ 1,373,080 |
| Chugiak Senior High | 3,871,896 | (1,092,690) | 695,230 | (397,460) | 3,474,436 | 4,468,332 | 993,896 |
| Dimond Senior High | 2,531,041 | -- | 1,262,920 | 1,262,920 | 3,793,961 | 5,187,227 | 1,393,266 |
| Eagle River Senior High | 24,958 | 1,336,224 | 529,401 | 1,865,625 | 1,890,583 | 3,298,549 | 1,407,966 |
| East Senior High | 28,859,663 | -- | 444,992 | 444,992 | 29,304,655 | 31,502,195 | 2,197,540 |
| South Anchorage Senior High | 258,584 | -- | 107,425 | 107,425 | 366,009 | 1,711,020 | 1,345,011 |
| Service Senior High | 37,663,066 | 60,425 | 411,235 | 471,660 | 38,134,726 | 42,082,704 | 3,947,978 |
| West Senior High | 3,307,865 | 3,098 | 1,576,870 | 1,579,968 | 4,887,833 | 8,604,786 | 3,716,953 |
| Central Middle School | 14,141 | 220,099 | 12,749 | 232,848 | 246,989 | 1,336,441 | 1,089,452 |
| Clark Middle School | 31,033,277 | -- | 28,082,138 | 28,082,138 | 59,115,415 | 65,477,851 | 6,362,436 |
| Golden View Middle School | 136,206 | -- | 127,824 | 127,824 | 264,030 | 1,294,290 | 1,030,260 |
| Ernest Gruening Middle School | 1,295,778 | -- | 703,683 | 703,683 | 1,999,461 | 2,991,230 | 991,769 |
| U. S. Hanshew Middle School | 1,438,895 | -- | 625,411 | 625,411 | 2,064,306 | 4,155,612 | 2,091,306 |
| Jane Mears Middle School | 533,378 | -- | 493,793 | 493,793 | 1,027,171 | 1,518,022 | 490,851 |
| Mirror Lake Middle School | 3,178 | -- | 73,606 | 73,606 | 76,784 | 344,196 | 267,412 |
| Begich Middle School | 46,978,199 | -- | 299,708 | 299,708 | 47,277,907 | 52,012,526 | 4,734,619 |
| Romig Middle School | 243,792 | -- | 164,596 | 164,596 | 408,388 | 978,388 | 570,000 |
| Wendler Middle School | 459,812 | -- | 11,955 | 11,955 | 471,767 | 545,295 | 73,528 |
| Benny Benson Secondary | 179,815 | -- | 80,923 | 80,923 | 260,738 | 559,426 | 298,688 |
| Martin Luther King, Jr. Career Center | -- | -- | 85,150 | 85,150 | 85,150 | 854,122 | 768,972 |
| Save Alternative | -- | -- | 33,095 | 33,095 | 33,095 | 63,674 | 30,579 |
| Steller Alternative | 4,137 | -- | 2,525 | 2,525 | 6,662 | 50,477 | 43,815 |
| Retirement system employer relief | 183,218 | 2,929 | 205,618 | 208,547 | 391,765 | -- | (391,765) |
| Total secondary schools | 187,455,525 | 530,085 | 37,003,123 | 37,533,208 | 224,988,733 | 259,816,345 | 34,827,612 |
| Elementary schools: | | | | | | | |
| Abbott Loop | 1,475,264 | -- | 82,473 | 82,473 | 1,557,737 | 1,820,016 | 262,279 |
| Airport Heights | 466,238 | -- | -- | -- | 466,238 | 471,992 | 5,754 |
| Alpenglow | -- | -- | 124,394 | 124,394 | 124,394 | 326,240 | 201,846 |
| Aquarian Charter | -- | -- | -- | -- | -- | 1,162,300 | 1,162,300 |
| Aurora | 789,913 | -- | 29,443 | 29,443 | 819,356 | 1,134,070 | 314,714 |
| Baxter | 58,874 | -- | 166,778 | 166,778 | 225,652 | 361,979 | 136,327 |
| Bayshore | -- | -- | 35,919 | 35,919 | 35,919 | 194,206 | 158,287 |
| Bear Valley | -- | -- | 212,771 | 212,771 | 212,771 | 420,067 | 207,296 |
| Birchwood | 41,052 | -- | 35,315 | 35,315 | 76,367 | 234,477 | 158,110 |
| Willard Bowman | 32,956 | -- | 161,936 | 161,936 | 194,892 | 403,342 | 208,450 |
| Campbell | 812,895 | -- | 696,614 | 696,614 | 1,509,509 | 2,461,772 | 952,263 |

(Continued)

For the Period Ended June 30, 2009

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

| | 2009 | | | | | | Variance- favorable (unfavorable) |
|-----------------|----------------|-----------------------------|-------------------------------|--------------|--------------|-------------------------------|---|
| | Prior Years | Land and Improvements | Buildings and Equipment | Total | Total | Project Authoriza- tion | |
| Chester Valley | \$ 342,874 | \$ -- | \$ 1,539,961 | \$ 1,539,961 | \$ 1,882,835 | \$ 18,312,839 | \$ 16,430,004 |
| Chinook | 243,107 | -- | 41,893 | 41,893 | 285,000 | 306,572 | 21,572 |
| Chugach | 6,994,123 | -- | 490 | 490 | 6,994,613 | 7,028,156 | 33,543 |
| Chugiak | 1,455,818 | -- | 995,088 | 995,088 | 2,450,906 | 2,559,435 | 108,529 |
| College Gate | 544,273 | -- | -- | -- | 544,273 | 1,424,296 | 880,023 |
| Creekside Park | 794 | -- | 4,335 | 4,335 | 5,129 | 1,106,868 | 1,101,739 |
| Denali | -- | -- | -- | -- | -- | 428 | 428 |
| Eagle River | 429,114 | -- | 574,112 | 574,112 | 1,003,226 | 1,635,915 | 632,689 |
| Fairview | 8,788 | -- | 2,109 | 2,109 | 10,897 | 8,360 | (2,537) |
| Fire Lake | -- | -- | -- | -- | -- | 388 | 388 |
| Girdwood | 38,566 | -- | 256,293 | 256,293 | 294,859 | 1,042,957 | 748,098 |
| Government Hill | 1,513,128 | -- | 7,114 | 7,114 | 1,520,242 | 1,683,163 | 162,921 |
| Homestead | 272,455 | -- | 95 | 95 | 272,550 | 194,378 | (78,172) |
| Huffman | 446,267 | -- | 204,214 | 204,214 | 650,481 | 722,207 | 71,726 |
| Inlet View | 181,308 | -- | 253,510 | 253,510 | 434,818 | 1,855,770 | 1,420,952 |
| Kasuun | 4,542 | -- | 72,387 | 72,387 | 76,929 | 91,076 | 14,147 |
| Kennedy | 14,703 | -- | 4,529 | 4,529 | 19,232 | 65,868 | 46,636 |
| Kincaid | -- | -- | 6 | 6 | 6 | 3,080 | 3,074 |
| Klatt | 62,868 | -- | 434,508 | 434,508 | 497,376 | 1,111,723 | 614,347 |
| Lake Hood | 4,295 | -- | 1,148 | 1,148 | 5,443 | 38,112 | 32,669 |
| Lake Otis | 1,318,482 | -- | 208,386 | 208,386 | 1,526,868 | 1,683,787 | 156,919 |
| Mt. View | 101,713 | 30,156 | 217,409 | 247,565 | 349,278 | 662,082 | 312,804 |
| Mt. Iliamna | 1,173,657 | -- | 29,837 | 29,837 | 1,203,494 | 1,470,767 | 267,273 |
| Mt. Spurr | 919,969 | -- | 8,775 | 8,775 | 928,744 | 1,214,000 | 285,256 |
| Muldoon | 77,360 | -- | 134,411 | 134,411 | 211,771 | 251,856 | 40,085 |
| North Star | 330,357 | -- | 118,611 | 118,611 | 448,968 | 1,674,584 | 1,225,616 |
| Northern Lights | 24,028 | -- | 20,291 | 20,291 | 44,319 | 82,108 | 37,789 |
| Northwood | 69,375 | 32,838 | 68,022 | 100,860 | 170,235 | 395,241 | 225,006 |
| Nunaka Valley | 3,534 | -- | 41,771 | 41,771 | 45,305 | 86,377 | 41,072 |
| Ocean View | 11,420 | -- | 64,547 | 64,547 | 75,967 | 401,918 | 325,951 |
| O'Malley | 510,122 | -- | 133,932 | 133,932 | 644,054 | 1,367,021 | 722,967 |
| Orion | 1,510,883 | -- | 306,334 | 306,334 | 1,817,217 | 2,438,692 | 621,475 |
| Polaris K-12 | 18,329,044 | -- | 165,045 | 165,045 | 18,494,089 | 19,191,426 | 697,337 |
| Ptarmigan | 15,818 | -- | 40,284 | 40,284 | 56,102 | 332,302 | 276,200 |
| Rabbit Creek | 166 | -- | 156,291 | 156,291 | 156,457 | 659,358 | 502,901 |
| Ravenwood | -- | -- | -- | -- | -- | 135,667 | 135,667 |
| Rogers Park | 565,419 | -- | 642,621 | 642,621 | 1,208,040 | 1,332,109 | 124,069 |
| Russian Jack | 277,120 | -- | 119,073 | 119,073 | 396,193 | 482,410 | 86,217 |
| Sand Lake | 588,291 | -- | 4,211,045 | 4,211,045 | 4,799,336 | 22,146,722 | 17,347,386 |
| Scenic Park | 42,072 | -- | 620,415 | 620,415 | 662,487 | 775,829 | 113,342 |

(Continued)

For the Period Ended June 30, 2009

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

| | 2009 | | | | | | |
|---|----------------|-----------------------------|-------------------------------|------------|------------|-------------------------------|---|
| | Prior Years | Land and Improvements | Buildings and Equipment | Total | Total | Project Authoriza- tion | Variance- favorable (unfavorable) |
| Spring Hill | \$ 19,826 | \$ -- | \$ 141 | \$ 141 | \$ 19,967 | \$ 110,772 | \$ 90,805 |
| Susitna | 21,255 | -- | 688,374 | 688,374 | 709,629 | 1,099,304 | 389,675 |
| Trailside | 275,206 | -- | 116,199 | 116,199 | 391,405 | 508,777 | 117,372 |
| Taku | -- | -- | 17,156 | 17,156 | 17,156 | 63,783 | 46,627 |
| Tudor | 1,556,373 | -- | 35,669 | 35,669 | 1,592,042 | 2,134,849 | 542,807 |
| Turnagain | 497,114 | -- | 177,554 | 177,554 | 674,668 | 1,344,544 | 669,876 |
| Ursa Major | 15,169 | -- | 8,620 | 8,620 | 23,789 | 296,375 | 272,586 |
| Ursa Minor | 1,289 | -- | 4,459 | 4,459 | 5,748 | 176,118 | 170,370 |
| William Tyson | 279,620 | -- | 129,078 | 129,078 | 408,698 | 428,408 | 19,710 |
| Whaley Center | 816,256 | -- | 287,690 | 287,690 | 1,103,946 | 1,688,495 | 584,549 |
| Williwaw | 163 | -- | 38,182 | 38,182 | 38,345 | 58,264 | 19,919 |
| Willow Crest | 105,653 | -- | 666,609 | 666,609 | 772,262 | 1,034,041 | 261,779 |
| Wonder Park | -- | -- | 163 | 163 | 163 | 271,637 | 271,474 |
| Gladys Wood | 385,954 | -- | 50 | 50 | 386,004 | 745,121 | 359,117 |
| Retirement system employer relief | 29,826 | 364 | 89,013 | 89,377 | 119,203 | -- | (119,203) |
| Total elementary schools | 46,106,749 | 63,358 | 15,503,492 | 15,566,850 | 61,673,599 | 114,926,796 | 53,253,197 |
| Other capital outlays: | | | | | | | |
| District-wide Asbestos/ Life Safety | 568,317 | -- | 223,726 | 223,726 | 792,043 | 1,118,589 | 326,546 |
| District-wide AWDA | 90,994 | -- | -- | -- | 90,994 | 90,996 | 2 |
| District-wide Code Compliance | -- | -- | 13 | 13 | 13 | 16,835 | 16,822 |
| District-wide Emergency Preparation | 676,248 | -- | 124,840 | 124,840 | 801,088 | 873,900 | 72,812 |
| District-wide Security Systems | 307,711 | -- | 7,537 | 7,537 | 315,248 | 574,097 | 258,849 |
| District-wide Sprinkler Upgrade | -- | -- | 82,521 | 82,521 | 82,521 | 479,364 | 396,843 |
| District-wide Underground Storage Tank Removal | 18,208 | -- | 17,062 | 17,062 | 35,270 | 68,448 | 33,178 |
| District-wide Computer Equipment/Technology | -- | -- | -- | -- | -- | 373,720 | 373,720 |
| District-wide Electric/Switch Upgrades | 209,223 | -- | 38,295 | 38,295 | 247,518 | 677,149 | 429,631 |
| District-wide Elevator | 189 | -- | -- | -- | 189 | 2,829 | 2,640 |
| District-wide Fencing | 17,042 | -- | -- | -- | 17,042 | 29,526 | 12,484 |
| District-wide Fire Code | -- | -- | -- | -- | -- | 7,622 | 7,622 |
| District-wide Heating/Ventilation Air Condition Upgrades | -- | -- | -- | -- | -- | 35,777 | 35,777 |
| District-wide Library Books | -- | -- | 34,420 | 34,420 | 34,420 | 36,721 | 2,301 |
| District-wide Mechanical | 24,709 | -- | 2,556 | 2,556 | 27,265 | 493,950 | 466,685 |
| District-wide Bldg Renewal | 173,365 | -- | 15,832 | 15,832 | 189,197 | 229,886 | 40,689 |
| District-wide Roof Replacement | 72,831 | -- | 250,729 | 250,729 | 323,560 | 534,090 | 210,530 |

(Continued)

For the Period Ended June 30, 2009

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

| | 2009 | | | | | | |
|-----------------------------------|-----------------------|-----------------------------|-------------------------------|----------------------|-----------------------|-------------------------------|---|
| | Prior Years | Land and Improvements | Buildings and Equipment | Total | Total | Project Authoriza- tion | Variance- favorable (unfavorable) |
| District-wide Site Acquisition | \$ 4,665,705 | \$ 6,264,743 | \$ -- | \$ 6,264,743 | \$ 10,930,448 | \$ 10,378,819 | \$ (551,629) |
| Facilities/Maintenance | 313,058 | -- | 299,992 | 299,992 | 613,050 | 989,515 | 376,465 |
| Traffic Safety | -- | -- | -- | -- | -- | 36,201 | 36,201 |
| Pupil Transportation New Buses | 67,043 | -- | 70,145 | 70,145 | 137,188 | 463,955 | 326,767 |
| Student Nutrition | 1,182,819 | -- | 170,191 | 170,191 | 1,353,010 | 1,413,353 | 60,343 |
| Warehouse | 841,285 | -- | 815,428 | 815,428 | 1,656,713 | 1,878,277 | 221,564 |
| Total other capital outlays | 9,228,747 | 6,264,743 | 2,153,287 | 8,418,030 | 17,646,777 | 20,803,619 | 3,156,842 |
| | <u>\$ 242,791,021</u> | <u>\$ 6,858,186</u> | <u>\$ 54,659,902</u> | <u>\$ 61,518,088</u> | <u>\$ 304,309,109</u> | <u>\$ 395,546,760</u> | <u>\$ 91,237,651</u> |

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June 30, 2009
With Comparative Totals for
June 30, 2008

SCHEDULE OF CAPITAL ASSETS - BY SOURCE

| | <u>2009</u> | <u>2008</u> |
|---|-------------------------|-------------------------|
| Capital Assets: | | |
| Land and improvements | \$ 89,430,789 | \$ 78,169,524 |
| Buildings and equipment | 1,433,348,724 | 1,233,816,847 |
| Pupil transportation equipment | 9,044,380 | 9,142,408 |
| Construction in progress | <u>86,779,633</u> | <u>242,577,787</u> |
| Total Capital Assets | <u>\$ 1,618,603,526</u> | <u>\$ 1,563,706,566</u> |
| Investments in Capital Assets acquired prior to July 1, 2000 | \$ 824,851,548 | \$ 833,054,997 |
| Investments in Capital Assets acquired after July 1, 2000 | | |
| Capital Projects Fund: | | |
| General obligation bonds | 744,545,519 | 687,510,438 |
| Local, state and federal grants | 24,342,458 | 21,064,090 |
| Contribution from General Fund | 151,817 | 151,817 |
| Other | 10,339,821 | 9,189,376 |
| General Fund | 11,896,038 | 10,338,940 |
| State and Federal Grants Special Revenue Fund | 1,227,297 | 1,153,030 |
| Food Service Special Revenue Fund | <u>1,249,028</u> | <u>1,243,878</u> |
| Total Investments in Capital Assets | <u>\$ 1,618,603,526</u> | <u>\$ 1,563,706,566</u> |

June 30, 2009

SCHEDULE OF CAPITAL ASSETS
BY FUNCTION AND ACTIVITY

| Function and Activity | Capital Assets | | | | Total |
|---|-----------------------|-------------------------|----------------------|--------------------------|-------------------------|
| | Land and Improvements | Buildings and Equipment | Pupil Transportation | Construction in Progress | |
| General administration | \$ 11,855,798 | \$ 2,540,819 | \$ -- | \$ -- | \$ 14,396,617 |
| Instruction | 74,683,730 | 1,406,568,040 | -- | 86,779,633 | 1,568,031,403 |
| Pupil transportation | 390,741 | 456,215 | 9,044,380 | -- | 9,891,336 |
| Operation and maintenance of plant | 2,408,398 | 12,769,504 | -- | -- | 15,177,902 |
| Food services | 92,122 | 11,014,146 | -- | -- | 11,106,268 |
| Total governmental funds capital assets | <u>\$ 89,430,789</u> | <u>\$ 1,433,348,724</u> | <u>\$ 9,044,380</u> | <u>\$ 86,779,633</u> | <u>\$ 1,618,603,526</u> |

For the Year Ended June 30, 2009

SCHEDULE OF CHANGES IN CAPITAL ASSETS
BY FUNCTION AND ACTIVITY

| Function and Activity | Governmental Funds Capital Assets July 1, 2008 | Additions | Deductions | Governmental Funds Capital Assets June 30, 2009 |
|---|---|----------------|----------------|--|
| General administration | \$ 13,293,288 | \$ 1,119,969 | \$ 16,640 | \$ 14,396,617 |
| Instruction | 1,271,455,931 | 218,029,287 | 8,233,448 | 1,481,251,770 |
| Pupil transportation | 10,111,312 | 15,886 | 235,862 | 9,891,336 |
| Operation and maintenance of plant | 15,167,130 | 10,772 | -- | 15,177,902 |
| Food services | 11,101,118 | 5,150 | -- | 11,106,268 |
| Construction in progress | 242,577,787 | 50,587,640 | 206,385,794 | 86,779,633 |
| Total governmental funds capital assets | \$ 1,563,706,566 | \$ 269,768,704 | \$ 214,871,744 | \$ 1,618,603,526 |

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FINANCIAL TRENDS

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

| <u>Table</u> | | <u>Page</u> |
|--------------|---|-------------|
| AA | Statement of Net Assets - Last Eight Years..... | 116 |
| BB | Statement of Activities and Change in Net Assets - Last Eight Years..... | 117 |
| CC | Fund Balance, Governmental Funds - Last Ten Years..... | 119 |
| DD | Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Last Ten Years..... | 121 |
| EE | Government-wide Expenses by Function - Last Eight Years..... | 123 |
| FF | Government-wide Revenues by Function - Last Eight Years..... | 124 |
| GG | General Expenditures by Function - Last Ten Years | 125 |
| HH | General Revenues by Source - Last Ten Years | 126 |

REVENUE CAPACITY

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

| | | |
|----|--|-----|
| II | Assessed and Actual Value of Taxable Property - Last Ten Years | 127 |
| JJ | Property Tax Rates and Tax Levies Direct and Overlapping Governments Service Funds - Last Ten Years..... | 128 |
| KK | Principal Property Tax Payers - Current and Nine Years Ago..... | 129 |
| LL | Property Tax Levies and Collections - Last Ten Years | 130 |

DEBT CAPACITY

These schedules present information to help assess the affordability of our current levels of outstanding debt and our ability to issue additional debt in the future.

| | | |
|----|---|-----|
| MM | Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita and Per Student - Last Ten Years | 131 |
| NN | Computation of Direct and Overlapping Debt, and Legal Debt Margin | 132 |
| OO | Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures - Last Ten Years | 133 |

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help understand the environment with which our financial activities take place.

| | | |
|----|---|-----|
| PP | Demographic Statistics - Last Ten Years | 134 |
| QQ | Principal Employers - Current and Nine Years Ago..... | 135 |
| RR | Average General Expenditures Per Pupil - Last Ten Years | 136 |
| SS | Average Daily Membership as Compared to Assessed Valuation Showing Assessed Valuation Support Per Student - Last Ten Years | 137 |
| TT | Authorized Positions by Category - General Operations - Last Ten Years | 138 |
| UU | Teacher Education and Salary Information - Current Year..... | 139 |
| VV | Average Daily Membership and Pupil to Classroom Teacher Ratio - Last Ten Years | 140 |

OPERATING INFORMATION

These schedules contain service and infrastructure data to help understand how the information in our report relates to the services provided and the activities performed.

| | | |
|----|--|-----|
| WW | Facility Utilization and School Buildings - Last Ten Years | 141 |
| XX | Student Nutrition Local Revenues - Last Ten Years..... | 142 |
| YY | Miscellaneous Statistics - Last Ten Years..... | 146 |
| ZZ | Schedule of Insurance in Force - Current Year | 144 |

For the Last Eight Years

STATEMENT OF NET ASSETS (1)

| Net Assets | | | | | |
|------------------------|---|------------------------|--|---------------------|-----------------------------|
| <u>Fiscal Year</u> | <u>Investment in Capital Assets Net of Related Debt</u> | <u>Restricted for:</u> | | | <u>Total Net Assets</u> |
| | | <u>Debt Service</u> | <u>Authorized Construction, Net of Authorized Unissued Bonds</u> | <u>Unrestricted</u> | |
| 2001-2002 | \$ 232,798,398 | \$ 16,162,142 | \$ 97,185,450 | \$ 158,626,990 | \$ 504,772,980 |
| 2002-2003 | 347,683,735 | 17,791,262 | -- | 154,977,901 | 520,452,898 |
| 2003-2004 | 325,639,068 | 10,732,112 | 945,856 | 162,920,900 | 500,237,936 |
| 2004-2005 | 277,868,091 | 12,215,951 | 51,706,706 | 141,606,088 | 483,396,836 |
| 2005-2006 | 401,914,125 | 5,799,233 | 11,703,334 | 78,079,515 | 497,496,207 |
| 2006-2007 | 446,204,268 | 5,141,963 | -- | 64,968,930 | 516,315,161 |
| 2007-2008 | 459,600,531 | 2,709,623 | 20,687,437 | 69,279,340 | 552,276,931 |
| 2008-2009 | 478,070,820 | 2,046,009 | -- | 113,209,371 | 593,326,200 |

Notes:

(1) GASB 34 Implementation began Fiscal Year 2001 - 2002.

For the Last Eight Years

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS (1)

| | 2002 | 2003 | 2004 | 2005 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Program Expenses | | | | |
| District-wide activities: | | | | |
| General administration | \$ 9,452,484 | \$ 11,965,357 | \$ 26,454,531 | \$ 22,928,887 |
| Instruction | 352,491,798 | 357,948,970 | 380,596,221 | 434,474,069 |
| Pupil transportation | 15,136,449 | 15,316,591 | 16,219,676 | 16,390,472 |
| Operation and maintenance of plant | 20,379,602 | 18,379,710 | 19,298,372 | 21,441,868 |
| Community services | 1,804,986 | 1,949,296 | 2,193,218 | 1,602,248 |
| Non-departmental | 3,834,756 | 2,724,000 | 3,956,114 | 3,768,058 |
| Food services | 11,482,531 | 11,834,319 | 12,406,855 | 13,778,656 |
| Construction and facility acquisition | 96,670 | 160,838 | -- | 449,333 |
| Interest expense | 28,615,906 | 30,491,745 | 43,244,987 | 32,823,838 |
| Total district-wide expenses | <u>443,295,182</u> | <u>450,770,826</u> | <u>504,369,974</u> | <u>547,657,429</u> |
| Program Revenues | | | | |
| District-wide activities: | | | | |
| Charges for services | | | | |
| General administration | -- | (30,321) | 8,445 | 7,292 |
| Instruction | 705,105 | 1,075,708 | 892,418 | 1,479,913 |
| Pupil transportation | -- | 80,779 | -- | 2,801 |
| Operation and maintenance of plant | 118,039 | 169,282 | (462) | -- |
| Community services | 491,516 | 455,269 | 412,466 | 684,176 |
| Non-departmental | 74,402 | (322,903) | 28,742 | 83,125 |
| Food services | 5,325,807 | 5,365,654 | 5,546,012 | 5,294,513 |
| Operating grants and contributions | | | | |
| General administration | -- | -- | -- | 28,500 |
| Instruction | 33,548,165 | 39,974,345 | 45,274,462 | 48,258,380 |
| Pupil transportation | 15,200,905 | 16,874,909 | 17,019,454 | 17,048,940 |
| Operation and maintenance of plant | 1,135,445 | 849,212 | 199,017 | 666,671 |
| Community services | 271,935 | 253,478 | 124,705 | 23,198 |
| Food services | 6,084,997 | 6,762,893 | 7,228,153 | 7,670,607 |
| Construction and facility acquisition | -- | -- | -- | -- |
| Capital grants and contributions | | | | |
| Construction and facility acquisition | 623,636 | 27,294,178 | 38,721,389 | 38,057,560 |
| Total district-wide revenues | <u>63,579,952</u> | <u>98,802,483</u> | <u>115,454,801</u> | <u>119,305,676</u> |
| Net expense | | | | |
| District-wide activities | <u>(379,715,230)</u> | <u>(351,968,343)</u> | <u>(388,915,173)</u> | <u>(428,351,753)</u> |
| General Revenues and Other Changes in Net Assets | | | | |
| Unrestricted: | | | | |
| Appropriation from | | | | |
| Municipality of Anchorage | 135,521,074 | 142,954,582 | 144,983,658 | 163,503,322 |
| Investment income | 4,451,782 | 3,531,249 | 2,320,920 | 4,693,350 |
| Public School Funding Program | 204,684,325 | 207,129,272 | 205,100,316 | 227,186,292 |
| State Tuition Program | 670,133 | 680,658 | 46,784 | -- |
| Aid for School Construction | 22,384,082 | -- | -- | -- |
| School improvement grant | -- | -- | -- | -- |
| Energy relief | -- | -- | -- | -- |
| Federal Impact Aid | 12,949,120 | 11,417,018 | 14,054,338 | 14,303,124 |
| Other | 2,369,238 | 2,070,559 | 2,194,195 | 1,824,565 |
| Loss on sale of capital assets | (2,824,572) | (135,077) | -- | -- |
| Total general revenues | <u>380,205,182</u> | <u>367,648,261</u> | <u>368,700,211</u> | <u>411,510,653</u> |
| Change in net assets | 489,952 | 15,679,918 | (20,214,962) | (16,841,100) |
| Net assets at beginning of year | 504,283,028 | 504,772,980 | 520,452,898 | 500,237,936 |
| Net assets at end of the year | <u>\$ 504,772,980</u> | <u>\$ 520,452,898</u> | <u>\$ 500,237,936</u> | <u>\$ 483,396,836</u> |

Notes:

(1) GASB 34 Implementation began Fiscal Year 2001 - 2002.

For the Last Eight Years

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS (1)

| | 2006 | 2007 | 2008 | 2009 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Program Expenses | | | | |
| District-wide activities: | | | | |
| General administration | \$ 20,418,961 | \$ 15,662,670 | \$ 18,572,821 | \$ 17,734,805 |
| Instruction | 435,822,328 | 478,651,589 | 572,761,690 | 588,836,769 |
| Pupil transportation | 17,181,490 | 18,002,836 | 20,087,773 | 19,580,050 |
| Operation and maintenance of plant | 23,980,926 | 28,460,380 | 29,996,382 | 30,863,209 |
| Community services | 716,982 | 1,243,907 | 856,785 | 988,897 |
| Non-departmental | 2,945,943 | -- | -- | -- |
| Food services | 14,471,253 | 15,518,428 | 16,054,390 | 16,855,858 |
| Construction and facility acquisition | 625,117 | 674,062 | 241,710 | 513,472 |
| Interest expense | 37,248,152 | 34,012,953 | 36,773,707 | 36,393,199 |
| Total district-wide expenses | <u>553,411,152</u> | <u>592,226,825</u> | <u>695,345,258</u> | <u>711,766,259</u> |
| Program Revenues | | | | |
| District-wide activities: | | | | |
| Charges for services | | | | |
| General administration | 8,473 | 83,209 | 16,770 | 19,604 |
| Instruction | 1,465,127 | 1,431,789 | 1,752,350 | 1,606,288 |
| Pupil transportation | -- | -- | -- | -- |
| Operation and maintenance of plant | -- | -- | -- | (2,553) |
| Community services | 684,383 | 568,108 | 849,453 | 580,448 |
| Non-departmental | 83,147 | -- | -- | -- |
| Food services | 5,250,367 | 4,977,713 | 5,081,541 | 4,911,270 |
| Operating grants and contributions | | | | |
| General administration | -- | -- | 750,813 | 925,219 |
| Instruction | 48,176,314 | 47,202,793 | 139,878,408 | 126,529,115 |
| Pupil transportation | 17,317,199 | 17,082,693 | 17,249,338 | 18,645,611 |
| Operation and maintenance of plant | 862,668 | 362,868 | 3,097,712 | 3,186,546 |
| Community services | 6,866 | 422,052 | 101,188 | 77,725 |
| Food services | 8,579,320 | 9,246,111 | 10,140,621 | 11,627,527 |
| Construction and facility acquisition | -- | -- | 213,047 | 297,924 |
| Capital grants and contributions | | | | |
| Construction and facility acquisition | 38,065,413 | 37,976,770 | 41,082,316 | 46,810,987 |
| Total district-wide revenues | <u>120,499,277</u> | <u>119,354,106</u> | <u>220,213,557</u> | <u>215,215,711</u> |
| Net expenses | | | | |
| District-wide activities | <u>(432,911,875)</u> | <u>(472,872,719)</u> | <u>(475,131,701)</u> | <u>(496,550,548)</u> |
| General Revenues and Other Changes in Net Assets | | | | |
| Unrestricted: | | | | |
| Appropriation from | | | | |
| Municipality of Anchorage | 177,157,001 | 191,602,288 | 206,359,861 | 217,971,708 |
| Investment income | 6,747,140 | 7,862,943 | 8,523,023 | 3,148,355 |
| Public School Funding Program | 248,771,460 | 277,322,639 | 264,718,683 | 281,733,376 |
| State Tuition Program | -- | -- | -- | -- |
| Aid for School Construction | -- | -- | -- | -- |
| School improvement grant | -- | -- | 7,890,604 | -- |
| Energy relief | -- | -- | 6,656,602 | -- |
| Federal Impact Aid | 11,804,273 | 13,042,523 | 14,150,178 | 15,333,815 |
| Proceeds from sale of assets | -- | -- | -- | 12,982 |
| Other | 2,531,372 | 1,861,280 | 2,794,520 | 1,817,444 |
| Loss on sale of capital assets | -- | -- | -- | -- |
| Special and extraordinary items | | | | |
| Total general revenues, special and extraordinary items | <u>447,011,246</u> | <u>491,691,673</u> | <u>511,093,471</u> | <u>537,599,817</u> |
| Change in net assets | 14,099,371 | 18,818,954 | 35,961,770 | 41,049,269 |
| Net assets at beginning of year | 483,396,836 | 497,496,207 | 516,315,161 | 552,276,931 |
| Net assets at end of year | <u>\$ 497,496,207</u> | <u>\$ 516,315,161</u> | <u>\$ 552,276,931</u> | <u>\$ 593,326,200</u> |

Notes:

(1) GASB 34 Implementation began Fiscal Year 2001 - 2002.

For the Last Ten Years

FUND BALANCE, GOVERNMENTAL FUNDS

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|---|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Fund | | | | | |
| Fund balances: | | | | | |
| Reserved: | | | | | |
| Encumbrances | \$ 13,526,432 | \$ 11,803,803 | \$ 9,850,275 | \$ 9,354,186 | \$ 10,433,541 |
| Inventory | 1,404,293 | 1,837,111 | 1,920,197 | 1,902,320 | 2,030,830 |
| Federal Impact Aid | 8,488,674 | 9,125,804 | 10,043,352 | 10,861,296 | 11,988,897 |
| Prepaid items | 2,014,377 | 1,012,141 | 1,520,464 | 1,241,325 | 1,509,007 |
| Accrued compensated absences | -- | -- | -- | 6,577,773 | 6,706,442 |
| Self-insurance | 5,000,000 | 9,000,000 | 12,100,000 | 10,175,294 | 9,210,096 |
| Total reserved | <u>30,433,776</u> | <u>32,778,859</u> | <u>35,434,288</u> | <u>40,112,194</u> | <u>41,878,813</u> |
| Unreserved: | | | | | |
| Designated: | | | | | |
| Bond rating | -- | -- | -- | -- | -- |
| Subsequent year's expenditures | 11,331,886 | 5,013,571 | -- | 5,044,000 | 27,989,871 |
| Accrued compensated absences | -- | -- | 6,573,521 | -- | -- |
| Undesignated | <u>12,428,233</u> | <u>17,171,678</u> | <u>23,573,647</u> | <u>26,664,508</u> | <u>--</u> |
| Total unreserved | <u>23,760,119</u> | <u>22,185,249</u> | <u>30,147,168</u> | <u>31,708,508</u> | <u>27,989,871</u> |
| Total General Fund | <u>\$ 54,193,895</u> | <u>\$ 54,964,108</u> | <u>\$ 65,581,456</u> | <u>\$ 71,820,702</u> | <u>\$ 69,868,684</u> |
| All Other Governmental Funds | | | | | |
| Fund balances: | | | | | |
| Reserved: | | | | | |
| Encumbrances | \$ 17,536,119 | \$ 66,479,718 | \$ 99,687,951 | \$ 115,318,022 | \$ 101,948,317 |
| Inventory | -- | 392,100 | 586,866 | 488,958 | 557,571 |
| Prepaid items | 37,106 | 2,500 | 303,880 | 14,213,851 | 17,568 |
| Accrued compensated absences | -- | -- | -- | 892,594 | 995,192 |
| Self-insurance | -- | -- | 87,579 | 29,352 | 19,565 |
| Debt service | 4,483,106 | 5,862,973 | 16,162,142 | 3,586,648 | 10,732,112 |
| Total reserved | <u>22,056,331</u> | <u>72,737,291</u> | <u>116,828,418</u> | <u>134,529,425</u> | <u>114,270,325</u> |
| Unreserved: | | | | | |
| Designated: | | | | | |
| Subsequent year's expenditures | 95,585 | 95,000 | -- | -- | -- |
| Special Revenue Funds | -- | -- | 200,000 | 74,265 | 225,000 |
| Accrued compensated absences | | | | | |
| Special Revenue Funds | -- | -- | 608,414 | -- | -- |
| Capital Projects Fund | -- | -- | 163,890 | -- | -- |
| Other Governmental Funds | -- | -- | -- | -- | -- |
| Authorized construction, net of authorized unissued bonds | -- | 72,834,124 | 97,185,450 | -- | 945,856 |
| Undesignated, reported in: | | | | | |
| Special Revenue Funds | 212,962 | (274,942) | 2,315,074 | 2,866,083 | 2,930,089 |
| Capital Projects Fund | <u>(9,513,724)</u> | <u>10,562,908</u> | <u>9,976,440</u> | <u>(15,497,006)</u> | <u>14,343,267</u> |
| Total unreserved | <u>(9,205,177)</u> | <u>83,217,090</u> | <u>110,449,268</u> | <u>(12,556,658)</u> | <u>18,444,212</u> |
| Total all other government funds | <u>\$ 12,851,154</u> | <u>\$ 155,954,381</u> | <u>\$ 227,277,686</u> | <u>\$ 121,972,767</u> | <u>\$ 132,714,537</u> |

For the Last Ten Years

FUND BALANCE, GOVERNMENTAL FUNDS

| | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| General Fund | | | | | |
| Fund balances: | | | | | |
| Reserved: | | | | | |
| Encumbrances | \$ 10,093,854 | \$ 16,024,824 | \$ 17,981,023 | \$ 22,102,814 | \$ 19,066,639 |
| Inventory | 2,064,961 | 2,061,456 | 2,170,242 | 2,004,661 | 2,016,515 |
| Federal Impact Aid | 12,534,815 | 10,201,503 | 11,779,903 | 12,645,547 | 12,228,199 |
| Prepaid items | 2,005,401 | 1,732,925 | 3,250,150 | 8,187,537 | 10,506,092 |
| Accrued compensated absences | -- | -- | -- | -- | -- |
| Self-insurance | 16,201,846 | 17,302,552 | 18,284,048 | 20,896,840 | 21,033,755 |
| Total reserved | <u>42,900,877</u> | <u>47,323,260</u> | <u>53,465,366</u> | <u>65,837,399</u> | <u>64,851,200</u> |
| Unreserved: | | | | | |
| Designated: | | | | | |
| Bond rating | -- | -- | 16,415,939 | 17,503,677 | 18,600,421 |
| Subsequent year's expenditures | 6,500,000 | -- | -- | 3,959,000 | 3,900,000 |
| Accrued compensated absences | 6,826,898 | 7,001,948 | 7,449,350 | 7,936,952 | 8,380,055 |
| Undesignated | <u>21,878,326</u> | <u>29,350,831</u> | <u>34,468,976</u> | <u>24,442,307</u> | <u>23,509,451</u> |
| Total unreserved | <u>35,205,224</u> | <u>36,352,779</u> | <u>58,334,265</u> | <u>53,841,936</u> | <u>54,389,927</u> |
| Total General Fund | <u>\$ 78,106,101</u> | <u>\$ 83,676,039</u> | <u>\$ 111,799,631</u> | <u>\$ 119,679,335</u> | <u>\$ 119,241,127</u> |
| All Other Governmental Funds | | | | | |
| Fund balances: | | | | | |
| Reserved: | | | | | |
| Encumbrances | \$ 86,654,468 | \$ 25,339,574 | \$ 67,546,079 | \$ 41,119,895 | \$ 41,743,253 |
| Inventory | 556,127 | 766,571 | 1,527,646 | 775,147 | 832,622 |
| Prepaid items | 186,790 | 34,485 | 30,948 | 142,314 | 101,063 |
| Accrued compensated absences | -- | -- | -- | -- | -- |
| Self-insurance | -- | -- | -- | -- | -- |
| Debt service | <u>12,215,951</u> | <u>5,799,233</u> | <u>5,141,963</u> | <u>2,709,624</u> | <u>2,046,009</u> |
| Total reserved | <u>99,613,336</u> | <u>31,939,863</u> | <u>74,246,636</u> | <u>44,746,980</u> | <u>44,722,947</u> |
| Unreserved: | | | | | |
| Designated: | | | | | |
| Subsequent year's expenditures | -- | -- | -- | -- | -- |
| Special Revenue Funds | 369,413 | 193,160 | -- | 400,000 | -- |
| Accrued compensated absences | | | | | |
| Special Revenue Funds | 849,919 | 925,411 | 540,587 | 473,436 | 473,435 |
| Capital Projects Fund | 231,704 | 253,877 | -- | 172,542 | 202,286 |
| Other Governmental Funds | -- | -- | -- | 336,858 | 331,105 |
| Authorized construction, net of authorized unissued bonds | 51,706,706 | 11,703,334 | -- | 20,585,681 | -- |
| Undesignated, reported in: | | | | | |
| Special Revenue Funds | 2,833,063 | 3,132,956 | 2,442,009 | 3,145,903 | 3,763,195 |
| Capital Projects Fund | <u>16,763,763</u> | <u>16,984,877</u> | <u>(4,798,000)</u> | <u>19,985,891</u> | <u>15,138,770</u> |
| Total unreserved | <u>72,754,568</u> | <u>33,193,615</u> | <u>(1,815,404)</u> | <u>45,100,311</u> | <u>19,908,791</u> |
| Total all other government funds | <u>\$ 172,367,904</u> | <u>\$ 65,133,478</u> | <u>\$ 72,431,232</u> | <u>\$ 89,847,291</u> | <u>\$ 64,631,738</u> |

For the Last Ten Years

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

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|--|------------------------|-----------------------|----------------------|------------------------|----------------------|
| Revenues: | | | | | |
| Local sources | \$ 132,205,411 | \$ 145,928,476 | \$ 154,204,468 | \$ 160,774,444 | \$ 161,768,902 |
| State sources | 235,578,668 | 235,994,038 | 246,502,312 | 255,345,978 | 263,485,503 |
| Federal sources | 36,151,440 | 40,614,346 | 44,951,437 | 49,907,518 | 58,290,973 |
| Total revenues | 403,935,519 | 422,536,860 | 445,658,217 | 466,027,940 | 483,545,378 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General administration | 9,740,589 | 8,608,469 | 9,081,409 | 9,648,338 | 9,516,769 |
| Instruction | 297,369,141 | 306,067,874 | 330,840,150 | 338,395,756 | 358,265,412 |
| Pupil transportation | 14,505,315 | 15,747,079 | 14,467,097 | 15,447,724 | 15,356,917 |
| Operation and maintenance of plant | 23,649,383 | 20,227,505 | 20,369,504 | 20,171,027 | 19,015,616 |
| Community services | 2,110,331 | 1,720,283 | 1,686,897 | 1,839,752 | 2,068,659 |
| Non-departmental | 3,007,214 | 4,806,465 | 3,834,755 | 2,724,000 | 3,956,112 |
| Food services | 9,141,632 | 10,895,039 | 11,190,827 | 11,763,298 | 12,033,209 |
| Debt service: | | | | | |
| Principal | 19,338,825 | 19,195,799 | 21,687,909 | 24,750,163 | 28,745,000 |
| Interest | 18,689,412 | 21,799,479 | 24,447,307 | 26,311,060 | 32,290,960 |
| Fiscal agent fees | 8,947 | 6,147 | 6,747 | 9,991 | 9,322 |
| Bond issuance cost | -- | -- | -- | -- | -- |
| Capital outlays | 67,362,962 | 48,678,343 | 79,429,994 | 114,065,315 | 121,896,066 |
| Total expenditures | 464,923,751 | 457,752,482 | 517,042,596 | 565,126,424 | 603,154,042 |
| Deficiency of revenues over expenditures | (60,988,232) | (35,215,622) | (71,384,379) | (99,098,484) | (119,608,664) |
| Other financing sources (uses): | | | | | |
| Proceeds from sale of property and equipment | 34,238 | 61,184 | 38,964 | 15,882 | 23,748 |
| Issuance of general obligation bonds | -- | 181,012,364 | 131,800,000 | -- | 126,770,000 |
| Premium on issuance of general obligation bonds | -- | -- | 7,237,446 | -- | 1,421,741 |
| Issuance of refunding bonds | -- | 54,698,781 | 70,345,000 | -- | -- |
| Premium on issuance of refunding bonds | -- | -- | 4,195,227 | -- | -- |
| Payment to refunded bond escrow agent | -- | (54,698,781) | (74,540,227) | -- | -- |
| Transfers in | -- | 1,212,299 | 5,954,059 | 859,711 | 777,009 |
| Transfers out | -- | (1,212,299) | (5,954,059) | (859,711) | (777,009) |
| Total other financing sources | 34,238 | 181,073,548 | 139,076,410 | 15,882 | 128,215,489 |
| Net change in fund balances | \$ (60,953,994) | \$ 145,857,926 | \$ 67,692,031 | \$ (99,082,602) | \$ 8,606,825 |
| Debt service as a percentage of noncapital expenditures | 9.6% | 10.0% | 10.5% | 11.3% | 12.7% |

Notes:

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

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

For the Last Ten Years

| | 2005 | 2006 | 2007 | 2008 | 2009 |
|--|----------------------|-------------------------|----------------------|----------------------|------------------------|
| Revenues: | | | | | |
| Local sources | \$ 183,978,564 | \$ 199,358,932 | \$ 214,888,704 | \$ 233,669,852 | \$ 240,046,875 |
| State sources | 284,773,761 | 305,979,143 | 335,377,434 | 434,882,555 | 428,811,942 |
| Federal sources | 61,192,088 | 61,318,187 | 60,491,468 | 62,409,670 | 66,255,684 |
| Total revenues | 529,944,413 | 566,656,262 | 610,757,606 | 730,962,077 | 735,114,501 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General administration | 10,270,182 | 10,962,994 | 11,769,210 | 19,239,207 | 17,674,860 |
| Instruction | 384,216,850 | 418,150,467 | 447,887,180 | 536,523,214 | 555,944,309 |
| Pupil transportation | 15,774,086 | 16,303,868 | 17,236,133 | 18,982,195 | 19,234,255 |
| Operation and maintenance of plant | 21,267,797 | 22,962,874 | 24,697,997 | 26,772,621 | 27,357,834 |
| Community services | 1,514,088 | 688,032 | 790,222 | 840,031 | 951,649 |
| Non-departmental | 3,763,972 | 2,940,084 | 3,480,038 | 3,144,562 | 3,436,400 |
| Food services | 13,217,128 | 13,997,995 | 15,112,931 | 15,693,492 | 16,594,195 |
| Debt service: | | | | | |
| Principal | 34,760,000 | 39,035,000 | 39,870,000 | 44,080,000 | 46,630,000 |
| Interest | 34,214,001 | 37,525,701 | 35,021,935 | 35,884,852 | 37,270,931 |
| Fiscal agent fees | 9,579 | 13,506 | 11,578 | 11,605 | 10,648 |
| Bond issuance cost | -- | -- | 425,618 | 119,483 | 219,481 |
| Capital outlays | 120,638,291 | 105,820,823 | 45,593,411 | 52,526,056 | 61,518,088 |
| Total expenditures | 639,645,974 | 668,401,344 | 641,896,253 | 753,817,318 | 786,842,650 |
| Deficiency of revenues over expenditures | (109,701,561) | (101,745,082) | (31,138,647) | (22,855,241) | (51,728,149) |
| Other financing sources (uses): | | | | | |
| Proceeds from sale of property and equipment | 25,405 | 65,320 | 42,904 | 51,531 | 11,127 |
| Issuance of general obligation bonds | 150,090,000 | -- | 48,495,000 | 63,790,000 | 29,840,000 |
| Premium on issuance of general obligation bonds | 7,507,226 | -- | 1,152,350 | 1,335,234 | 395,335 |
| Issuance of refunding bonds | 109,930,938 | 14,790,000 | 251,745,000 | -- | -- |
| Premium on issuance of refunding bonds | 11,178,973 | 1,561,914 | 13,906,249 | -- | -- |
| Payment to refunded bond escrow agent | (121,068,973) | (16,330,730) | (265,651,249) | -- | -- |
| Transfers in | 6,081,461 | 242,978 | 894,501 | 1,298,003 | 342,889 |
| Transfers out | (6,081,461) | (242,978) | (1,094,501) | (1,898,003) | (4,514,963) |
| Total other financing sources | 157,663,569 | 86,504 | 49,490,254 | 64,576,765 | 26,074,388 |
| Net change in fund balances | \$ 47,962,008 | \$ (101,658,578) | \$ 18,351,607 | \$ 41,721,524 | \$ (25,653,761) |
| Debt service as a percentage of noncapital expenditures | 13.3% | 13.6% | 12.6% | 11.4% | 11.6% |

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

Last Eight Years

GOVERNMENT-WIDE
EXPENSES BY FUNCTION (1)

| Fiscal Year | General Administration (2) | Instruction | Pupil Transportation | Operation and Maintenance of Plant | Community Services | Non Departmental | Food Services | Construction and Facility Acquisition | Interest Expense | Total |
|-------------|----------------------------|----------------|----------------------|------------------------------------|--------------------|------------------|---------------|---------------------------------------|------------------|----------------|
| 2001-2002 | \$ 9,452,484 | \$ 352,491,798 | \$ 15,136,449 | \$ 20,379,602 | \$ 1,804,986 | \$ 3,834,756 | \$ 11,482,531 | \$ 96,670 | \$ 28,615,906 | \$ 443,295,182 |
| 2002-2003 | 11,965,357 | 357,948,970 | 15,316,591 | 18,379,710 | 1,949,296 | 2,724,000 | 11,834,319 | 160,838 | 30,491,745 | 450,770,826 |
| 2003-2004 | 26,454,531 | 380,596,221 | 16,219,676 | 19,298,372 | 2,193,218 | 3,956,114 | 12,406,855 | -- | 43,244,987 | 504,369,974 |
| 2004-2005 | 22,928,887 | 434,474,069 | 16,390,472 | 21,441,868 | 1,602,248 | 3,768,058 | 13,778,656 | 449,333 | 32,823,838 | 547,657,429 |
| 2005-2006 | 20,353,566 | 436,049,020 | 17,181,490 | 26,765,582 | 716,982 | -- | 14,471,253 | 625,117 | 37,248,152 | 553,411,162 |
| 2006-2007 | 15,662,670 | 478,651,589 | 18,002,836 | 28,460,380 | 1,243,907 | -- | 15,518,428 | 674,062 | 34,012,953 | 592,226,825 |
| 2007-2008 | 18,572,821 | 572,761,690 | 20,087,773 | 29,996,382 | 856,785 | -- | 16,054,390 | 241,710 | 36,773,707 | 695,345,258 |
| 2008-2009 | 17,734,805 | 588,836,769 | 19,580,050 | 30,863,209 | 988,897 | -- | 16,855,858 | 513,472 | 36,393,199 | 711,766,259 |

Notes:

(1) GASB 34 Implementation began Fiscal Year 2001 - 2002.

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

| Fiscal Year | Loss on Disposal of Capital Assets |
|-------------|------------------------------------|
| 2001-2002 | \$ -- |
| 2002-2003 | -- |
| 2003-2004 | 16,648,548 |
| 2004-2005 | 11,778,953 |
| 2005-2006 | 8,448,099 |
| 2006-2007 | 3,342,264 |
| 2007-2008 | 5,485,017 |
| 2008-2009 | 3,988,190 |

Last Eight Years

**GOVERNMENT-WIDE
REVENUES BY FUNCTION (1)**

| Program Revenues | | | | | | | |
|------------------|----------------------|------------------------------------|----------------------------------|---------------|--|--|--|
| Fiscal Year | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Total | | | |
| 2001-2002 | \$ 6,714,869 | \$ 56,241,447 | \$ 23,007,718 | \$ 85,964,034 | | | |
| 2002-2003 | 6,793,468 | 64,714,837 | 27,294,178 | 98,802,483 | | | |
| 2003-2004 | 6,887,621 | 69,845,791 | 38,721,389 | 115,454,801 | | | |
| 2004-2005 | 7,551,820 | 73,696,296 | 38,057,560 | 119,305,676 | | | |
| 2005-2006 | 7,491,497 | 74,942,367 | 38,065,413 | 120,499,277 | | | |
| 2006-2007 | 7,060,819 | 74,316,517 | 37,976,770 | 119,354,106 | | | |
| 2007-2008 | 7,700,114 | 171,431,127 | 41,082,316 | 220,213,557 | | | |
| 2008-2009 | 7,115,057 | 161,289,667 | 46,810,987 | 215,215,711 | | | |

| General Revenues | | | | | | | |
|------------------|--|-------------------|-------------------------------|-----------------------|--------------------|--------------|----------------|
| Fiscal Year | Appropriation from Municipality of Anchorage | Investment Income | Public School Funding Program | State Tuition Program | Federal Impact Aid | Other | Total |
| 2001-2002 | \$ 135,521,074 | \$ 4,451,782 | \$ 204,684,325 | \$ 670,133 | \$ 12,949,120 | \$ 2,369,238 | \$ 360,645,672 |
| 2002-2003 | 142,954,582 | 3,531,249 | 207,129,272 | 680,658 | 11,417,018 | 2,070,559 | 367,783,338 |
| 2003-2004 | 144,983,658 | 2,320,920 | 205,100,316 | 46,784 | 14,054,338 | 2,194,195 | 368,700,211 |
| 2004-2005 | 163,503,322 | 4,693,350 | 227,186,292 | -- | 14,303,124 | 1,824,565 | 411,510,653 |
| 2005-2006 | 177,157,001 | 6,747,140 | 248,771,460 | -- | 11,804,273 | 2,531,372 | 447,011,246 |
| 2006-2007 | 191,602,288 | 7,862,943 | 273,377,337 | -- | 13,042,523 | 5,806,582 | 491,691,673 |
| 2007-2008 | 206,359,861 | 8,523,023 | 264,718,683 | -- | 14,150,178 | 17,341,726 | 511,093,471 |
| 2008-2009 | 217,971,708 | 3,148,355 | 281,733,376 | -- | 15,333,815 | 19,412,563 | 537,599,817 |

Notes:

(1) GASB 34 Implementation began Fiscal Year 2001 - 2002.

GENERAL EXPENDITURES
BY FUNCTION (1)
For the Last Ten Years

| Fiscal Year | General Administration | Instruction | Pupil Transportation | Operation and Maintenance of Plant | Community Services | Non Departmental | Food Services | Debt Service | Total (2) |
|---------------|------------------------|----------------|----------------------|------------------------------------|--------------------|------------------|---------------|---------------|----------------|
| 1999-2000 | \$ 9,740,589 | \$ 297,369,141 | \$ 14,505,315 | \$ 23,649,383 | \$ 2,110,331 | \$ 3,007,214 | \$ 9,141,632 | \$ 38,037,184 | \$ 397,560,789 |
| 2000-2001 | 8,608,469 | 306,067,874 | 15,747,079 | 20,227,505 | 1,720,283 | 4,806,465 | 10,895,039 | 41,001,425 | 409,074,139 |
| 2001-2002 (3) | 9,081,409 | 330,840,150 | 14,467,097 | 20,369,504 | 1,686,897 | 3,834,755 | 11,190,827 | 46,141,963 | 437,612,602 |
| 2002-2003 (3) | 9,648,338 | 338,395,756 | 15,447,724 | 20,171,027 | 1,839,752 | 2,724,000 | 11,763,298 | 51,071,214 | 451,061,109 |
| 2003-2004 (3) | 9,516,769 | 358,265,412 | 15,356,917 | 19,015,616 | 2,068,659 | 3,956,112 | 12,033,209 | 61,045,282 | 481,257,976 |
| 2004-2005 (3) | 10,270,182 | 384,216,850 | 15,774,086 | 21,267,797 | 1,514,088 | 3,763,972 | 13,217,128 | 68,983,580 | 519,007,683 |
| 2005-2006 (3) | 10,962,994 | 418,150,467 | 16,303,868 | 22,962,874 | 688,032 | 2,940,084 | 13,997,995 | 76,574,207 | 562,580,521 |
| 2006-2007 (3) | 11,769,210 | 447,887,180 | 17,236,133 | 24,697,997 | 790,222 | 3,480,038 | 15,112,931 | 74,903,513 | 595,877,224 |
| 2007-2008 (3) | 19,239,207 | 536,523,214 | 18,982,195 | 26,772,621 | 840,031 | 3,144,562 | 15,693,492 | 79,976,458 | 701,171,780 |
| 2008-2009 (3) | 17,674,860 | 555,944,308 | 19,234,255 | 27,357,834 | 951,649 | 3,436,400 | 16,594,195 | 83,911,579 | 725,105,080 |

Notes:

- (1) Includes General, Special Revenue, and Debt Service Funds; excludes Capital Projects Fund.
- (2) For comparative analysis transfers have not been included.
- (3) Includes Student Activity Funds that were reclassified from Agency Funds to Special Revenue Fund.

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> |
|--------------------|----------------------|----------------------|------------------------|------------------|
| 1999-2000 | \$ 128,523,772 | \$ 234,621,100 | \$ 35,771,336 | \$ 398,916,208 |
| 2000-2001 | 138,625,374 | 234,688,634 | 38,799,281 | 412,113,289 |
| 2001-2002 (3) | 151,298,176 | 245,906,981 | 44,923,129 | 442,128,286 |
| 2002-2003 (3) | 158,077,867 | 250,993,537 | 49,907,518 | 458,978,922 |
| 2003-2004 (3) | 159,936,428 | 254,775,072 | 57,373,253 | 472,084,753 |
| 2004-2005 (3) | 180,891,401 | 280,960,065 | 60,793,473 | 522,644,939 |
| 2005-2006 (3) | 195,905,548 | 304,908,978 | 60,711,533 | 561,526,059 |
| 2006-2007 (3) | 211,118,561 | 334,381,044 | 60,124,838 | 605,624,443 |
| 2007-2008 (3) | 228,551,829 | 434,028,791 | 61,864,635 | 724,445,255 |
| 2008-2009 (3) | 237,534,125 | 425,548,573 | 65,203,075 | 728,285,773 |

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.
- (3) Includes Student Activity Funds that were reclassified from Agency Funds to Special Revenue Fund.

For the Last Ten Years

**ASSESSED AND ACTUAL VALUE
OF TAXABLE PROPERTY (1)(2)**

| <u>Fiscal Year</u> | <u>Real Property</u> | <u>Personal Property</u> | <u>Total Estimated Actual Value of Taxable Property</u> | <u>Ratio of Total Assessed to Total Estimated Actual Value</u> |
|------------------------|--------------------------|------------------------------|---|--|
| 1999 | \$ 12,928,231,268 | \$ 1,618,340,956 | \$ 14,546,572,224 | 1.0 % |
| 2000 | 12,871,200,276 | 2,068,612,095 | 14,939,812,371 | 1.0 |
| 2001 | 13,778,949,898 | 1,885,868,114 | 15,664,818,012 | 1.0 |
| 2002 | 15,222,751,959 | 2,113,016,496 | 17,335,768,455 | 1.0 |
| 2003 | 17,225,701,316 | 1,854,219,932 | 19,079,921,248 | 1.0 |
| 2004 | 18,884,219,903 | 1,843,145,621 | 20,727,365,524 | 1.0 |
| 2005 | 20,181,488,078 | 2,161,784,354 | 22,343,272,432 | 1.0 |
| 2006 | 23,665,390,223 | 2,178,724,534 | 25,844,114,757 | 1.0 |
| 2007 | 26,710,032,138 | 2,559,073,381 | 29,269,105,519 | 1.0 |
| 2008 | 28,173,397,139 | 2,407,424,007 | 30,580,821,146 | 1.0 |

Notes:

- (1) Information furnished by the Municipality of Anchorage which reports on a fiscal year ending December 31.
- (2) Information on the weighted average mill rate for the Municipality of Anchorage is not available.

For the Last Ten Years

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

| | TAX RATES (IN MILLS) | | | | | | | | | |
|---|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
| Area Wide: | | | | | | | | | | |
| Municipality of Anchorage | 0.37 | 0.23 | 0.46 | 0.64 | 1.10 | 1.50 | 1.56 | 1.24 | 1.64 | 2.11 |
| Anchorage School District | <u>6.94</u> | <u>6.79</u> | <u>7.13</u> | <u>7.59</u> | <u>7.26</u> | <u>7.37</u> | <u>7.81</u> | <u>8.20</u> | <u>8.08</u> | <u>7.79</u> |
| Total Areawide | 7.31 | 7.02 | 7.59 | 8.23 | 8.36 | 8.87 | 9.37 | 9.44 | 9.72 | 9.90 |
| Former City Service Area | -- | .02 | .02 | .01 | .02 | -- | .02 | .03 | .02 | .02 |
| Chugiak Service Area | 0.99 | 1 | 0.91 | 1.00 | 0.89 | 0.88 | 0.99 | 1.00 | 1.00 | 1.00 |
| Glen Alps Service Area | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.25 | 2.47 | 2.76 | 2.69 | 2.92 |
| Girdwood Service Area | 3.03 | 4 | 3.97 | 3.47 | 3.47 | 3.39 | 3.25 | 3.35 | 3.40 | 3.17 |
| Former Borough Roads & Drainage Service Area | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Anchorage Fire Service Area | 1.77 | 1.73 | 1.76 | 1.97 | 1.87 | 1.64 | 1.68 | 1.82 | 1.61 | 1.59 |
| Roads & Drainage Service Area | 2.6 | 2.59 | 2.80 | 2.75 | 2.90 | 3.10 | 2.97 | 3.61 | 3.03 | 3.28 |
| Limited Road Service Areas | 1.3 | 1.28 | 1.21 | 1.31 | 1.26 | 0.99 | 1.29 | 1.29 | 1.29 | 1.29 |
| Anchorage Police Service Area | 2.56 | 2.6 | 2.57 | 2.71 | 2.37 | 2.25 | 2.39 | 2.40 | 2.63 | 2.56 |
| Parks & Recreation Service Area | 0.65 | 0.6 | .56 | .62 | .68 | .74 | .73 | .72 | .74 | .82 |
| Building Safety Service Area | -- | -- | -- | -- | -- | .01 | .01 | .01 | .01 | .01 |
| Chugiak/Eagle River Recreational Facilities Service Area | 1.08 | 1.11 | 1.13 | 1.17 | 1.18 | .69 | .69 | .70 | .53 | .53 |

Notes:

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

Current Year
and Nine Years Ago

PRINCIPAL PROPERTY TAXPAYERS

| Taxpayer | 2008 | | | 1999 | | |
|---------------------------------|-------------------------|------|---|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| ACS of Anchorage, Inc. | \$ 260,924,339 | 1 | 0.85 % | \$ | | % |
| Calais Company, Inc. | 139,585,485 | 2 | 0.46 | 72,237,217 | 4 | 0.50 |
| Fred Meyers Stores, Inc. | 132,937,279 | 3 | 0.43 | | | |
| G.C.I. Communications Corp. | 129,315,068 | 4 | 0.42 | | | |
| Galen Hospital Alaska, Inc. | 123,585,487 | 5 | 0.40 | 74,642,509 | 3 | 0.51 |
| Anchorage Fueling & Service Co. | 115,263,550 | 6 | 0.38 | | | |
| B.P. Exploration (Alaska) Inc. | 111,930,658 | 7 | 0.37 | 54,411,134 | 9 | 0.37 |
| WEC 2000A-Alaska L.L.C. | 100,637,469 | 8 | 0.33 | | | |
| Hickel Investment Company | 98,010,070 | 9 | 0.32 | 92,481,606 | 1 | 0.64 |
| Enstar Natural Gas Company | 92,469,804 | 10 | 0.30 | | | |
| Carr-Gottstein Associates | | | | 85,073,995 | 2 | 0.58 |
| ARCO | | | | 64,214,853 | 5 | 0.44 |
| Federal Express Corp. | | | | 59,219,243 | 6 | 0.41 |
| Cook Inlet Region Inc. | | | | 56,853,239 | 7 | 0.39 |
| Hilton Hotels Corp. | | | | 54,447,291 | 8 | 0.37 |
| Seibu Alaska Inc. | | | | 53,119,504 | 10 | 0.37 |
| | <u>\$ 1,304,659,209</u> | | 4.26 % | <u>\$ 666,700,591</u> | | 4.58 % |

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)

| 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 |
|-------------|----------------|------------------------------|---------------------------|----------------------------|-----------------------|--|------------------------------|---|
| 1999 | \$ 258,141,619 | \$ 253,456,190 | 98.2 % | \$ 4,680,915 | \$ 258,137,105 | 100.0 % | \$ 4,514 | 3.0 % |
| 2000 | 262,257,722 | 258,051,374 | 98.4 | 4,200,331 | 262,251,705 | 100.0 | 6,017 | 3.3 |
| 2001 | 279,861,463 | 277,508,664 | 99.2 | 2,347,677 | 279,856,341 | 100.0 | 5,122 | 2.8 |
| 2002 | 299,084,667 | 298,771,844 | 99.9 | 307,628 | 299,079,472 | 100.0 | 5,195 | 2.9 |
| 2003 | 315,403,940 | 311,915,068 | 98.9 | 3,483,185 | 315,398,253 | 100.0 | 5,687 | 2.4 |
| 2004 | 337,190,170 | 325,033,543 | 96.4 | 12,140,890 | 337,174,433 | 100.0 | 15,737 | 2.2 |
| 2005 | 357,895,662 | 353,993,904 | 98.9 | 3,876,005 | 357,869,909 | 100.0 | 25,753 | 2.3 |
| 2006 | 398,955,490 | 389,483,559 | 97.6 | 9,179,437 | 398,662,996 | 99.9 | 292,494 | 2.4 |
| 2007 | 386,615,505 | 378,829,566 | 98.0 | 5,956,003 | 384,785,569 | 99.5 | 1,829,936 | 2.0 |
| 2008 | 438,158,786 | 430,346,262 | 98.2 | -- | 430,346,262 | 98.2 | 7,812,524 | 1.8 |

Notes:

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

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

For the Last Ten Years

| Fiscal Year | Population (1) | Average Daily Membership K-12 and Special Ed (2)(5) | Assessed Valuation (3) | Gross Bonded Debt (4) | Debt Service Monies Available | Net Bonded Debt | Ratio of Net Bonded Debt to Assessed Valuation | Net Bonded Debt Per Capita | Net Bonded Debt Per Student |
|-------------|----------------|---|------------------------|-----------------------|-------------------------------|-----------------|--|----------------------------|-----------------------------|
| 1999-2000 | 259,390 | 48,157 | \$ 14,546,572,224 | \$ 337,530,000 | \$ 4,483,106 | \$ 333,046,894 | 2.3 % | \$ 1,284 | \$ 6,916 |
| 2000-2001 | 260,283 | 48,856 | 14,939,812,371 | 496,555,000 | 5,862,973 | 490,692,027 | 3.3 | 1,885 | 10,044 |
| 2001-2002 | 264,937 | 49,247 | 15,664,818,012 | 607,940,000 | 16,162,142 | 591,777,858 | 3.8 | 2,234 | 12,017 |
| 2002-2003 | 269,070 | 49,545 | 17,335,768,455 | 583,225,000 | 17,791,262 | 565,433,738 | 3.3 | 2,101 | 11,413 |
| 2003-2004 | 274,003 | 49,265 | 19,079,921,248 | 681,250,000 | 10,732,112 | 670,517,888 | 3.5 | 2,447 | 13,610 |
| 2004-2005 | 277,498 | 49,182 | 20,727,365,524 | 797,855,000 | 12,215,951 | 785,639,049 | 3.8 | 2,831 | 15,974 |
| 2005-2006 | 278,241 | 49,320 | 22,343,272,432 | 758,210,000 | 5,799,233 | 752,410,767 | 3.4 | 2,704 | 15,256 |
| 2006-2007 | 282,813 | 48,707 | 25,844,114,757 | 769,665,000 | 5,141,963 | 764,523,037 | 3.0 | 2,703 | 15,696 |
| 2007-2008 | 283,823 | 48,144 | 29,269,105,519 | 789,375,000 | 2,709,624 | 786,665,376 | 2.7 | 2,772 | 16,340 |
| 2008-2009 | 284,994 | 48,227 | 30,580,821,146 | 772,585,000 | 2,046,009 | 770,538,991 | 2.5 | 2,704 | 15,977 |

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) Gross bonded debt is composed of General Obligation Bonds
- (5) Personal income figures unattainable. Average daily membership, per capita and per student information is substituted.

June 30, 2009

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

| | <u>Net Debt Outstanding</u> | <u>Percentage Applicable To</u> | <u>Amount Applicable To</u> |
|---------------------------|-------------------------------------|---|-------------------------------------|
| Overlapping | | | |
| Municipality of Anchorage | \$ 642,943,984 | 100 % | \$ 642,943,984 |
| Direct: | | | |
| Anchorage School District | 772,585,000 | 100 | <u>772,585,000</u> |
| | | | <u><u>\$ 1,415,528,984</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

| Fiscal Year | Principal | Interest | Fees | Total Debt Service | Total General Expenditures (1) | Ratio of Debt Service to General Expenditures (Percent) |
|----------------|---------------|---------------|----------|--------------------------|--------------------------------------|---|
| 1999-2000 | \$ 19,310,000 | \$ 18,680,665 | \$ 8,947 | \$ 37,999,612 | \$ 397,560,789 | 9.6 % |
| 2000-2001 | 19,165,000 | 21,792,706 | 6,147 | 40,963,853 | 409,074,139 | 10.0 |
| 2001-2002 (2) | 21,655,000 | 24,442,644 | 6,747 | 46,104,391 | 437,612,602 | 10.5 |
| 2002-2003 (2) | 24,715,000 | 26,308,651 | 9,991 | 51,033,642 | 451,061,109 | 11.3 |
| 2003-2004 (2) | 28,745,000 | 32,290,960 | 9,322 | 61,045,282 | 481,257,976 | 12.7 |
| 2004-2005 (2) | 34,760,000 | 34,214,001 | 9,579 | 68,983,580 | 519,007,683 | 13.3 |
| 2005-2006 (2) | 39,035,000 | 37,525,701 | 13,506 | 76,574,207 | 562,580,521 | 13.6 |
| 2006-2007 (2) | 39,870,000 | 35,021,935 | 11,578 | 74,903,513 | 595,877,224 | 12.6 |
| 2007-2008 (2) | 44,080,000 | 35,884,852 | 11,606 | 79,976,458 | 701,171,780 | 11.4 |
| 2008-2009 (2) | 46,630,000 | 37,270,931 | 10,648 | 83,911,579 | 728,285,773 | 11.5 |

Notes:

- (1) Includes General, Special Revenue, and Debt Service Funds; excludes Capital Projects Fund
(2) Includes Student Activity Funds that were reclassified from Agency Funds to Special Revenue Fund.

For the Last Ten Years **DEMOGRAPHIC STATISTICS**

| <u>Fiscal Year (1)</u> | <u>Population (2)</u> | <u>Average Daily Membership Grades K-12 and Special Education (3)(5)</u> | <u>Unemployment Rate (4)</u> |
|------------------------|-----------------------|--|------------------------------|
| 1999 | 259,390 | 48,157 | 4 % |
| 2000 | 260,283 | 48,856 | 4 |
| 2001 | 264,937 | 49,247 | 4 |
| 2002 | 269,070 | 49,545 | 5 |
| 2003 | 274,003 | 49,265 | 6 |
| 2004 | 277,498 | 49,182 | 6 |
| 2005 | 278,241 | 49,320 | 5 |
| 2006 | 282,813 | 48,707 | 6 |
| 2007 | 283,823 | 48,144 | 6 |
| 2008 | 284,994 | 48,227 | 6 |

Notes:

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

Current Year
and Nine Years Ago

PRINCIPAL EMPLOYERS (1) (2)

| Employer | 2008(3) | | | 1999(3) | | |
|--|---------------|------|--------------------------------------|---------------|------|--------------------------------------|
| | Employees | Rank | Percentage of Total Employment | Employees | Rank | Percentage of Total Employment |
| U.S. Uniformed military | 20,995 | 1 | 6.13 % | 18,684 | 1 | 6.37 % |
| State of Alaska | 17,826 | 2 | 5.20 | 15,889 | 3 | 5.42 |
| Federal Civilians | 16,891 | 3 | 4.93 | | | |
| University of Alaska | 7,140 | 4 | 2.08 | 5,883 | 4 | 2.01 |
| Anchorage School District | 6,834 | 5 | 1.99 | 5,538 | 5 | 1.89 |
| Providence Health & Services | 4,149 | 6 | 1.21 | | | |
| Municipality of Anchorage | 3,152 | 7 | 0.92 | | | |
| Wal-Mart/Sam's Club | 3,149 | 8 | 0.92 | 3,160 | 6 | 1.08 |
| Carrs/Safeway | 3,149 | 9 | 0.92 | 2,015 | 9 | 0.69 |
| Fred Meyer | 2,949 | 10 | 0.86 | | | |
| U.S. Government (civilian) | | | | 16,872 | 2 | 5.75 |
| Safeway Stores/Carr Gottstein Foods | | | | 3,902 | 7 | 1.33 |
| Providence Alaska Medical Center | | | | 3,027 | 8 | 1.03 |
| Fairbanks North Star Borough School District | | | | 1,872 | 10 | 0.64 |
| | <u>86,234</u> | | 25.16 % | <u>76,842</u> | | 26.21 % |

Notes:

- (1) Information furnished from State of Alaska Department of Labor and Workforce Development
- (2) Data presented is statewide; as information is not available at the city level.
- (3) Data presented is current, as information is collected by calendar year only.

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> |
|--------------------|---------------------------------------|--|---|--|---|
| 1999-2000 | \$ 397,560,789 | 6.92 % | 48,157 | \$ 8,256 | 6.83 % |
| 2000-2001 | 409,074,139 | 2.90 | 48,856 | 8,373 | 1.42 |
| 2001-2002 (3) | 437,612,602 | 6.98 | 49,247 | 8,886 | 6.13 |
| 2002-2003 (3) | 451,061,109 | 3.07 | 49,545 | 9,104 | 2.45 |
| 2003-2004 (3) | 481,257,976 | 6.69 | 49,265 | 9,769 | 7.30 |
| 2004-2005 (3) | 519,007,683 | 7.84 | 49,182 | 10,553 | 8.03 |
| 2005-2006 (3) | 562,580,521 | 8.40 | 49,320 | 11,407 | 8.09 |
| 2006-2007 (3) | 595,877,224 | 5.92 | 48,707 | 12,234 | 7.25 |
| 2007-2008 (3) | 701,171,780 | 17.67 | 48,144 | 14,564 | 19.05 |
| 2008-2009 (3) | 728,285,773 | 3.87 | 48,227 | 15,101 | 3.69 |

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.

(3) Includes Student Activity Funds that were reclassified from Agency Funds to Special Revenue Fund.

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

For the Last Ten Years

| Fiscal Year | Average Daily Membership Grades K-12 and Special Education (1) | Average Daily Membership Percentage Increase Over Prior Year | Assessed Valuation (2) | Assessed Valuation Percentage Increase Over Prior Year | Assessed Valuation Support Per Student |
|----------------|--|---|---------------------------|---|---|
| 1999-2000 | 48,157 | 0.09 % | \$ 14,546,572,224 | 9.11 % | \$ 302,066 |
| 2000-2001 | 48,856 | 1.45 | 14,939,812,371 | 2.70 | 305,793 |
| 2001-2002 | 49,247 | 0.80 | 15,664,818,012 | 4.85 | 318,087 |
| 2002-2003 | 49,545 | 0.61 | 17,335,768,455 | 10.67 | 349,899 |
| 2003-2004 | 49,265 | (0.57) | 19,079,921,248 | 10.06 | 387,292 |
| 2004-2005 | 49,182 | (0.17) | 20,727,365,524 | 8.63 | 421,442 |
| 2005-2006 | 49,320 | 0.28 | 22,343,272,432 | 7.80 | 453,027 |
| 2006-2007 | 48,707 | (1.24) | 25,844,114,757 | 15.67 | 530,604 |
| 2007-2008 | 48,144 | (1.16) | 29,269,105,519 | 13.25 | 607,949 |
| 2008-2009 | 48,227 | 0.17 | 30,580,821,146 | 4.48 | 634,102 |

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 | | | | |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| | 1999-2000 | 2000-2001 | 2001-2002 | 2002-2003 | 2003-2004 |
| Administration | 146 | 146 | 145 | 151 | 157 |
| Principals | 121 | 122 | 124 | 130 | 135 |
| Teachers | 3,163 | 3,115 | 3,236 | 3,236 | 3,221 |
| Technical | 141 | 143 | 147 | 154 | 169 |
| Clerical and teacher aides | 831 | 881 | 881 | 899 | 917 |
| Maintenance/warehouse | 176 | 177 | 178 | 184 | 186 |
| Custodial | 312 | 327 | 329 | 329 | 329 |
| Drivers/attendants | 112 | 95 | 115 | 111 | 111 |
| Noon attendants | 76 | 76 | 74 | 74 | 74 |
| Food service | <u>161</u> | <u>170</u> | <u>165</u> | <u>168</u> | <u>175</u> |
| Total authorized positions | <u>5,239</u> | <u>5,252</u> | <u>5,394</u> | <u>5,436</u> | <u>5,474</u> |
| | | | | | |
| Employee Category | 2004-2005 | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 |
| Administration | 157 | 159 | 145 | 189 | 190 |
| Principals | 138 | 144 | 144 | 149 | 151 |
| Teachers | 3,223 | 3,240 | 3,240 | 3305 | 3315 |
| Technical | 180 | 182 | 183 | 179 | 197 |
| Clerical and teacher aides | 917 | 1,005 | 1,000 | 1030 | 1089 |
| Maintenance/warehouse | 191 | 198 | 183 | 187 | 187 |
| Custodial | 341 | 354 | 353 | 361 | 361 |
| Drivers/attendants | 104 | 105 | 105 | 111 | 112 |
| Noon attendants | 74 | 74 | 74 | 74 | 74 |
| Food service | <u>190</u> | <u>197</u> | <u>200</u> | <u>205</u> | <u>207</u> |
| Total authorized positions | <u>5,515</u> | <u>5,658</u> | <u>5,627</u> | <u>5790</u> | <u>5883</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 Elmendorf Air Force Base and Fort Richardson Military Reservation.
- (2) Information furnished by the 2008-2009 Anchorage School District Budget

Current Year

TEACHER EDUCATION AND SALARY INFORMATION(1)

| <u>Education</u> | <u>Number of Teachers (2)</u> | <u>Low Salary</u> | <u>High Salary</u> |
|---|-----------------------------------|-----------------------|------------------------|
| Bachelor's Degree | 351 | \$ 41,266 | \$ 52,945 |
| Bachelor's Degree plus 18 semester credits | 390 | 43,407 | 57,422 |
| Bachelor's Degree plus 36 semester credits | 311 | 45,548 | 61,898 |
| Master's Equivalency with 54 semester credits | 229 | 47,689 | 66,376 |
| Master's Equivalency with 72 semester credits | 156 | 49,830 | 69,684 |
| Master's Equivalency with 90 semester credits | 377 | 51,972 | 73,993 (3) |
| Master's Degree | 205 | 46,068 | 63,587 |
| Master's Degree with 54 semester credits | 248 | 48,209 | 68,064 |
| Master's Degree with 72 semester credits | 257 | 50,350 | 72,540 |
| Master's Degree with 90 semester credits | 887 | 52,492 | 76,849 (3) |
| Doctorate Degree with 90 semester credits | 24 | 54,052 | 78,409 (3) |

Notes:

- (1) Information furnished through Anchorage School District internal report
- (2) Number of teachers (by FTE) as of April 2009. Does not include all authorized positions.
- (3) Includes \$1,000 longevity bonus

For the Last Ten Years

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

AVERAGE DAILY MEMBERSHIP

| Fiscal Year | Average Daily Membership Grades K-6 (1) | Percentage Increase (Decrease) Over Prior Year Grades K-6 | Average Daily Membership Grades 7-12 | Percentage Increase (Decrease) Over Prior Year Grades 7-12 |
|-------------|---|---|--------------------------------------|--|
| 1999-2000 | 26,894 | 0.31 % | 21,263 | (0.19) % |
| 2000-2001 | 27,251 | 1.33 | 21,605 | 1.61 |
| 2001-2002 | 26,941 | (1.14) | 22,306 | 3.24 |
| 2002-2003 | 26,694 | (0.92) | 22,851 | 2.44 |
| 2003-2004 | 26,481 | (0.80) | 22,784 | (0.29) |
| 2004-2005 | 26,060 | (1.62) | 23,122 | 1.46 |
| 2005-2006 | 26,011 | (0.19) | 23,309 | 0.80 |
| 2006-2007 | 26,255 | 0.93 | 22,452 | (3.67) |
| 2007-2008 | 25,412 | (3.31) | 22,732 | 0.01 |
| 2008-2009 | 25,894 | 1.90 | 22,333 | (1.79) |

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 2008-2009

PUPIL TO CLASSROOM TEACHER RATIO(3)

| Fiscal Year | Kindergarten (FTE) | Grade 1 | Grades 2 - 3 | Grades 4 - 6 | Grades 7 - 12 | Special Education |
|-------------|--------------------|------------|--------------|--------------|--------------------|-------------------|
| 1999-2000 | 20.5 to 1 | 21 to 1 | 24 to 1 | 27 to 1 | 26.25 - 27.08 to 1 | Various |
| 2000-2001 | 20.5 to 1 | 21 to 1 | 25 to 1 | 28 to 1 | 26.25 - 27.08 to 1 | Various |
| 2001-2002 | 20.5 to 1 | 21 to 1 | 25 to 1 | 28 to 1 | 26.25 - 27.91 to 1 | Various |
| 2002-2003 | 20.5 to 1 | 21 to 1 | 24 to 1 | 27 to 1 | 25.50 - 27.10 to 1 | Various |
| 2003-2004 | 20.5 to 1 | 21 to 1 | 24 to 1 | 27 to 1 | 25.50 - 27.10 to 1 | Various |
| 2004-2005 | 20.5 to 1 | 21 to 1 | 24 to 1 | 27 to 1 | 25.54 - 27.08 to 1 | Various |
| 2005-2006 | 20.75 to 1 | 21.25 to 1 | 24.25 to 1 | 27.25 to 1 | 25.79 - 27.33 to 1 | Various |
| 2006-2007 | 20.75 to 1 | 21.25 to 1 | 24.25 to 1 | 27.25 to 1 | 25.79 - 27.33 to 1 | Various |
| 2007-2008 | 20.5 to 1 | 21 to 1 | 24 to 1 | 27 to 1 | 25.54 - 27.08 to 1 | Various |
| 2008-2009 | 20.5 to 1 | 21 to 1 | 24 to 1 | 27 to 1 | 25.54 - 27.08 to 1 | Various |

Notes:

- (3) Information furnished by the 2008-2009 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> | |
| 1999-2000 | 3,086,075 | 1,408 | 27,532 | 26,894 | 3,075,644 | 970 | 21,771 | 21,263 | 2,347 |
| 2000-2001 | 3,164,152 | 1,438 | 27,528 | 27,251 | 3,059,566 | 960 | 21,422 | 21,605 | 2,446 |
| 2001-2002 | 3,295,970 | 1,425 | 29,427 | 26,941 | 3,103,704 | 941 | 19,740 | 22,306 | 2,505 |
| 2002-2003 | 3,303,970 | 1,423 | 28,336 | 26,694 | 3,021,956 | 938 | 18,665 | 22,851 | 2,692 |
| 2003-2004 | 3,323,851 | 1,424 | 28,525 | 26,481 | 3,010,315 | 938 | 18,467 | 22,784 | 2,608 |
| 2004-2005 | 3,323,851 | 1,442 | 27,829 | 26,060 | 3,263,383 | 964 | 19,653 | 23,122 | 2,579 |
| 2005-2006 | 3,298,895 | 1,442 | 27,669 | 26,011 | 3,469,921 | 999 | 20,622 | 23,309 | 2,807 |
| 2006-2007 | 3,298,895 | 1,443 | 26,255 | 26,255 | 3,469,921 | 1,033 | 20,925 | 22,452 | 2,831 |
| 2007-2008 | 3,298,895 | 1,444 | 27,127 | 25,412 | 3,510,941 | 1,039 | 21,379 | 22,732 | 2,963 |
| 2008-2009 | 3,298,895 | 1,444 | 27,417 | 25,894 | 3,580,066 | 1,041 | 21,379 | 22,333 | 2,967 |

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> |
|--------------------|---------------------|-----------------------|---------------------------|--------------------------------------|----------------------------------|---------------------------|------------------------|
| 1999-2000 | 6 | 9 | 60 | 5 | 2 | 1 | 4 |
| 2000-2001 | 6 | 9 | 60 | 5 | 2 | 1 | 3 |
| 2001-2002 | 6 | 9 | 60 | 5 | 2 | 1 | 3 |
| 2002-2003 | 6 | 9 | 60 | 5 | 2 | 1 | 5 |
| 2003-2004 | 6 | 9 | 60 | 5 | 2 | 1 | 5 |
| 2004-2005 | 7 | 9 | 60 | 5 | 2 | 1 | 4 |
| 2005-2006 | 8 | 9 | 60 | 6 | 2 | 1 | 6 |
| 2006-2007 | 8 | 9 | 60 | 6 | 2 | 1 | 6 |
| 2007-2008 | 8 | 9 | 60 | 6 | 2 | 1 | 7 |
| 2008-2009 | 8 | 10 | 60 | 6 | 2 | 1 | 8 |

Notes:

(1) Information furnished from Anchorage School District's 10-year Capital Improvement Plan 2009-2019

For the Last Ten Years | STUDENT NUTRITION LOCAL REVENUES(1)

| Fiscal Year | Lunch Sales Student | Lunch Sales Adult | Breakfast Program | Milk Program | A la Carte Program | Special Meals | After School Snack Program | Other Revenues | Total |
|-------------|---------------------|-------------------|-------------------|--------------|--------------------|---------------|----------------------------|----------------|--------------|
| 1999-2000 | \$ 2,651,993 | \$ 124,975 | \$ 61,801 | \$ 72,978 | \$ 1,698,872 | \$ 40,250 | \$ -- | \$ 37,762 | \$ 4,688,631 |
| 2000-2001 | 3,050,562 | 123,653 | 72,723 | 77,551 | 1,849,532 | 46,966 | 10,492 | 27,045 | 5,258,524 |
| 2001-2002 | 3,215,567 | 114,931 | 83,360 | 46,362 | 1,768,624 | 56,698 | 40,265 | 5,201 | 5,331,008 |
| 2002-2003 | 3,217,979 | 113,582 | 95,784 | 69,525 | 1,736,804 | 100,508 | 24,473 | 23,290 | 5,381,945 |
| 2003-2004 | 3,124,890 | 45,401 | 102,606 | 72,509 | 2,035,641 | 151,768 | 13,197 | 2,566 | 5,548,578 |
| 2004-2005 | 2,871,086 | 107,428 | 95,310 | 65,414 | 2,093,852 | 56,310 | 5,113 | 3,181 | 5,297,694 |
| 2005-2006 | 2,771,585 | 43,126 | 117,898 | 53,527 | 2,179,350 | 81,703 | 3,177 | 837 | 5,251,203 |
| 2006-2007 | 2,704,353 | 66,034 | 111,429 | 61,749 | 1,939,316 | 94,831 | -- | 269 | 4,977,981 |
| 2007-2008 | 2,936,022 | 58,203 | 129,579 | 83,407 | 1,777,953 | 96,377 | -- | 24,240 | 5,105,781 |
| 2008-2009 | 3,101,173 | 62,789 | 162,447 | 87,592 | 1,401,884 | 95,386 | -- | 97,043 | 5,008,314 |

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 | Number of Routes | | | |
|----------------|---|------------|--|------------|
| | Regular to and from schools District | Contracted | Special Education to and from school District | Contracted |
| 1999-2000 | 56 | 107 | 28 | 64 |
| 2000-2001 | 55 | 105 | 28 | 65 |
| 2001-2002 | 56 | 107 | 28 | 66 |
| 2002-2003 | 52 | 105 | 26 | 66 |
| 2003-2004 | 52 | 99 | 26 | 63 |
| 2004-2005 | 50 | 99 | 26 | 63 |
| 2005-2006 | 50 | 99 | 26 | 63 |
| 2006-2007 | 49 | 95 | 28 | 63 |
| 2007-2008 | 53 | 95 | 28 | 63 |
| 2008-2009 | 53 | 95 | 28 | 63 |

Pupil transportation statistics (1):

| Fiscal Year | Number of Routes | | | |
|----------------|---|------------|--|------------|
| | Regular to and from schools District | Contracted | Special Education to and from school District | Contracted |
| 1999-2000 | 1,173,417 | 1,030,384 | 322,767 | 49,211 |
| 2000-2001 | 1,330,174 | 1,033,978 | 364,069 | 47,941 |
| 2001-2002 | 1,342,555 | 1,029,879 | 367,615 | 42,684 |
| 2002-2003 | 1,346,635 | 1,093,754 | 350,506 | 41,536 |
| 2003-2004 | 1,260,285 | 1,134,033 | 370,873 | 15,816 |
| 2004-2005 | 1,116,259 | 1,279,866 | 331,524 | 13,310 |
| 2005-2006 | 1,133,118 | 1,344,486 | 362,348 | 23,057 |
| 2006-2007 | 1,129,042 | 1,417,381 | 385,667 | 21,761 |
| 2007-2008 | 1,397,294 | 1,174,379 | 310,784 | 31,451 |
| 2008-2009 | 1,015,940 | 1,594,965 | 369,837 | 27,904 |

Notes:

(1) Information furnished through Anchorage School District internal report

June 30, 2009

SCHEDULE OF INSURANCE IN FORCE

| Carrier/Coverage | Policy Number | Limits | Expiration Date |
|---|-----------------|---|-----------------|
| Everest National Insurance Co. GL/Auto/Ed Legal Emp Benefits | 71P7000112071 | \$5,000,000 Each Occurrence \$10,000,000 Aggregate (Where Applicable) Self Insured Retention claim - \$1,000,000 | 7/1/2010 |
| Colony Insurance Co. 1st Excess Liability | AR6460092c | \$10,000,000 excess of \$5,000,000 | 7/1/2010 |
| Arch Specialty Ins. Co. Excess Liability | UXP000803104 | \$5,000,000 excess of \$15,000,000 | 7/1/2010 |
| Allied World Insurance Co. | C009808002 | \$5,000,000 excess of \$20,000,000 | 7/1/2010 |
| Safety National Excess Workers Comp & Employers Liability | SP2Z95AK | Statutory Limits Part I \$1,000,000 Part II Self Insured Retention - \$750,000 | 7/1/2010 |
| AIG Life Ins. Co. Travel Accident Ins. | GTP 8040253-N | \$500,000 Per person \$5,000,000 Aggregate | 7/1/2010 |
| ACE Weschester N/O Aviation | AACN02204435001 | \$1,000,000 Each Occurrence Including Passengers Increased to 15 seats | 7/1/2010 |
| Westchester Fire Ins. Co. Employee Dishonesty Bond | G21679586004 | \$1,000,000 Bond Limit \$7,500 Deductible | 7/1/2010 |
| Hartford Accident & Indemnity School Board Treasurer Bond | 52BSBEA1323 | \$50,000 Bond Limit | 4/27/2010 |
| Zurich Ins. Co. Storage Tank 3rd Party Liability | USC2954411-08 | \$1,000,000 Each Incident \$1,000,000 Aggregate Limit \$10,000 Deductible | 3/23/2010 |
| FM Global Insurance Co. Property Insurance excluding Quake | UW2339 | \$1,000,000 Limit \$100,000 Deductible/Occurrence | 7/1/2010 |
| Catastrophic Student Accident Insurance | SB20CC054817 | \$1,000,000; \$50,000 Deductible | 8/1/2010 |