

ANCHORAGE SCHOOL DISTRICT  
ANCHORAGE, ALASKA

ASD MEMORANDUM # 80 (2010-2011)

October 25, 2010

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)  
FISCAL YEAR 2009-2010

ASD Goal: *ASD will manage effectively and efficiently all financial and human resources.*

RECOMMENDATION:

It is the Administration's recommendation that the School Board approve the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010 and authorize the Superintendent to forward this report to the Commissioner of Education, State of Alaska, and the Anchorage Assembly.

PERTINENT FACTS:

Alaska Statute 14.14.050(a) requires the school board in each school district provide for an audit of all school accounts for the school year ending the preceding June 30. The statute further requires the school board to contract with a public accountant who has no personal interest, direct or indirect, in the fiscal affairs of the district.

To comply with the statute, the annual financial audit for the Anchorage School District for the fiscal year ended June 30, 2010 was completed on October 20, 2010 by the independent firm of certified public accountants, Mikunda, Cottrell & Co., Inc. The annual financial report of the Anchorage School District is presented as the Comprehensive Annual Financial Report (CAFR). The CAFR is prepared to conform to the practices and principles recommended by the Governmental Accounting Standards Board.

The CAFR represents the culmination of all financial and accounting activity that has occurred during the past fiscal year. Accordingly, the fiscal year of the district coincides with the school year and therefore the CAFR is representative

of all district-wide activity for the school year 2009-2010. The CAFR is organized into three major sections:

- **Introductory Section:**

The introductory section, which is unaudited, includes a letter of transmittal, a list of elected officials and appointed members of management and two certificates of achievement for excellence in reporting for the fiscal year 2008-09 CAFR.

- **Financial Section:**

Accounting principles generally accepted in the United States of America require management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal in the introductory section is designed to compliment the MD&A and should be read in conjunction with it. The Independent Auditor's Report on the financial statements and schedules, the basic financial statements, additionally required supplementary information and the combining financial statements are all part of the financial section.

Within the basic financial statements, the government-wide financial statements (Exhibits I and II) 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. Exhibits IV and VI are provided as reconciliations from the government-wide financial statements to the governmental financials statements.

These governmental statements (Exhibits III, V and VII - IX) are presented and organized on the basis of funds, each of which is considered a separate accounting entity. This is a similar basis to the monthly and quarterly reports submitted to the school board where the operations of each fund 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. Budgetary comparison information is provided for the individual funds to demonstrate compliance with the budget in the additionally supplementary schedules (schedules A-1 - E-3).

- **Statistical Section:**

The statistical section includes tables designed to provide a broader picture of the financial condition that is presented in the financial

statements and supporting schedules in the financial section. Statistical tables usually cover information over ten years and include information outside the accounting system. The financial section presentations usually cover no more than two years and include data largely derived from the accounting system.

CC/CS/SH  
Attachment

Prepared by: Susan Hood, Controller  
Approved by: Chad Stiteler, Chief Financial Officer

Comprehensive Annual  
Financial Report

ANCHORAGE SCHOOL DISTRICT

for the Fiscal Year Ended  
June 30, 2010

Carol Comeau  
Superintendent

Prepared by Business Management Division

Chad Stiteler, Chief Financial Officer

Susan Hood, Controller



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.

	<u>Page</u>
Title Page .....	i
EEO Policy .....	ii
Table of Contents .....	iii
 <b>INTRODUCTORY SECTION</b>	
Letter of Transmittal .....	v
School Board .....	xx
Organizational Chart .....	xxi
Certificate of Achievement .....	xxii
Certificate of Excellence .....	xxiii
 <b>FINANCIAL SECTION</b>	
Independent Auditor's Report .....	1
Management's Discussion and Analysis .....	3
<u>Exhibit</u> Basic Financial Statements:	
Government-wide Financial Statements:	
I Statement of Net Assets .....	15
II Statement of Activities .....	16
Fund Financial Statements:	
III Balance Sheet - Governmental Funds .....	17
IV Reconciliation of the Balance Sheet Governmental Funds to the Statement of Net Assets.....	18
V Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	19
VI Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities.....	20
VII Statement of Net Assets - Proprietary Funds .....	21
VIII Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds .....	22
IX Statement of Cash Flows - Proprietary Funds .....	23
Notes to the Basic Financial Statements .....	24
X Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual - General Fund .....	46
XI Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual - State and Federal Grants Special Revenue Funds.....	48
Notes to the Required Supplementary Information .....	51
Combining and Individual Fund Statements and Schedules:	
<u>Schedule</u> General Fund:	
A-1 Balance Sheet .....	53
A-2 Schedule of Revenues, Expenditures, and Changes in Fund Balance - GAAP Basis .....	54
A-3 Schedule of Expenditures - GAAP Basis .....	56
A-4 Schedule of Expenditures, Budget (Non-GAAP Basis) and Actual .....	58
A-5 Schedule of Expenditures by Function, Activity, and Object - GAAP Basis .....	62
Special Revenue Funds:	
State and Federal Grants Fund:	
B-1 Balance Sheet .....	65
B-2 Schedule of Revenues, Expenditures and Changes in Fund Balance - GAAP Basis .....	66
B-3 Schedule of Expenditures - GAAP Basis .....	69
B-4 Schedule of Expenditures, Budget (Non-GAAP Basis) and Actual .....	71
B-5 Schedule of Expenditures by Function, Activity, and Object - GAAP Basis .....	80
B-6 Combining Balance Sheet - Nonmajor Governmental Funds.....	83
B-7 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	84
Food Service Fund:	
B-8 Balance Sheet .....	85
B-9 Schedule of Revenues, Expenditures, and Changes in Fund Balance - GAAP Basis .....	86
B-10 Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (Non-GAAP Basis) and Actual .....	87
B-11 Schedule of Expenditures by Function, Activity, and Object - GAAP Basis .....	89

<u>Schedule</u>		<u>Page</u>
	Student Activity Fund:	
B-12	Balance Sheet - By Account.....	90
B-13	Schedule of Revenues, Expenditures, and Changes in Fund Balance - By Account.....	91
B-14	Balance Sheet - Decentralized Activities - By Department.....	92
B-15	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Decentralized Activities - By Department.....	93
B-16	Balance Sheet - Centralized Activities - By Department.....	94
B-17	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Centralized Activities - By Department.....	95
	Debt Service Fund:	
C-1	Balance Sheet .....	97
C-2	Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual .....	98
	Capital Projects Fund:	
D-1	Balance Sheet .....	99
D-2	Schedule of Revenues, Expenditures, and Changes in Fund Balance - GAAP Basis .....	100
D-3	Schedule of Expenditures - Project Authorization and Actual - GAAP Basis .....	101
	Internal Service Funds	
E-1	Combining Statement of Net Assets.....	105
E-2	Statement of Revenues, Expenses and Changes in Net Assets.....	106
E-3	Statement of Cash Flows.....	107
	Capital Assets Used in the Operation of Governmental Activities:	
F-1	Schedule of Capital Assets by Source .....	109
F-2	Schedule of Capital Assets by Function and Activity .....	110
F-3	Schedule of Changes in Capital Assets by Function and Activity .....	111
<u>Table</u>	<b>STATISTICAL SECTION</b>	
AA	Statement of Net Assets - Last Nine Years.....	115
BB	Statement of Activities and Change in Net Assets - Last Nine Years.....	116
CC	Fund Balance, Governmental Funds - Last Ten Years.....	118
DD	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Last Ten Years.....	120
EE	Government-wide Expenses by Function - Last Nine Years.....	122
FF	Government-wide Revenues by Function - Last Nine Years.....	123
GG	General Expenditures by Function - Last Ten Years .....	124
HH	General Revenues by Source - Last Ten Years .....	125
II	Assessed and Actual Value of Taxable Property - Last Ten Years .....	126
JJ	Property Tax Rates and Tax Levies - Direct and Overlapping Governments - Service Funds - Last Ten Years .....	127
KK	Principal Property Taxpayers - Current Year and Nine Years Ago.....	128
LL	Property Tax Levies and Collections - Last Ten Years .....	129
MM	Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita and Per Student - Last Ten Years .....	130
NN	Computation of Direct and Overlapping Debt, and Legal Debt Margin .....	131
OO	Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures - Last Ten Years .....	132
PP	Demographic Statistics - Last Ten Years .....	133
QQ	Principal Employers - Current and Nine Years Ago .....	134
RR	Average General Expenditures Per Pupil - Last Ten Years .....	135
SS	Average Daily Membership as Compared to Assessed Valuation Showing Assessed Valuation Support Per Student - Last Ten Years .....	136
TT	Authorized Positions by Category - General Operations - Last Ten Years .....	137
UU	Teacher Education and Salary Information - Current Year.....	138
VV	Average Daily Membership and Pupil to Classroom Teacher Ratio - Last Ten Years .....	139
WW	Facility Utilization and School Buildings - Last Ten Years.....	140
XX	Student Nutrition Local Revenues - Last Ten Years.....	141
YY	Miscellaneous Statistics - Last Ten Years.....	142
ZZ	Schedule of Insurance in Force - Current Year.....	143



# Anchorage School District

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Anchorage, Alaska 99504-3135  
(907) 742-4000

October 21, 2010

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

## **SCHOOL BOARD**

John Steiner  
President

Crystal Kennedy  
Vice President

Kathleen Plunkett  
Treasurer

Jeannie Mackie  
Clerk

Jeff Friedman

Pat Higgins

Don Smith

## **SUPERINTENDENT**

Carol Comeau

The Comprehensive Annual Financial Report (CAFR) of the Anchorage School District (District) for the year ended June 30, 2010, 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 on the district's web site at [www.asdk12.org](http://www.asdk12.org) not less than thirty-two (32) hours prior to any regular meeting. The meeting dates are also posted at the ASD Education Center and published in the district's electronic newsletter.

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**

#### **ASD Board Goals:**

1. All students will graduate from high school prepared for postsecondary academic/vocational/career opportunities.
2. The achievement gap between ethnic and economic groups in the highly diverse ASD will be eliminated through education that is accessible, culturally responsive, supportive of students and safe.
3. ASD will partner with parents and the community for greater educational success for our students.
4. ASD will manage effectively and efficiently all financial and human resources.
5. All ASD departments will support the mission of the District with good customer service, both internally and externally.

## **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 nineteen 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 scheduled approximately 2,800 events during FY 2009-2010. This included over 1,500 field trips, many of which utilized 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 to ASD classrooms. 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 Symphony, Alaska Zoo, Animal Control, Campbell Creek Science Center, Eagle River Nature Center, 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, Alaska Chinese 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 \$658,036 for fiscal year 2009-2010 and are projected to be \$650,000 for fiscal year 2010-2011.

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. In addition to the district's many grassy sports fields, the district also has five artificial turfed athletic fields which support the schools' physical education programs and school athletic needs. These turfed fields are located at Begich and Clark Middle Schools; and Chugiak, Dimond and Eagle River High Schools. These turfed 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 an academically enriching extended school day program which includes homework assistance, enrichment, recreational, and social emotional activities for just under 1500 students needing academic support. Family programs are offered at night to help parents learn how to support their children's education. The project objectives and outcomes address: increases in student academic achievement; development of positive attitudes, skills, and behaviors; supporting student success through service learning, culture, and community partnerships; providing opportunities for social and emotional learning; strengthening family involvement in the student's education through family events; and sustaining the Community Learning Centers in to the future.

During the 2009-2010 school year, the 21st CCLC delivered after-school academic and enrichment services in eleven elementary schools and one middle school. Four sites operated under their first year of a five-year renewable state grant, four sites operated under their second year of a five-year renewable state grant, and four sites operated under their third year of a five-year renewable state grant. The district will have thirteen sites providing 21st CCLC programs during the 2010-2011 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 services 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 19 years, the School Business Partnership program has been responsible for developing over 500 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 of Alaska 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 12<sup>th</sup> 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 and 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 2009-2010 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-7, that incorporates active engagement with the Alaska Native community, offering students a curriculum focused on Alaska Native culture; Aquarian Charter School, K-6, that delivers an integrated, interdisciplinary approach to teaching, including performance-based thematic curricula; Eagle Academy Charter School, K-6, that groups students by achievement level rather than by grade level for Saxon math and Spalding language arts instruction, requiring mastery of performance standards before a student may progress; Family Partnership Charter School and Frontier Charter School, K-12, that support home-schooling through the development of individual learning plans for each student; Highland Tech High Charter School, 6-12, that offers standards-based instruction and assessment while promoting project-based learning across the curriculum, integrating technology as a key learning tool; Rilke Schule German School of Arts and Sciences, K-8, that is a German language immersion school working closely with the local German community; and Winterberry Charter School, K-8, that has curriculum inspired by Waldorf Education enhancing the growth of student creativity and imagination through the arts.

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.

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 inter-

ventions 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 provides services for identified students in grades K-12 who require acceleration or enrichment. These students have been determined to need extensions beyond the regular curriculum.

The elementary program consists of two components: IGNITE and Highly Gifted (HG). IGNITE is a pull-out model offering enrichment supplemental to the regular classroom to qualifying students in grades two through six. HG is a self-contained acceleration program for the highly gifted in grades kindergarten through six, housed at Rogers Park Elementary School.

The middle school program focuses on the areas of science and language arts. The needs of identified students are met by the use of selective scheduling and grade level teams, working with the aid of gifted contact teachers. The needs of Highly Gifted students in middle and high schools are addressed with programs located at Romig Middle School and West High School. The gifted program also offers mentorships for qualifying high school juniors and seniors. These are for enrichment and extensions beyond what is offered in the high school curriculum. Mentorship coordinators serve all high schools to help gifted students investigate career opportunities locally.

The Special Education Division supports building level personnel to provide special education services to all eligible students. All special education determinations and services are mandated and substantially guided by the provisions of the federal Individuals with Disabilities Education Act (IDEA), its federal regulations and state regulations.

Any eligible student is provided special education services after a team of knowledgeable professionals work with his or her parents to determine the student's eligibility for services. Eligibility is decided when the team reviews all known academic, functional, behavioral and medical information to ascertain whether the student meets criteria defined in one of fourteen eligibility categories and whether, because of the identified disability, the student is in need of special education (specially designed instruction).

All special education eligible students are guaranteed a free appropriate public education or FAPE. A district's obligation to provide FAPE means that the student is to be provided all services at no cost to his or her family and in accordance with an Individual Education Plan. The IEP is written by a team of professionals and the parent to identify the goals and objectives which will guide the student's education and determine services for a student. The IEP team must also determine whether a student needs Related Services which may include speech therapy, occupational therapy, physical therapy, counseling, specialized nursing services, audiological services or transportation.

Special education services are federally required to be delivered in the least restrictive environment which means that the team must provide services in the setting that will meet the student's individual, educational and functional needs while preserving the student's access to typically developing peers and the general curriculum to the greatest extent individually possible. A student's program must be selected from a continuum of options, ranging from support in the general education classroom to special classes, special schools, and institutional settings.

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. This year, summer school served 7,300 students, with just under 7,000 credits earned.

An intensive writing initiative has been established to support School Board goals for academic excellence. District specialists work directly with teachers to support students K-12 in this initiative.

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 290,588 in 2009. This represents an increase in residents of 2.4 percent over 2008.

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 recently ended twenty-one years of uninterrupted, slow and steady job growth. The education/health care, trade, professional and business services, 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 49,000 students, which is 38 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 2009-2010 reached 49,243 students: 25,071 elementary, 22,936 secondary, and 1,236 special services and contracted program students.

Approximately 29,261 Anchorage students participated in the Alaska Standards Based Assessment (SBA) in school year 2009-2010. 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. Except for science, they are the foundation of the Alaska school accountability system. When the scores were aggregated at the district level, 83.2 per-

cent were proficient in reading, 76.5 percent in writing, 73.0 percent in mathematics, and 59.4 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 20, 2010, 2,216 students or 62.2 percent had passed all three subtests on the first administration. Of the 1,346 students who have not passed all three subtests, 524 have only one remaining subtest to pass, 331 had two remaining subtests to pass and 491 have all three subtests to pass.

Of the seniors enrolled in the Anchorage School District on May 20, 2010, 95.5 percent of those with sufficient credits to graduate had passed the HSGQE and .8 percent of those with sufficient credits to graduate received waivers from passing 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 norm and the comparison of group and individual growth. The norm-referenced testing for the 2009-2010 school year involved the administration of the TerraNova 3<sup>rd</sup> edition in grades five and seven. The mean normal curve equivalent scores for all students in grades five and seven ranged from 49 to 56 with the national average being 50. Anchorage School District students scored at or above the national average on all subtests except 5<sup>th</sup> grade on reading. 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 2009-2010 school year, the average composite ACT score for Anchorage was 22.8 compared to 21.1 nationally and 21.0 for our state.

The average SAT math was 536 for Anchorage compared to 516 nationally and 515 for our state. The average SAT critical reading for Anchorage was 527 compared to 501 nationally and 518 for our state. The average SAT writing score for Anchorage was 504 compared to 492 nationally and 491 for our state.

In terms of meeting Adequate Yearly Progress as defined by the Elementary and Secondary Education Act, the Anchorage School District's 2009-2010 report shows overall test scores are up while the preliminary graduation rate remains near 70 percent. Schoolwide results for the district's 97 schools are as follows: 98 percent met the test participating requirement, 91 percent met the language arts requirement, 93 percent met the math requirement and 95 percent met the attendance/graduation requirement. Forty-seven ASD schools met every requirement for which they were accountable. This is an increase of eight schools over last year. Sixteen schools missed AYP by just one target; 34 schools missed by two or more targets. Language arts scores increased slightly from 80.4 to 80.6 percent over last year. Math scores increased from 71.4 to 73.5 percent since last year. The five-year trend shows language arts decreased slightly from 80.7 to 80.6 percent proficient. In math, the five-year trend shows an increase of 71.3 to 73.5 percent proficient. This year, fourteen Title I schools made AYP. In the previous year, six 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-eight (238) 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 22,300 meals daily or more approximately 3,837,754 meals a year to elementary, middle level and high school students. In addition, over 37,436 meals were provided during the summer to high needs area school programs. A school lunch costs \$3.15 for elementary, \$3.55 for middle school and \$4.00 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 salads/ 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 15 high needs schools. Over 137,000 after school snacks were provided, in cooperation with the 21<sup>st</sup> Century after school programs, at 12 schools.

Library Resources maintains the digital format of the Anchorage School District (ASD) 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. A new library automation program was installed from TLC (The Library Corporation) during the summer of 2010. It is a software program allowing more graphics and social networking options for information retrieval purposes. 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 ASD 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 ASD library index is available online to any community member by visiting ASD website and selecting the library index link. ASD 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 provides 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.

## FINANCIAL OUTLOOK

Despite steady oil prices in 2009 and 2010 after the sharp decline in late 2008, the oil and gas industry has reduced employment in Anchorage, and production statewide continues to decline. Additionally, the tourism sector is another major economic driver for Anchorage, as a central location with strong transportation infrastructure and a beautiful backdrop with year-round recreational activities. Resulting from the slowdown in the national and international economies, Anchorage tourism activities continued to slow in late 2009 and early 2010. International Air cargo operations also help fuel the Anchorage economy and even though cargo flights through Ted Stevens Anchorage International Airport continue to increase over the previous year, a shortage in jet fuel has reduced the number of carriers that would have ultimately stopped to refuel, thereby limiting landing revenues for the state and reducing local airport jobs. The district is expectant that those reductions in oil production and related jobs, as well as tourism, and air cargo will have a negative impact on the district's local and state allocations in the future. However, the district is currently making good use of federal stimulus funding to engage students and renew district infrastructure.

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. At the end of the fiscal year 2009-2010, the district has implemented many new instructional programs, and is in process of a major network refurbishment project using ARRA funds. The district has identified an evaluation process to determine if previously existing programs or ARRA funded programs are providing better results in academic performance. These results will help identify what program adjustments need to be made as ARRA funds sunset in 2011.

The district has approved a balanced budget for the fiscal year 2010-2011 by appropriating \$1.975 million of fund balance, but has currently projected a budget deficit for the fiscal year 2011-2012 budget. By state statute and local funding process, district decisions are required to focus on annual appropriations rather than long range financial planning. In 2007, the state legislature passed a historic three-year forward funding plan that allowed districts around the state to plan beyond the current fiscal year with accurate projections. The current fiscal year, 2010-2011, is the final year of that legislation and therefore with increasing costs and flat local and state revenue streams, the district is anticipating a deficit of \$27 million for the fiscal year 2011-2012.

This may be offset by funding from the Federal Education Jobs Fund if the State of Alaska awards the allocation to the district as anticipated. Any increase in local or state funding from fiscal 2010-2011 levels would also reduce this anticipated budget gap. 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.

## 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, 2009.

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, 2009.

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, budget and payroll staff, independent auditors, and other administrative staff. We would like to express our appreciation to all staff members who assisted and contributed to its preparation. We would also like to thank the members of the Anchorage School Board for their interest and support in planning and conducting the financial operations of the district in a responsible and progressive manner.

Respectfully submitted,



Carol Comeau  
Superintendent

Prepared by,



Chad Stiteler  
Chief Financial Officer

# The Anchorage School Board



John Steiner  
President



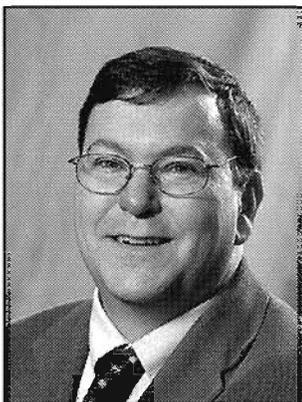
Crystal Kennedy  
Vice President



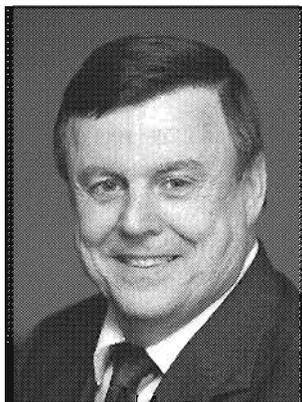
Jeannie Mackie  
Clerk



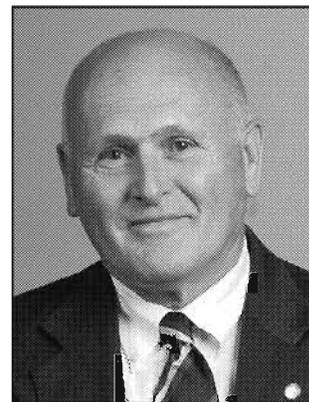
Kathleen Plunkett  
Treasurer



Jeff Friedman



Pat Higgins

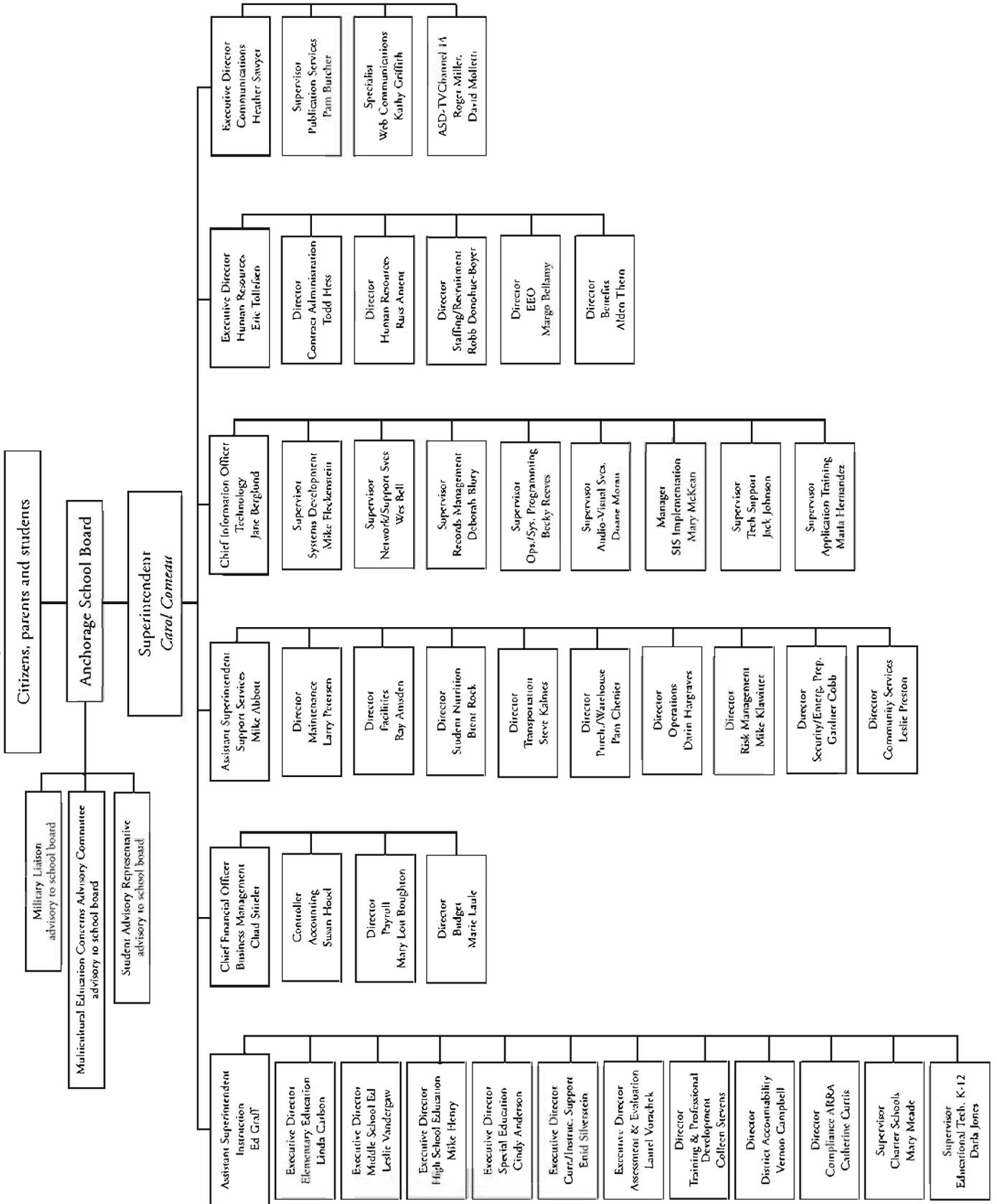


Don Smith

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 2010



# 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, 2009

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.



President

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, 2009

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

*Erin Green*

President

*John D. Quasso*

Executive Director

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## Independent Auditors' 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, a component unit of the Municipality of Anchorage, Alaska, as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements. These financial statements are the responsibility of 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 Anchorage School District as of June 30, 2010, and the respective changes in financial position 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 a report dated October 21, 2010 on our consideration of Anchorage School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing 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 and the Budgetary Comparison Schedules on pages 3-13 and 46-52 are not a required part of the basic financial statements but are 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 accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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.

*Mikunda, Cottrell & Co.*

Anchorage, Alaska  
October 21, 2010

## 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, 2010. 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 \$614,176,437 (net assets). Of this amount, \$118,466,786 (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 \$20,850,237 primarily due to the reduction in long term debt 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 \$164,013,277. Of this total, \$26,037,789 is not committed and available for spending at the district's discretion (undesignated fund balance).
  - The district has designated \$35,556,722 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 \$25,928,239 or 4.4 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 17-20 of this report.

**Proprietary funds.** The Anchorage School District maintains two Internal Service Funds for the financing of goods or services provided to other departments on a cost reimbursement basis. The Equipment Replacement Fund is used to account for the financing of government equipment and vehicles. The Health Insurance Fund is used to account for activity relating to the support services employees' health insurance plan. 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 single, aggregated presentation on pages 21-23 of this report. Individual fund data for each internal service fund can be found in the form of combining and individual fund schedules elsewhere in this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-44 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 budgetary data. A reconciliation from GAAP to budgetary basis is provided to present the actual amounts on a budgetary basis for the budget to actual comparison. Required supplementary information can be found on page 46 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 53-103 of this report. Detailed information on the district's Internal Service Funds can also be found on pages 105-107.

The capital assets used in the operation of governmental activities can be found on pages 109-111.

### **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 \$614,176,437 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	
	2009-2010	2008-2009
<b>ASSETS</b>		
Current and other assets	\$ 331,831,882	\$ 345,845,835
Capital assets	1,229,530,901	1,216,608,262
Total assets	<u>1,561,362,783</u>	<u>1,562,454,097</u>
<b>LIABILITIES</b>		
Bonds payable, net of premium/discount	758,366,481	739,346,548
Other liabilities	188,819,865	229,781,349
Total liabilities	<u>947,186,346</u>	<u>969,127,897</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	488,771,145	478,070,820
Restricted	6,938,506	2,046,009
Unrestricted	118,466,786	113,209,371
Total net assets	<u>\$ 614,176,437</u>	<u>\$ 593,326,200</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 \$488,771,145. 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 (1 percent) represents resources that are subject to external restrictions on how they may be used. Of the \$6,938,506, the \$2,051,689 is related to debt service and \$4,886,817 is restricted for authorized construction. The remaining balance of unrestricted net assets (\$118,466,786) may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net assets increased \$5,257,415, over the prior year, primarily due to a reduction in long-term liabilities associated with the repayment of bonds.

Table 2 highlights the district's revenues and expenses for the fiscal year 2009-2010. 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 net increase in program revenues is attributable to revenues received from the American Recovery and Reinvestment Act (ARRA). However, the total increase of revenues received from ARRA were offset by reductions in the amount received from the State of Alaska for PERS/TRS Employer Relief. General revenue increases came from an increased tax appropriation from the Municipality of Anchorage and the Alaska Public School Funding Program. 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.

Table 2 – Program Revenues and Expenses

	Governmental Activities	
	2009-2010	2008-2009
Revenues:		
Program revenues:		
Charges for services and sales	\$ 6,756,203	\$ 7,117,610
Operating grants and contributions	167,633,175	161,287,114
Capital grants and contributions	47,466,227	46,810,987
General revenues:		
Appropriation from		
Municipality of Anchorage	232,947,582	217,971,708
Investment income	5,552,323	3,148,335
Public school funding program	295,483,681	281,733,376
Federal impact aid	17,952,860	15,333,815
Other	1,119,024	1,830,426
Special item:		
Net pension and other post employment benefit write-off	--	17,582,137
Total revenues	<u>\$ 774,911,075</u>	<u>\$ 752,815,508</u>

Table 2 – Program Revenues and Expenses (continued)

	Governmental Activities	
	2009-2010	2008-2009
Program expenses:		
General administration	\$ 22,355,887	\$ 17,734,805
Instruction	627,333,164	588,836,769
Pupil transportation	20,013,352	19,580,050
Operation and maintenance of plant	31,171,887	30,863,209
Community service	987,202	988,897
Food services	16,914,479	16,855,858
Construction and facility acquisition	--	513,472
Interest expense	35,284,867	36,393,199
Total expenses	<u>754,060,838</u>	<u>711,766,259</u>
Increase in net assets	20,850,237	41,049,269
Net asset beginning of year	593,326,200	552,276,931
Net assets ending	<u>\$ 614,176,437</u>	<u>\$ 593,326,200</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 2009-2010	Net Cost of Services 2009-2010
General administration	\$ 22,355,887	\$ 21,872,310
Instruction	627,333,164	493,483,794
Pupil transportation	20,013,352	272,355
Operation and maintenance of plant	31,171,887	28,812,050
Community service	987,202	291,672
Food service	16,914,479	(345,588)
Construction and facility acquisition	--	(47,466,227)
Interest expense	35,284,867	35,284,867
Total expenses	<u>\$ 754,060,838</u>	<u>\$ 532,205,233</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 \$19,859,588 as of June 30, 2010. Encumbrances within the Capital Projects Fund were reduced by \$27,686,190 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, 2010 for the General Fund; \$19,292,937 per an agreement with the Municipality of Anchorage to ensure the maintenance of the municipality bond rating, and \$1,975,000 for expenditures in the fiscal year 2010–2011 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 \$56,074,730, while total fund balance reached \$127,615,822. 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 21.5 percent of the same amount. The fund balance of the district's General Fund increased by \$8,374,695 during the fiscal year 2009-2010. Significant factors are as follows:

- Net revenues equal 99.8 percent of budgeted revenues. Contributing factors were:
  - Investment income was higher than expected due to a rebound in the stock market during fiscal 2009-2010.
  - Federal Impact Aid revenue 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.
  - Increase in the funds received under the state Pupil Transportation Program.
  - Lower than expected revenue from the State of Alaska for retirement systems employer relief
- On a budgetary basis, 97.6 percent of the final budget amount was either expended or encumbered by June 30, 2010.
  - Actual expenditures were \$14,154,404 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, 2010 was \$598,467,232, an increase of \$21,551,526 over the prior year budget of \$576,915,706.

### *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 \$66,769,525, an increase of 38.7 percent over prior year. The increase to the State and Federal Grants Special Revenue Fund was primarily due the award and expenditure of ARRA funds.

### *Debt Service Fund*

The Debt Service Fund has a total fund balance of \$2,051,689, all of which is reserved for payment of debt service. There were no material differences in the budgeted revenues and expenditures in debt service for fiscal year 2010-2011.

### *Capital Projects Fund*

The Capital Projects Fund closed the fiscal year with \$52,815,910 in expenditures. Proceeds from the April 2010 general obligation bond sale primarily financed the activity for the year, thus decreasing the total fund balance on June 30, 2010 to \$27,670,122. 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, 2010 amounts to \$1,229,530,901 (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 1.1 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:

- Chester Valley School Design Addition
- Chugiak High School Roof Project
- Mears Middle School Traffic Safety Upgrades
- Sand Lake Elementary School Design and Addition
- West High School Heating, Ventilation and Air Conditioning Project

The following table shows ending balances of capital assets invested in various categories. The district recognized a total increase of \$12,922,639 less the depreciation expense.

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

	<u>Governmental Activities</u>	
	<u>2009-2010</u>	<u>2008-2009</u>
Land	\$ 42,357,063	\$ 42,357,063
Land improvements	14,282,912	12,636,029
Buildings, equipment and vehicles	1,148,629,704	1,074,835,538
Construction in progress	<u>24,261,222</u>	<u>86,779,633</u>
Totals	<u>\$ 1,229,530,901</u>	<u>\$ 1,216,608,262</u>

**Long-Term Debt.** As of June 30, 2010 the Anchorage School District had general obligation bonds outstanding totaling \$743,090,000. This entire amount of \$749,090,000 comprises debt backed by the full faith and credit of the Municipality of Anchorage. Over the fiscal year, the district paid \$49,520,000 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>2009-2010</u>	<u>2008-2009</u>	
General obligation bonds	<u>\$ 743,090,000</u>	<u>\$ 772,585,000</u>	2030

As of June 30, 2010, the Anchorage School District’s available authorized but unissued general obligation school bonds amounts \$13,845,000.

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, 2009.

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**

- 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 2010-2011. In addition, changes to the state funding formula will continue to have an impact on revenues.:

- 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 25<sup>th</sup> 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 2010-2011 include the following changes to the Public School Funding Formula:
  - A \$100 increase to the base student allocation to \$5,680.
  - An increase to intensive special education student funding by increasing the multiplier from 11 to 13 for fiscal year 2010-2011.
  - There are no additional increases to the formula for years after 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.
- 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 through fiscal year 2010-2011. The district implemented 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, with the understanding that there will need to be reductions in other areas in order to maintain these successful programs.
- 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 when calculating the total allowable taxes for the district.
  - On October 27, 2009 the Anchorage Assembly introduced and approved resolution AR No. 2009-250, which addresses funding for the district's 2010-2011 general and debt service funds. The resolution allowed for funding of general fund activities up to the amount of \$191,994,683 which does not include any increase from the prior fiscal year. The allowable increase under the tax cap was \$8,625,581.
  - The resolution did provide for tax revenues to cover all of the district's debt service activity as well as to fund school resource officers for fiscal year 2010-2011 that previously had been paid out of the Municipality budget by taxes and results in a shift of both revenue and expenditure from the municipality to the district.
- On August 10, 2010, President Obama signed in to law the Education Jobs Fund. These funds are to assist states in saving and creating education related jobs. The district has been allocated \$7,639,562 of these funds which must be obligated by September 2012. Recognizing an anticipated funding shortfall for the 2011-2012 fiscal year the district may elect to use these funds to minimize the expected deficit.

- 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 only a slight decline in enrollment since its peak 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. Additionally The Joint Base Elmendorf-Richardson is expected to receive an additional 1,500 soldiers between 2009 and 2013 which may further offset this anticipated decline.

This year the District's enrollment on September 30<sup>th</sup> was 49,091 students which was only 152 fewer students than 2009-10. This preliminary enrollment data is below projected enrollment by approximately 1 percent, thus reducing state funding projections. The district regularly holds back teaching positions and other discretionary funds until enrollment stabilizes through the state funding count period and does not anticipate that the lower enrollment will negatively affect the financial position of the district.

- Interest rates and market conditions were stable throughout fiscal year 2009-2010 and the financial market continues to improve. The district intends to maintain its current investment strategy to take advantage of these more favorable conditions. Low risk and diversity throughout the district's investment portfolio have provided adequate earnings with minimal losses.
- Rate increases, although less than prior years, for purchased services and products are expected to continue. Underlying costs to provide services are also anticipated to continue to be passed along to the district. In addition, maintenance material costs have increased due to the diversion of these materials to overseas and natural disaster reconstruction. The district continues to consider these trends when analyzing program costs in accordance to budget objectives.
- Even with slight decreases in certain utility costs, such as heat and electric the district continues to closely monitor all utilities across the district, to maximize efficiency and implement energy conservation measures.

All of these factors were considered in preparing the Anchorage School District's budget for the 2010-2011 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, 2010  
With Comparative Totals for  
June 30, 2009

## STATEMENT OF NET ASSETS

	Governmental Activities	
	2010	2009
<b>Assets</b>		
Cash and investments, at cost	\$ 133,829,926	\$ 163,251,267
Cash and investments with paying agent	33,477,867	25,703,901
Accounts receivable (net)	1,751,610	2,221,846
Interest receivable	67,161	207,047
Due from other governments	144,059,040	134,505,872
Prepaid items	9,700,620	10,609,011
Inventory, at weighted average cost	2,917,897	2,999,780
Deferred charges	6,027,761	6,347,111
Capital assets:		
Non-depreciable:		
Land	42,357,063	42,357,063
Construction in progress	24,261,222	86,779,633
Depreciable:		
Land improvements	49,873,329	47,073,726
Buildings and equipment	1,532,204,169	1,433,348,724
Pupil transportation equipment	9,695,160	9,044,380
Accumulated depreciation	<u>(428,860,042)</u>	<u>(401,995,264)</u>
Capital assets, net of accumulated depreciation	<u>1,229,530,901</u>	<u>1,216,608,262</u>
Total assets	<u>1,561,362,783</u>	<u>1,562,454,097</u>
<b>Liabilities</b>		
Accounts payable	3,128,617	4,353,218
Contracts payable	4,427,180	5,121,316
Medical claims payable, including IBNR	9,948,577	5,623,423
Interest payable	11,429,961	11,841,518
Accrued salaries and related items:		
Wages and salaries payable	3,239,505	2,393,719
Payroll taxes, other accrued and withheld items	10,162,861	9,211,265
Unearned revenue	118,062,930	117,098,869
Noncurrent liabilities:		
Due within one year:		
Accrued compensated absences	3,188,056	2,973,203
Workers' compensation payable	5,114,659	4,364,719
Bonds payable	52,475,000	49,520,000
Due in more than one year:		
Accrued compensated absences	6,877,153	6,413,680
Workers' compensation payable	13,240,366	10,866,419
Bonds payable, net of premium/discount	<u>705,891,481</u>	<u>739,346,548</u>
Total liabilities	<u>947,186,346</u>	<u>969,127,897</u>
<b>Net Assets</b>		
Investment in capital assets, net of related debt	488,771,145	478,070,820
Restricted for:		
Debt service	2,051,689	2,046,009
Authorized construction, net of authorized unissued bonds	4,886,817	--
Unrestricted	<u>118,466,786</u>	<u>113,209,371</u>
Total net assets	<u>\$ 614,176,437</u>	<u>\$ 593,326,200</u>

For the Year Ended June 30, 2010

## STATEMENT OF ACTIVITIES

	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Functions/Programs</b>					
District-wide activities					
General administration	\$ (22,355,887)	\$ 19,139	\$ 464,438	\$ --	\$ (21,872,310)
Instruction	(627,333,164)	1,612,977	132,236,393	--	(493,483,794)
Pupil transportation	(20,013,352)	--	19,740,997	--	(272,355)
Operation and maintenance of plant	(31,171,887)	(3,404)	2,363,241	--	(28,812,050)
Community services	(987,202)	658,036	37,494	--	(291,672)
Food services	(16,914,479)	4,469,455	12,790,612	--	345,588
Construction and facility acquisition	--	--	--	47,466,227	47,466,227
Interest expense	(35,284,867)	--	--	--	(35,284,867)
Total district-wide activities	<u>\$ (754,060,838)</u>	<u>\$ 6,756,203</u>	<u>\$ 167,633,175</u>	<u>\$ 47,466,227</u>	<u>\$ (532,205,233)</u>

## General revenues:

## Unrestricted:

Appropriation from Municipality of Anchorage	232,947,582
Investment income	5,552,323
Public School Funding Program	295,483,681
Federal Impact Aid	17,952,860
Other	1,119,024
Total general revenues	<u>553,055,470</u>
Change in net assets	20,850,237
Net assets at beginning of year	<u>593,326,200</u>
Net assets at end of the year	<u>\$ 614,176,437</u>

See accompanying notes to basic financial statements.

June 30, 2010  
With Comparative Totals for  
June 30, 2009

## BALANCE SHEET - GOVERNMENTAL FUNDS

	General	State and Federal Grants	Debt Service	Capital Projects	Non-Major Governmental Funds	Totals	
		Special Revenue				2010	2009
<b>Assets</b>							
Cash and investments, at cost	\$ 92,567,761	\$ --	\$ --	\$ 19,691,798	\$ 2,295,446	\$ 114,555,005	\$ 156,175,844
Cash with paying agent	--	--	24,487,762	8,990,105	--	33,477,867	25,703,901
Accounts receivable (net of any allowances for uncollectibles)	995,044	686,486	--	--	66,860	1,748,390	2,221,846
Interest receivable	--	--	--	65,339	1,822	67,161	207,047
Due from other funds	46,316,883	--	--	2,638,173	3,768,938	52,723,994	39,829,167
Due from other governments	96,787,929	25,128,606	21,220,784	789,545	132,176	144,059,040	134,505,872
Prepaid items	9,641,977	20,500	--	33,072	5,071	9,700,620	10,609,012
Inventory	2,099,789	--	--	--	818,108	2,917,897	2,999,780
<b>Total assets</b>	<b>\$ 248,409,383</b>	<b>\$ 25,835,592</b>	<b>\$ 45,708,546</b>	<b>\$ 32,208,032</b>	<b>\$ 7,088,421</b>	<b>\$ 359,249,974</b>	<b>\$ 372,252,469</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 2,814,485	\$ 280,055	\$ --	\$ 1,835	\$ 32,242	\$ 3,128,617	\$ 4,353,218
Contracts payable	--	--	--	4,427,180	--	4,427,180	5,121,316
Medical claims payable	2,468,925	--	--	--	--	2,468,925	5,623,423
Due to other funds	7,429,796	23,374,600	22,884,800	--	57,483	53,746,679	44,577,794
Accrued salaries and related items	11,472,426	1,782,071	--	95,036	52,833	13,402,366	11,604,984
Unearned revenue	96,607,929	398,866	20,772,057	13,859	270,219	118,062,930	117,098,869
<b>Total liabilities</b>	<b>120,793,561</b>	<b>25,835,592</b>	<b>43,656,857</b>	<b>4,537,910</b>	<b>412,777</b>	<b>195,236,697</b>	<b>188,379,604</b>
<b>Fund balances:</b>							
<b>Reserved:</b>							
Encumbrances	18,447,111	14,213,538	--	13,606,405	225,564	46,492,618	60,807,669
Inventory	2,099,789	--	--	--	721,835	2,821,624	2,849,137
Federal Impact Aid	17,492,274	--	--	--	--	17,492,274	12,228,199
Prepaid items	9,641,977	20,500	--	33,072	5,071	9,700,620	10,607,155
Self-insurance	23,859,941	--	--	--	--	23,859,941	21,033,755
Debt service	--	--	2,051,689	--	--	2,051,689	2,046,009
<b>Unreserved:</b>							
<b>Designated:</b>							
<b>Bond rating:</b>							
General Fund	19,292,937	--	--	--	--	19,292,937	18,600,421
<b>Subsequent year's expenditures:</b>							
General Fund	1,975,000	--	--	--	--	1,975,000	3,900,000
<b>Accrued compensated absences:</b>							
General Fund	8,878,554	--	--	--	312,584	9,191,138	8,711,160
Special Revenue Funds	--	--	--	--	--	--	507,744
Capital Projects Fund	--	--	--	210,830	--	210,830	202,286
Authorized construction, net of authorized unissued bonds	--	--	--	4,886,817	--	4,886,817	--
<b>Undesignated, reported in:</b>							
General Fund	25,928,239	--	--	--	--	25,928,239	23,509,451
Special Revenue Funds	--	(14,234,038)	--	--	5,410,590	(8,823,448)	3,731,109
Capital Projects Fund	--	--	--	8,932,998	--	8,932,998	15,138,770
<b>Total fund balance</b>	<b>127,615,822</b>	<b>--</b>	<b>2,051,689</b>	<b>27,670,122</b>	<b>6,675,644</b>	<b>164,013,277</b>	<b>183,872,865</b>
<b>Total liabilities and fund balance</b>	<b>\$ 248,409,383</b>	<b>\$ 25,835,592</b>	<b>\$ 45,708,546</b>	<b>\$ 32,208,032</b>	<b>\$ 7,088,421</b>	<b>\$ 359,249,974</b>	<b>\$ 372,252,469</b>

See accompanying notes to basic financial statements.

June 30, 2010  
With Comparative Totals for  
June 30, 2009

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

	2010	2009
Total governmental fund balances	\$ 164,013,277	\$ 183,872,865
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	1,227,521,657	1,214,726,980
Other long-term liabilities not due and payable in the current period, and therefore not reported in the funds:		
Accrued compensated absences	(10,065,209)	(9,386,883)
Workers' compensation payable	(18,355,025)	(15,231,138)
General obligation debt	(743,090,000)	(772,585,000)
Accrued interest on general obligation debt	(11,429,961)	(11,841,518)
Unamortized cost of bond issuance	6,027,761	6,347,111
Unamortized general obligation bond premium	(15,276,481)	(16,281,548)
Internal service fund net assets	14,830,418	13,705,331
Total reconciling items	450,163,160	409,453,335
Net assets of governmental activities	\$ 614,176,437	\$ 593,326,200

See accompanying notes to basic financial statements.

For the Year Ended June 30, 2010  
With Comparative Totals  
For the Year Ended June 30, 2009

**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				2010	2009
<b>Revenues:</b>							
Local sources	\$ 200,643,768	\$ 1,516,384	\$ 41,034,008	\$ 955,964	\$ 12,036,815	\$ 256,186,939	\$ 240,046,875
State sources	374,029,402	6,559,511	44,873,815	2,252,852	320,302	428,035,882	428,811,942
Federal sources	18,405,403	58,693,630	--	460,586	12,495,037	90,054,656	66,255,684
Total revenues	<u>593,078,573</u>	<u>66,769,525</u>	<u>85,907,823</u>	<u>3,669,402</u>	<u>24,852,154</u>	<u>774,277,477</u>	<u>735,114,501</u>
<b>Expenditures:</b>							
<b>Current:</b>							
General administration	16,065,662	--	--	--	--	16,065,662	17,674,860
Instruction	516,155,997	66,769,525	--	--	7,410,540	590,336,062	555,944,309
Pupil transportation	20,137,537	--	--	--	--	20,137,537	19,234,255
Operation and maintenance of plant	27,528,957	--	--	--	--	27,528,957	27,357,834
Community services	976,725	--	--	--	--	976,725	951,649
Non-departmental	3,851,645	--	--	--	--	3,851,645	3,436,400
Food services	--	--	--	--	16,694,742	16,694,742	16,594,195
<b>Debt service:</b>							
Principal	--	--	49,520,000	--	--	49,520,000	46,630,000
Interest	--	--	36,372,658	--	--	36,372,658	37,270,931
Fiscal agent fees	--	--	11,208	--	--	11,208	10,648
Bond issuance cost	--	--	--	134,674	--	134,674	219,481
Capital outlays	--	--	--	52,681,236	--	52,681,236	61,518,088
Total expenditures	<u>584,716,523</u>	<u>66,769,525</u>	<u>85,903,866</u>	<u>52,815,910</u>	<u>24,105,282</u>	<u>814,311,106</u>	<u>786,842,650</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,362,050</u>	<u>--</u>	<u>3,957</u>	<u>(49,146,508)</u>	<u>746,872</u>	<u>(40,033,629)</u>	<u>(51,728,149)</u>
<b>Other financing sources (uses):</b>							
Proceeds from sale of property and equipment	634	--	--	--	--	634	11,127
Issuance of general obligation bonds	--	--	--	20,025,000	--	20,025,000	29,840,000
Premium on issuance of general obligation bonds	--	--	--	136,396	--	136,396	395,335
Transfers in	12,011	--	1,723	--	--	13,734	342,889
Transfers out	--	--	--	(1,723)	--	(1,723)	(4,514,963)
Total other financing sources (uses)	<u>12,645</u>	<u>--</u>	<u>1,723</u>	<u>20,159,673</u>	<u>--</u>	<u>20,174,041</u>	<u>26,074,388</u>
Net change in fund balance	8,374,695	--	5,680	(28,986,835)	746,872	(19,859,588)	(25,653,761)
Fund balances at beginning of year	119,241,127	--	2,046,009	56,656,957	5,928,772	183,872,865	209,526,626
Fund balances at end of year	<u>\$ 127,615,822</u>	<u>\$ --</u>	<u>\$ 2,051,689</u>	<u>\$ 27,670,122</u>	<u>\$ 6,675,644</u>	<u>\$ 164,013,277</u>	<u>\$ 183,872,865</u>

See accompanying notes to basic financial statements.

For the Year Ended June 30, 2010  
With Comparative Totals  
For the Year Ended June 30, 2009

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

	<u>2010</u>	<u>2009</u>
Net change in fund balances - total governmental funds (page 19)	<u>\$ (19,859,588)</u>	<u>\$ (25,653,761)</u>
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	54,682,641	63,060,815
Current depreciation expense	(33,234,695)	(32,648,636)
Loss on disposal of assets	(8,652,636)	(3,988,190)
Proceeds from the sale of assets	<u>(634)</u>	<u>(11,127)</u>
Net adjustment to increase change in fund balance, total government funds to arrive at changes in net assets of governmental activities	12,794,676	26,412,862
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	(20,025,000)	(29,840,000)
Premium on issuance of general obligation bonds	(136,396)	(395,335)
Principal payments on general obligation bonds and refunded bonds	49,520,000	46,630,000
Bond issuance costs	134,674	219,481
Amortization of bond issuance costs	(454,025)	(761,735)
Amortization of general obligation bonds premium	1,141,465	1,064,821
Accrued interest	411,557	113,626
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	(678,326)	(467,095)
Workers' compensation payable	(3,123,887)	1,503,292
Special item - Net pension obligation and other post-employment benefits write-off	--	17,582,137
Change in net assets - Internal Service Funds	<u>1,125,087</u>	<u>4,640,976</u>
Total reconciling items	<u>40,709,825</u>	<u>66,703,030</u>
Change in net assets of governmental activities (page 16)	<u>\$ 20,850,237</u>	<u>\$ 41,049,269</u>

See accompanying notes to basic financial statements.

June 30, 2010  
With Comparative Totals for  
June 30, 2009

## INTERNAL SERVICE FUNDS

## STATEMENT OF NET ASSETS

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Current Assets:		
Investments, at cost	\$ 19,274,921	\$ 7,075,422
Accounts Receivable	3,220	--
Due from other funds	<u>1,022,685</u>	<u>4,748,627</u>
Total current assets	<u>20,300,826</u>	<u>11,824,049</u>
Noncurrent assets:		
Machinery and equipment	8,406,864	7,835,384
Accumulated depreciation	<u>(6,397,620)</u>	<u>(5,954,102)</u>
Total capital assets (net of accumulated depreciation)	<u>2,009,244</u>	<u>1,881,282</u>
Total assets	<u>22,310,070</u>	<u>13,705,331</u>
<b>Liabilities</b>		
Medical claims and other contractual obligations payable	<u>7,479,652</u>	<u>--</u>
<b>Net Assets</b>		
Invested in capital assets	2,009,244	1,881,282
Unrestricted	<u>12,821,174</u>	<u>11,824,049</u>
Total net assets	<u>\$ 14,830,418</u>	<u>\$ 13,705,331</u>

See accompanying notes to basic financial statements.

For the Year Ended June 30, 2010  
 With Comparative Totals  
 For the Year Ended June 30, 2009

## INTERNAL SERVICE FUNDS

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS

	Governmental Activities	
	2010	2009
Operating revenues:		
Charges for sales and services	\$ 465,706	\$ 470,338
Charges for health insurance services	27,538,732	--
Total operating revenues	<u>28,004,438</u>	<u>470,338</u>
Operating expenses:		
Depreciation	465,706	470,338
Costs of sales and services	28,424	--
Medical plan administration	2,652,462	--
Medical claims	24,857,846	--
Total operating expenses	<u>28,004,438</u>	<u>470,338</u>
Operating income	<u>--</u>	<u>--</u>
Non-operating revenues:		
Loss on sale of capital assets	(32,932)	1,854
Investment income	632,964	105,912
Total income before capital contributions and transfers	<u>600,032</u>	<u>107,766</u>
Capital contributions	537,066	361,136
Transfers out - General Fund	(12,011)	4,172,074
Total capital contributions and transfers	<u>525,055</u>	<u>4,533,210</u>
Changes in net assets	1,125,087	4,640,976
Net assets at beginning of year	<u>13,705,331</u>	<u>9,064,355</u>
Net assets at end of year	<u>\$ 14,830,418</u>	<u>\$ 13,705,331</u>

See accompanying notes to basic financial statements

For the Year Ended June 30, 2010  
With Comparative Totals  
For the Year Ended June 30, 2009

## INTERNAL SERVICE FUNDS

## STATEMENT OF CASH FLOWS

	Governmental Activities	
	2010	2009
Cash flows from operating activities:		
Receipts from interfund activities	\$ 32,143,175	\$ 470,338
Payments for interfund services used	(465,706)	(470,338)
Payments for medical claims and other health insurance activity	(24,201,036)	--
Net cash flows provided by operating activities	<u>7,476,433</u>	<u>--</u>
Cash flows from noncapital financing activities:		
Transfer to other funds	(12,011)	--
Advances to General Fund	(434,121)	(3,654,162)
Net cash used by noncapital and related financing activities	<u>(446,132)</u>	<u>(3,654,162)</u>
Cash flows from capital and related financing activities		
Capital contributions	<u>357,610</u>	<u>4,172,074</u>
Net cash provided by capital and related financing activities	357,610	4,172,074
Cash flows from investing activities:		
Proceeds from matured investments	--	376,176
Loss on sale of investments	(534,720)	--
Gain on sale of investments	82,536	--
Purchase of investments	(7,568,691)	(1,000,000)
Interest earnings received	<u>632,964</u>	<u>105,912</u>
Net cash used in investing activities	<u>(7,387,911)</u>	<u>(517,912)</u>
Net increase in cash	--	--
Cash at beginning of year	--	--
Cash at end of year	<u>\$ --</u>	<u>\$ --</u>
Noncash investing, capital, and financing activities:		
Increase in fair value of investments	372,355	(109,360)
Noncash transactions :		
Assets contributed from the General Fund	537,066	361,136

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 services employees' 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. 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, 2010, the district holds equity total of

\$112,836,162, about 19.6% of the total investment pool. The Anchorage Municipal Code 6.50.030 functions as the regulation oversight of the investment pool. According to AMC 6.50.030, the Municipality is authorized to purchase investments which meet the following rating and issuer requirements:

1. Obligations issued or guaranteed by the U.S. Government, U.S. agencies or U.S. government-sponsored corporations and agencies.
2. Corporate debt securities that are guaranteed by the U.S. government or the Federal Deposit Insurance Corporation (FDIC) as to principal and interest.
3. Taxable and tax-exempt municipal securities having a long term rating of at least “A-” by a nationally recognized rating agency or a taxable or tax-exempt municipal security having a short term rating of at least “A-1” by S&P or “P-1” by Moody’s or “F-1” by Fitch.
4. Debt securities issued and guaranteed by the International Bank for Reconstruction and Development (IBRD) and rated “AAA” by a nationally recognized rating agency.
5. Commercial paper, excluding asset-backed commercial paper, rated at least “A-1” by S&P or “P-1” by Moody’s or “F-1” by Fitch.
6. Bank debt obligations, including unsecured certificates of deposit, notes, time deposits and bankers’ acceptance (with maturities of not more than 365 days), and deposits with any bank, short-term obligations of which are rated at least “A-1” by S&P 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. Debt issued by the Tennessee Valley Authority.
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, 2010, 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	\$ 1,864,952	\$ 1,962,246
Time deposits:		
Student Activities Special Revenue Fund	<u>319,006</u>	<u>319,006</u>
Total	<u>\$ 2,183,958</u>	<u>\$ 2,281,252</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>(11,996,294)</u>	<u>1,217,864</u>
Total demand deposits and time deposits	<u>\$ (9,812,336)</u>	<u>\$ 3,499,166</u>

The district's investments are not subject to custodial credit risk. A summary of the district's investments as of June 30, 2010 is as follows:

	<u>Carrying Amount</u>
District investments:	
Repurchase agreements	\$ 11,400,782
Investments through Municipality:	
Commercial paper	6,890,000
U.S. government securities	12,435,027
Investment discount	80,291
Municipal Investment Pool	112,836,162
Cash with paying agent:	
U.S. government securities	<u>33,477,867</u>
	<u>\$ 177,120,129</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, 2010. All discounted notes issued by the U.S. Government agencies have implied ratings of "A-1+" by S&P, "P-1" by Moody's or "F1+" by Fitch.

	<u>Date Acquired</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Carrying Amount</u>
<u>General Fund:</u>				
KeyBank				
Repurchase Agreement	06/30/10	0.2500%	07/01/10	\$ 10,405,119
Repurchase Agreement	06/30/10	0.2500	07/01/10	265,973
Repurchase Agreement	06/30/10	0.2500	07/01/10	<u>729,690</u>
				11,400,782
Municipal Investment Pool				<u>93,163,273</u>
Total General Fund				<u>\$ 104,564,055</u>

	<u>Date Acquired</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Carrying Amount</u>
<b><u>Capital Projects Fund:</u></b>				
<b>Commercial Paper</b>				
Bank of America Corporation	05/28/10	0.5928%	08/13/10	\$ 2,370,000
Bank of America Corporation	05/28/10	0.5928	08/13/10	20,000
General Electric	03/22/10	5.2000	02/01/11	1,400,000
Wells Fargo & Co.	05/28/10	3.9800%	10/29/10	1,521,000
Wells Fargo & Co.	05/28/10	3.9800	10/29/10	964,000
Wells Fargo & Co.	05/28/10	3.9800	10/29/10	<u>615,000</u>
Total Commercial Paper				<u>6,890,000</u>
<b>United States Agency</b>				
FNMA Discount Note	03/19/10	0.2650%	09/15/10	1,997,350
Freddie Mac Discount Note	03/19/10	0.2800	10/19/10	998,335
FNMA Discount Note	03/19/10	0.3210	11/15/10	1,197,429
FNMA Discount Note	03/19/10	0.3610	12/20/10	1,208,655
Freddie Mac Discount Note	04/01/10	0.1801	07/29/10	1,998,810
FHLB StepUp Note	04/05/10	4.6250	08/09/10	474,000
FHLB StepUp Note	04/05/10	4.6250	08/09/10	56,000
FNMA Discount Note	02/19/10	0.2200	08/18/10	1,409,448
FNMA Discount Note	03/31/10	3.5000	08/25/10	1,785,000
FHLB StepUp Note	03/31/10	1.3750	08/27/10	<u>1,200,000</u>
Total United States Agency				<u>12,325,027</u>
Investment discount				78,803
Municipal Investment Pool				<u>397,968</u>
Total Capital Projects Fund				<u>\$ 19,691,798</u>
<b><u>Internal Service Fund:</u></b>				
<b>Municipal Investment Pool</b>				
Health Insurance Fund				\$ 11,893,712
Equipment Replacement				<u>7,381,209</u>
Total Internal Service Fund				<u>\$ 19,274,921</u>
<b><u>Special Revenue Fund:</u></b>				
<b>United States Agency</b>				
Federal Home Loan Bank	08/06/09	3.1250%	06/10/11	\$ 100,000
US Treasury	11/05/09	0.8750	05/31/11	<u>10,000</u>
Total United States Agency				<u>110,000</u>
Investment discount				1,488
Total Special Revenue Fund				<u>\$ 111,488</u>

*Cash with Paying Agent*

The total amount of cash with the paying agent at June 30 is \$33,477,867, 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 \$96,607,929 and \$20,772,057, respectively. The amounts due from the State of Alaska in the Special Revenue Funds include \$23,637,793 for 2010 reimbursements under cost reimbursable grants and \$132,176 for the final 2010 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 \$448,727 for 2010 reimbursements under the Aid for School Construction Program. The amounts due from the United States Government in the Special Revenue Funds includes \$1,406,399 for 2010 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 2010 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 2010, 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 2010  
Contribution from Real and Personal Property Taxes

Amount required by the district to fund the second half of the fiscal year 2009-2010 budget:			
January 1, 2010 through June 30, 2010	\$232,947,582 x 50%	=	\$ 116,473,791
Amount required by the district to fund the first half of the fiscal year 2010-2011 budget:			
July 1, 2010 through December 31, 2010	\$234,759,972 x 50%	=	<u>117,379,986</u>
Total amount required by the district for calendar year 2010			<u>\$ 233,853,777</u>

Based on an assessed valuation of \$31,429,406,006, the mill rate assessment for schools during calendar year 2010 is 7.44 mills.

The district has accrued the taxes of \$96,607,929 and \$20,772,057 for funding of the first half of the fiscal year 2010-2011 budget as of June 30, 2010 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 in advance of the period to which they apply. The district prepays utility costs in order to be able to take advantage of reduced costs and an interest earning agreement with the utility. Supplies are prepaid due to the time required for transportation, as it is necessary to order certain supplies in advance in order to 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 \$1,688,137 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 \$411,652 and \$721,835, respectively, and are equally offset by a fund balance reserve. \$96,273 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 \$2,099,789.

*Capital Assets*

General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net 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 designation 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. 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. Issuances 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 other 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, 2010 is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major funds:		
General Fund	\$ 46,316,883	\$ 7,429,796
State and Federal Grants		
Special Revenue Fund	--	23,374,600
Debt Service Fund	--	22,884,800
Capital Projects Fund	2,638,173	--
Non-major funds	<u>4,791,623</u>	<u>57,483</u>
	<u>\$ 53,746,679</u>	<u>\$53,746,679</u>

A summary of interfund transfers is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
General Fund	\$ 12,011	\$ --
Debt Service Fund	1,723	--
Capital Projects Fund	--	1,723
Non-major funds	<u>--</u>	<u>12,011</u>
	<u>\$ 13,734</u>	<u>\$ 13,734</u>

The district transferred \$1,723 from the Capital Projects Fund to the Debt Service Fund. The amount transferred includes a portion of 2010B bond cost of issuance. This transfer was allocated to make debt service payments for 2008B general obligation bonds. In addition, the district transferred \$12,011 from the Equipment Replacement Internal Service Fund to the General Fund to offset the cost of replacement equipment that was purchased through the General Fund.

**F. Reclassification**

Certain amounts included in the prior year financial statements have been reclassified to conform to current year classification. The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the district's financial statements for the year ended June 30, 2010, from which the summarized information was derived.

## NOTE 2 - CHANGES IN CAPITAL ASSETS

The capital assets activity for the fiscal year ended June 30, 2010 are as follows:

	Balance July 1, 2009	Additions/ Transfers	Deductions/ Transfers	Balance June 30, 2010
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 42,357,063	\$ --	\$ --	\$ 42,357,063
Construction in progress	86,779,633	52,681,237	115,199,648	24,261,222
Total capital assets not being depreciated	<u>129,136,696</u>	<u>52,681,237</u>	<u>115,199,648</u>	<u>66,618,285</u>
Capital assets being depreciated:				
Land improvements	47,073,726	2,799,603	--	49,873,329
Buildings and equipment	1,433,348,724	114,322,150	15,466,705	1,532,204,169
Pupil transportation equipment	9,044,380	650,780	--	9,695,160
Total capital assets being depreciated	<u>1,489,466,830</u>	<u>117,772,533</u>	<u>15,466,705</u>	<u>1,591,772,658</u>
Less accumulated depreciation for:				
Land improvements	(34,437,698)	(1,152,719)	--	(35,590,417)
Buildings and equipment	(359,294,879)	(32,090,377)	(6,813,435)	(384,571,821)
Pupil transportation equipment	(8,262,687)	(435,117)	--	(8,697,804)
Total accumulated depreciation	<u>(401,995,264)</u>	<u>(33,678,213)</u>	<u>(6,813,435)</u>	<u>(428,860,042)</u>
Total capital assets, being depreciated, net	<u>1,087,471,566</u>	<u>84,094,320</u>	<u>8,653,270</u>	<u>1,162,912,616</u>
Governmental activities capital assets, net	<u>\$ 1,216,608,262</u>	<u>\$ 136,775,557</u>	<u>\$ 123,852,918</u>	<u>\$ 1,229,530,901</u>

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

	Amount
Governmental activities:	
General administration	\$ 469,212
Instruction	31,870,782
Pupil transportation	458,656
Operation and maintenance of plant	623,704
Community services	1,018
Non-departmental	3,540
Food services	251,301
Total depreciation expense, governmental activities	<u>\$ 33,678,213</u>

Construction in progress, less projects completed in 2010 is composed of the following:

	Project Authorization	Expended to 6/30/2010	Committed
Secondary schools:			
Bartlett High School Boiler	\$ 85,000	\$ 5,977	\$ 7,409
Central Middle School Emergency Generator	385,930	47,911	27,225
Chugiak High School Roof	1,769,999	105,429	2,232
Dimond High School BDA	300,000	64,014	--
Eagle River High School Roof	290,000	254,275	--
East High School Gym	362,000	50,119	13,188
East High School BDA	350,000	66,520	--
East High School Phase 3 Renovation	200,000	3,500	--
East High School Fire Alarm	321,559	47,572	9,564
Goldenview Middle School Security Upgrades	185,000	58,836	--
Goldenview Middle School Security System	225,000	9,000	161,476
Gruening Middle School Intercom/Clock	200,000	81,405	960
Hanshew Middle School Security Upgrades	120,000	59,148	--
Hanshew Middle School VAV Boxes	300,000	12,000	276,000
Mears Middle School Security Upgrades	160,000	59,054	--
Mears Middle School Security System	190,000	9,000	161,475
Mears Middle School Traffic Safety Upgrades	3,725,000	20,000	1,983,392
Mirror Lake Middle School BDA	160,000	23,689	10,000
Romig Middle School Security System	160,000	57,548	--
Romig Middle School BDA	160,000	1,920	40,072

	Project Authorization	Expended to 6/30/2010	Committed
<b>Secondary schools: (continued)</b>			
Romig Middle School Kitchen	\$ 125,000	\$ 1,500	\$ --
Save High School Roof	704,867	32,297	10,059
Service High School Emergency Preparedness	190,000	812	--
Service High School Turf Field Design	500,000	85,794	19,239
South Anchorage High School Turf Field Design	500,000	85,589	19,242
South Anchorage High School Auditoria Bleachers	205,000	24,015	80,714
Wendler Middle School Security System	190,000	9,000	161,475
West High School HVAC	1,400,000	22,536	13,407
West High School Utilidor Abatement	500,000	24,861	--
West High School Bleachers	301,712	6,600	--
Other secondary schools	9,689,234	166,684	3,309,632
Total secondary schools	<u>23,955,301</u>	<u>1,496,605</u>	<u>6,306,761</u>
<b>Elementary schools:</b>			
Abbott Loop Elementary School Traffic	89,033	2,880	--
Aquarian Charter School Sprinkler	403,440	25,955	31,241
Aurora Elementary School Playground Area	200,000	48,743	146,074
Birchwood Elementary School Fire Alarm	160,000	8,320	--
Chester Valley Elementary School Addition	17,480,001	15,139,565	1,316,868
Chugach Optional Elementary School Renovation	42,317	42,317	--
College Gate Elementary School VAT Tile	105,000	3,559	11,616
Eagle River Elementary School Fire Alarm Upgrade	200,000	1,561	11,755
Eagle River Elementary School Intercom/Clock	205,000	1,291	13,218
Gladys Wood Elementary School Intercom	135,000	7,712	7,516
Huffman Elementary School Site Improvements	310,000	86,156	177,446
Lake Otis Elementary School Electric Panel Replacement	150,000	7,800	--
Mt. Iliamna Elementary School Gym Floor	160,000	18,134	135,553
North Star Elementary School HVAC Upgrade	200,000	10,400	--
O'Malley Elementary School Electric	400,000	20,800	--
Orion Elementary School Heating	400,455	8,457	--
Orion Elementary School Sprinkler	150,001	63,308	79,401
Ptarmigan Elementary School Addition	96,649	3,787	--
Rogers Park Elementary School Traffic	123,103	8,195	76,389
Sand Lake Elementary School Addition	10,324,746	6,820,924	2,989,794
Scenic Park Elementary School Security System	425,000	1,261	10,842
Whaley Center Education Specs	175,000	59,964	96,638
Wonder Park Elementary School Intercom/PA	140,000	7,134	7,516
Other elementary schools	11,508,453	180,031	1,465,521
Total elementary schools	<u>43,583,198</u>	<u>22,578,254</u>	<u>6,577,388</u>
<b>Other capital projects:</b>			
Districtwide Electrical	344,914	11,804	--
Districtwide Information Technology	355,000	18,460	--
Districtwide Mechanical Upgrades	419,317	22,943	--
Districtwide Roofs	117,701	15,565	--
Maintenance Electrical Panel	262,550	46,979	160,435
Maintenance Fire Alarm	210,000	10,920	--
Other capital projects	10,400,094	59,692	561,821
Total other capital projects	<u>12,109,576</u>	<u>186,363</u>	<u>722,256</u>
Total construction in progress	<u>\$ 79,648,075</u>	<u>\$ 24,261,222</u>	<u>\$ 13,606,405</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 the fiscal year ended June 30, 2010 (in thousands):

	Balance			Balance
	July 1, 2009	Additions	Reductions	June 30, 2010
General obligation bonds	\$ 772,585	\$ 20,025	\$ 49,520	\$ 743,090
Unamortized premium/discount on bonds	16,282	136	1,142	15,276
	<u>\$ 788,867</u>	<u>\$ 20,161</u>	<u>\$ 50,662</u>	<u>\$ 758,366</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, 2010 the amount of general obligation bonds considered defeased was \$363,300,000.

Bonds payable at June 30, 2010 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 \$3,705,000 to \$5,030,000 through October 2015; interest at 5.0 percent to 6.0 percent	\$ 13,445	\$ 3,705
\$29,765,000 1995 series A school construction refunding bonds due in annual installments of \$3,515,000 through October 2010; interest 6.0 percent	3,515	3,515
\$20,735,000 1998 series A school construction refunding bonds due in annual installments of \$175,000 to \$5,120,000 through July 2014; interest at 4.35 percent to 5.0 percent	19,255	175
\$35,000,000 2000 series A school construction serial bonds due in annual installments of \$1,625,000 to \$1,715,000 through December 2011; interest at 5.0 percent to 5.5 percent	3,340	1,625
\$77,900,000 2000 series B school construction serial bonds due in annual installments of \$3,590,000 through December 2010; interest at 5 percent	3,590	3,590
\$65,000,000 2001 series A school construction serial bonds due in annual installments of \$2,995,000 through June 2011; interest at 5.5 percent	2,995	2,995
\$51,805,000 2001 school construction refunding bonds due in annual installments of \$9,085,000 to \$10,345,000 through July 2013; interest at 4.625 percent to 5.5 percent	38,260	9,195
\$131,800,000 2002 series B school construction serial bonds due in annual installments of \$5,465,000 to \$6,350,000 through July 2022; interest at 4.125 percent to 5.5 percent	23,550	5,465
\$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 4.125 percent to 5.5 percent	39,075	5,135
\$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 3.75 percent to 4.8 percent	32,625	5,200
\$80,735,000 2004 series B school construction refunding bonds due in annual installments of \$75,000 to \$27,390,000 through December 2017; interest at 3.5 percent to 5.25 percent	80,405	75
\$86,240,000 2004 series D school construction serial bonds due in annual installments of \$3,335,000 to \$4,385,000 through December 2016; interest at 5.0 percent	26,665	3,335
\$63,850,000 2005 series A school construction serial bonds due in annual installments of \$2,530,000 to \$3,050,000 through March 2016; interest at 3.6 percent to 5.0 percent	16,680	2,530

General Obligation Bonds (continued)	Amount	Due within One Year
\$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 3.25 percent to 5.0 percent	\$ 28,930	\$ 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 \$1,775,000 to \$3,640,000 through October 2026; interest at 3.75 percent to 5.0 percent	43,555	1,775
\$28,885,000 2006 series B school construction refunding bonds due in annual installments of \$60,000 to \$7,075,000 through October 2020; interest at 3.75 percent of 5.0 percent	22,615	60
\$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	51,215	180
\$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	169,955	50
\$63,790,000 2007 series D school construction serial bonds due in annual installments of \$2,165,000 to \$4,885,000 through August 2027; interest at 4.0 percent to 5.0 percent	59,715	2,165
\$29,840,000 2008 series B school construction serial bonds due in annual installments of \$980,000 to \$2,285,000 through August 2028; interest at 3.25 percent to 5.25 percent	28,890	980
\$20,025,000 2010 series B school construction serial bonds due in annual installments of \$680,000 to \$1,345,000 through April 2030; interest at 1.5 percent to 5.91 percent	20,025	680
	<u>\$ 743,090</u>	<u>\$ 52,475</u>

The annual requirements to amortize all general obligation debt outstanding as of June 30, 2010, including interest payments in the amount of \$262,599,778 are as follows (in thousands):

	Principal	Interest	Total
2011	\$ 52,475	\$ 35,001	\$ 87,476
2012	54,875	32,470	87,345
2013	55,025	29,956	84,981
2014	56,335	27,240	83,575
2015	57,815	24,464	82,279
2016-2020	253,545	82,614	336,159
2021-2025	177,215	27,410	204,625
2026-2030	35,805	3,445	39,250
	<u>\$ 743,090</u>	<u>\$ 262,600</u>	<u>\$ 1,005,690</u>

*Bonds Authorized But Unissued*

There are \$13,845,000 authorized but unissued general obligation school bonds of the Municipality of Anchorage at June 30, 2010 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	\$ 80,045	\$ 4,955
Construction/renovation/ replacement/major maintenance	April 01, 2008	none	43,710	34,820	8,890
			<u>\$ 128,710</u>	<u>\$ 114,865</u>	<u>\$ 13,845</u>

*Refunded Bond Issues*

There were no refunded bond issues in fiscal year 2009-2010.

### 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, 2010 are disclosed as the following:

<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
\$ 9,421,190	\$ 3,937,214	\$ 3,293,195	\$ 10,065,209	\$ 3,188,056

### 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, 2010 are disclosed as the following:

<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
\$ 15,231,138	\$ 7,597,475	\$ 4,473,588	\$ 18,355,025	\$ 5,114,659

## NOTE 4 - RETIREMENT PLANS

As of June 30, 2010, 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/dr/b/>.

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

### **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, 2010 was \$245,745,433 which compares to the district's total payroll of \$363,400,005.

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 (2.50% for pension and 4.25% for healthcare) for PERS and 8.65% (4.58% for pension and 4.07% 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 2010 were determined as part of the June 30, 2007 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	8.16%	10.25%	10.72%
Postemployment healthcare	<u>13.84</u>	<u>17.40</u>	<u>53.96</u>
Total contribution rate	<u>22.00%</u>	<u>27.65%</u>	<u>64.68%</u>

<u>TRS</u>	Contractual <u>Rate</u>	ARM Board Adopted <u>Rate</u>	GASB 45* <u>Rate</u>
Pension	6.66%	20.95%	22.73%
Postemployment healthcare	<u>5.90</u>	<u>18.58</u>	<u>54.45</u>
Total contribution rate	<u>12.56%</u>	<u>39.53%</u>	<u>77.18%</u>

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

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

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

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

Annual Pension and Postemployment Healthcare Cost - PERS

The district is required to contribute 22% of covered payroll, subject to a wage floor. In addition, the State of Alaska contributed approximately 5.65% of covered payroll to the Plan. In accordance with the provisions of GASB Statement Number 24, the district has recorded the State-on-behalf payment in the amount of \$5,285,269 as revenue and expenditure in these financial statements. However, because the district is not statutorily obligated for these payments, this amount is excluded from pension and OPEB cost as described here. Only two years of information is available at this time.

Year Ended June 30	Annual Pension Cost	Annual OPEB Cost	Total Benefit Cost (TBC)	District Contributions	Percent of TBC Contributed
2010	\$7,605,472	\$12,911,042	\$20,516,514	\$20,516,514	100%
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 26.97% of covered payroll to the Plan. In accordance with the provisions of GASB Statement Number 24, the district has recorded the State-on-behalf payment in the amount of \$59,054,178 as revenue and expenditure in these financial statements. However, because the district is not statutorily obligated for these payments, this amount is excluded from pension and OPEB cost as described here. The district's annual pension and other postemployment benefit (OPEB) costs for the years ending June 30, 2010, 2009, and 2008, respectively, were equal to the contractually agreed upon rate for each year.

Year Ended June 30	Annual Pension Cost	Annual OPEB Cost	Benefit Cost (TBC)	District Contributions	Percent of TBC Contributed
2010	\$16,524,238	\$14,635,931	\$31,160,169	\$31,160,169	100%
2009	10,558,060	18,447,599	29,005,659	29,005,659	100
2008	7,668,548	16,676,050	24,344,598	24,334,598	100

Defined Contribution Pension Plan

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

	PERS <u>TIER IV</u>	TRS <u>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, 2010 were \$20,516,514 and \$7,135,232, respectively. The district and employee contributions to TRS for the year ended June 30, 2010 were \$31,160,169 and \$20,967,264, 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 \$218,867 in 2010, \$213,887 in 2009, and \$195,914 in 2008 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, 2010 was \$2,600,218, which compares to the district's total of \$363,400,005. 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 73 as of June 30, 2010. 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, 2010 is \$1,003,075.

**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 plan in which the district is required to make contributions to fund the plan based on negotiated collective bargaining agreements. The activity of this plan is recorded in the Internal Service Health Insurance Fund.

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

The district has reflected as a reserve for self-insurance a portion of the fund balance in the General Fund to provide for reserves for workers' compensation and other 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 \$23,859,941. 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, 2010 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 2010, 2009 and 2008 are as follow:

		Liability Balance July 1	Current Year Claims and Changes in Estimates	Claims Payment	Liability Balance June 30
2010	Health	\$ 5,623,423	\$ 31,740,679	\$ 27,415,525	\$ 9,948,577
	Unemployment	70,462	525,153	467,271	128,344
		<u>\$ 5,693,885</u>	<u>\$ 32,265,832</u>	<u>\$ 27,882,796</u>	<u>\$ 10,076,921</u>
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>

#### NOTE 7 - COMMITMENTS

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

2010	<u>\$ 2,723,318</u>
------	---------------------

The rent expenditures for the year ending June 30, 2010 were \$4,833,842.

#### 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, 2010 have not been concluded. Accordingly, the district's compliance with applicable grantor revenue sharing programs 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 - 5-year average) and population (5-year average) growth. In the opinion of management, the municipality and the district are in compliance with the intent of the amendment.

##### *Litigation*

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

**NOTE 9 - RELATED PARTY TRANSACTIONS**

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

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

Property taxes collected		
General Fund	\$	191,913,748
Debt Service Fund	\$	41,033,834
Grant revenues received from the Municipality of Anchorage		
State and Federal Grants Special Revenue Fund	\$	133,984
Charges for services:		
Operations of swimming pools	\$	747,429
School resource officers	\$	400,000
Joint property and liability insurance:		
Purchase of a single property and liability policy, which covers both the municipality and district	\$	2,041,016

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

**NOTE 10 – NEW ACCOUNTING PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) has passed several new accounting standards with upcoming implementation dates covering several topics as follows: GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions; GASB Statement No. 57, OPEB Measurements by Agent Employers and Agent Multiple Multiple-Employer Plans; GASB Statement No. 58, Accounting and Financial Reporting for Chapter 9 Bankruptcies; GASB Statement No. 59, Financial Instruments Omnibus.

GASB Statement No. 54 will have a significant impact on the district’s future financial reporting presentation. This statement will re-categorize all existing fund balance classifications into five new categories:

- Nonspendable
- Restricted
- Committed
- Assigned
- Unassigned

The statement will require an analysis of all funds of the district to determine ongoing compliance with fund type categories as defined in the statement. In addition, the State of Alaska, Department of Education and Early Development is currently working on administrative regulations for financial reporting under the new statement which may also impact future financial statement or supplementary information presentation. GASB Statement 54 is in effect for the District’s financial statements dated June 30, 2011.

Statements 57 through 59 are not expected to have any material impact on the district.

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

For the Year Ended June 30, 2010

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
<b>Revenues:</b>						
<b>Revenues from local sources:</b>						
Appropriation from Municipality of Anchorage	\$ 191,913,748	\$ --	\$ 191,913,748	\$ 191,913,748	\$ 191,913,748	\$ --
Reimbursement for school facilities rental	658,036	--	658,036	635,000	635,000	23,036
Nonresident tuition	32,904	--	32,904	15,000	15,000	17,904
Investment income	4,702,877	--	4,702,877	2,215,000	2,215,000	2,487,877
E-Rate	1,634,729	--	1,634,729	1,000,000	1,000,000	634,729
Other revenues	1,701,474	--	1,701,474	1,896,000	1,896,000	(194,526)
<b>Total revenues from local sources</b>	<b>200,643,768</b>	<b>--</b>	<b>200,643,768</b>	<b>197,674,748</b>	<b>197,674,748</b>	<b>2,969,020</b>
<b>Revenues from state sources:</b>						
Public school funding program	295,483,681	--	295,483,681	297,031,000	297,031,000	(1,547,319)
Transportation	19,530,379	--	19,530,379	19,081,000	19,081,000	449,379
Retirement systems employer relief	58,606,858	--	58,606,858	66,547,000	66,547,000	(7,940,142)
On-Base tuition	408,484	--	408,484	408,484	408,484	--
<b>Total revenues from state sources</b>	<b>374,029,402</b>	<b>--</b>	<b>374,029,402</b>	<b>383,067,484</b>	<b>383,067,484</b>	<b>(9,038,082)</b>
<b>Revenues from federal sources:</b>						
Reserve Officers Training Corps	678,151	--	678,151	780,000	780,000	(101,849)
Federal Impact Aid	17,492,274	--	17,492,274	13,000,000	13,000,000	4,492,274
Medicaid reimbursement	234,978	--	234,978	--	--	234,978
<b>Total revenues from federal sources</b>	<b>18,405,403</b>	<b>--</b>	<b>18,405,403</b>	<b>13,780,000</b>	<b>13,780,000</b>	<b>4,625,403</b>
<b>Total revenues</b>	<b>593,078,573</b>	<b>--</b>	<b>593,078,573</b>	<b>594,522,232</b>	<b>594,522,232</b>	<b>(1,443,659)</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General administration	16,065,662	166,892	16,232,554	16,595,886	17,046,036	813,482
Instruction	516,155,997	(1,272,853)	514,883,144	529,792,222	529,336,163	14,453,019
Pupil transportation	20,137,537	387,364	20,524,901	20,436,999	20,660,780	135,879
Operation and maintenance of plant	27,528,957	127,030	27,655,987	28,204,792	28,536,587	880,600
Community services	976,725	66,288	1,043,013	973,050	1,009,480	(33,533)
Non-departmental	3,851,645	121,584	3,973,229	2,464,283	1,878,186	(2,095,043)
<b>Total expenditures</b>	<b>584,716,523</b>	<b>(403,695)</b>	<b>584,312,828</b>	<b>598,467,232</b>	<b>598,467,232</b>	<b>14,154,404</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>8,362,050</b>	<b>403,695</b>	<b>8,765,745</b>	<b>(3,945,000)</b>	<b>(3,945,000)</b>	<b>12,710,745</b>

For the Year Ended June 30, 2010

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Other financing sources (uses):						
Proceeds from sale of property and equipment	\$ 634	\$ --	\$ 634	\$ 45,000	\$ 45,000	\$ (44,366)
Transfers in - Internal Service Fund	12,011	--	--	--	--	--
Total other financing sources and (uses)	12,645	--	634	45,000	45,000	(44,366)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	8,374,695	\$ (403,695)	\$ 8,766,379	\$ (3,900,000)	\$ (3,900,000)	\$ 11,858,989
Fund balance at beginning of year	119,241,127					
Fund balance at end of year	<u>\$ 127,615,822</u>					

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		\$ 593,078,573
Expenditures reported on the basis of GAAP		584,716,523
Add current year encumbrances	\$ 7,522,480	
Deduct expenditures on prior year's encumbrances	<u>(7,926,175)</u>	
		<u>(403,695)</u>
Expenditures and encumbrances reported on the basis of budgeting		<u>584,312,828</u>
Excess of revenues over expenditures on the basis of budgeting		<u>\$ 8,765,745</u>

See accompanying notes to required supplementary statements.

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

For the Year Ended June 30, 2010

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Original and Final Budget	Variance Positive (Negative)
<b>Revenues:</b>					
<b>Revenues from local grants:</b>					
Alaska Railroad Summer Youth Program	\$ --	\$ (573)	\$ (573)	\$ --	\$ (573)
Donations From Local Agencies	818,166	1,652	819,818	882,761	(62,943)
Reading is Fundamental Grant	10,800	--	10,800	11,341	(541)
Partners in Homeless Education	339	(51)	288	--	288
Barbara Bush Literacy Grant	20,389	(56)	20,333	5,800	14,533
MOA Recycling Grant	85,497	(4,082)	81,415	--	81,415
State Farm - Raise Your Voice	19,068	--	19,068	86,825	(67,757)
AT&T Graduation Connection Grant	37,268	--	37,268	50,000	(12,732)
Cities Readiness H1N1	46,488	--	46,488	48,001	(1,513)
Clark Community Health Center	15,481	--	15,481	25,000	(9,519)
Community Partners Diversity Project	3,676	(2,722)	954	--	954
Second Order Prevention Project	459,212	60,720	519,932	807,000	(287,068)
Cultural Collaboration Project	--	3,951	3,951	5,000	(1,049)
Contingency	--	--	--	16,597,124	(16,597,124)
<b>Total revenues from local grants</b>	<b>1,516,384</b>	<b>58,839</b>	<b>1,575,223</b>	<b>18,518,852</b>	<b>(16,943,629)</b>
<b>Revenues from state grants:</b>					
<b>Designated Legislative Grants</b>					
Senate Bill 46	12,865	--	12,865	--	12,865
Senate Bill 53	25,652	(2,279)	23,373	--	23,373
Senate Bill 221	181,788	22,747	204,535	--	204,535
Senate Bill 231	48,961	(20,178)	28,783	--	28,783
Senate Bill 283	2,452	--	2,452	--	2,452
<b>Total Designated Legislative Grants</b>	<b>271,718</b>	<b>290</b>	<b>272,008</b>	<b>--</b>	<b>272,008</b>
<b>Contract Schools - Memorandum of</b>					
Agreement - Alaska State School for Deaf	316,101	--	316,101	319,000	(2,899)
Safe Routes to the School	44,985	--	44,985	71,889	(26,904)
Creating Successful Futures	489	--	489	--	489
Pre-school Kindergarten Program	142,936	--	142,936	167,684	(24,748)
Health Career Pathways	28,434	--	28,434	--	28,434
Providence Heights Grant	130,352	--	130,352	145,000	(14,648)
McLaughlin Equipment and Supplies Funds	6,492	5,108	11,600	14,973	(3,373)
Youth in Detention	353,743	--	353,743	375,378	(21,635)
Retirement Systems Employer Relief	5,264,261	--	5,264,261	5,264,261	--
<b>Total revenues from state grants</b>	<b>6,559,511</b>	<b>5,398</b>	<b>6,564,909</b>	<b>6,358,185</b>	<b>206,724</b>
<b>Revenues from federal grants:</b>					
<b>Title I -No Child Left Behind Act</b>					
District-wide Grant	9,388,632	3,183	9,391,815	11,771,187	(2,379,372)
Summer School Program	692,125	--	692,125	--	692,125
McLaughlin Youth Center	115,519	--	115,519	119,939	(4,420)
Delinquent and At-Risk Youth Program	178,023	--	178,023	230,652	(52,629)
Highly Qualified Program	9,699	--	9,699	14,840	(5,141)
Professional Development	1,003,141	(2,751)	1,000,390	1,539,095	(538,705)
Parent Involvement Program	76,566	--	76,566	130,375	(53,809)
Supplemental Education Services Program	1,163,103	(7,338)	1,155,765	1,378,817	(223,052)
School Improvement Program	309,722	(76)	309,646	533,640	(223,994)
<b>Total Title I - No Child Left Behind</b>	<b>12,936,530</b>	<b>(6,982)</b>	<b>12,929,548</b>	<b>15,718,545</b>	<b>(2,788,997)</b>
<b>Title I -Migrant Education</b>					
District-wide Grant	836,573	--	836,573	918,736	(82,163)
Summer Program	498,961	48,186	547,147	927,075	(379,928)
Book Program	1,930	--	1,930	1,933	(3)
Parent Involvement	2,451	--	2,451	5,000	(2,549)
<b>Total Title I -Migrant Education</b>	<b>1,339,915</b>	<b>48,186</b>	<b>1,388,101</b>	<b>1,852,744</b>	<b>(464,643)</b>
Title II-A - Professional Development Program	4,187,528	--	4,187,528	4,460,793	(273,265)
Title II-D - Enhancing Education Through Technology	223,014	--	223,014	358,724	(135,710)
Title III - English Language Acquisition	377,708	--	377,708	507,960	(130,252)

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

For the Year Ended June 30, 2010

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Original and Final Budget	Variance Positive (Negative)
Title IV-A - Safe and Drug Free Schools	\$ 392,467	\$ (803)	\$ 391,664	\$ 485,199	\$ (93,535)
Title V - Innovative Program	6,839	--	6,839	6,848	(9)
Title VI-B - Education of All Handicapped Children Act	15,706,550	(32)	15,706,518	17,465,094	(1,758,576)
Title VII - Indian, Native Hawaiian, and Alaska Native Education	2,349,840	18,886	2,368,726	2,244,717	124,009
Pre-School Handicapped Grant	277,423	--	277,423	398,096	(120,673)
Reading is Fundamental Grant	32,058	--	32,058	32,106	(48)
Alaska State School for Deaf Program	83,710	3,300	87,010	118,838	(31,828)
Carl Perkins Vocational Education Basic Grant	1,145,074	(6,348)	1,138,726	1,243,279	(104,553)
Access to Education for Homeless Children Program	33,803	4,445	38,248	46,346	(8,098)
Community Action Prevention and Intervention Program	182,407	--	182,407	184,521	(2,114)
Charter Schools Grants	14,896	--	14,896	--	14,896
Reading First Grant	335,291	--	335,291	347,982	(12,691)
Work Investment Act School Youth Program	61,336	--	61,336	67,586	(6,250)
Foreign Language Assistance Program	293,186	13,779	306,965	257,106	49,859
Teaching American History Program	497,340	22,572	519,912	--	519,912
Community Centers Learning Program	1,653,063	--	1,653,063	1,875,095	(222,032)
Alaska Family Directory Website	25,585	--	25,585	32,000	(6,415)
Youth in Detention	4,933	--	4,933	6,500	(1,567)
Advanced Placement for Every Able Learner Grant	26,038	(25,137)	901	--	901
Alaska Educational Innovations Network Program	49,907	--	49,907	123,248	(73,341)
Excellence in Economic Education Program	(647)	--	(647)	--	(647)
Alaska Parent Information & Resource Center	127,611	(12,500)	115,111	151,045	(35,934)
Emergency Response & Crisis Management	105,901	(47,782)	58,119	--	58,119
Alaska Mentorship Project	314,985	--	314,985	314,986	(1)
Cultural Collaboration Project	11,315	--	11,315	12,334	(1,019)
Alternative Schools Health and Wellness	76,814	(3,226)	73,588	78,218	(4,630)
National Writing Project	10,979	--	10,979	12,500	(1,521)
Presidential Award Program	274	(274)	--	--	--
Learn and Serve Begich - Community Services	1,535	--	1,535	1,535	--
Project Ki'l	308,635	23,103	331,738	764,339	(432,601)
Project Soar	98,428	--	98,428	57,077	41,351
USDA Fruit and Vegetables	171,400	--	171,400	258,800	(87,400)
Universal Design Learning	13,244	455	13,699	15,400	(1,701)
Project Puqigtut	339,075	8,702	347,777	521,502	(173,725)
American Recovery and Reinvestment Act State Fiscal Stabilization Fund	5,360,928	12,658,332	18,019,260	30,280,076	(12,260,816)
Title I - No Child Left Behind	4,125,788	86,355	4,212,143	10,895,034	(6,682,891)
Title II-D - Enhancing Education Through Technology	467,718	7,992	475,710	598,005	(122,295)
Title VI-B - Education of All Handicapped Children Act	4,885,024	945,004	5,830,028	12,708,593	(6,878,565)
McKinney Vento	30,972	--	30,972	100,172	(69,200)
National School Lunch Program	7,210	--	7,210	7,210	--
Total American Recovery and Reinvestment Act	14,877,640	13,697,683	28,575,323	54,589,090	(26,013,767)
Total revenues from federal grants	58,693,630	13,738,027	72,431,657	104,610,153	(32,178,496)
Total revenues	66,769,525	13,802,264	80,571,789	129,487,190	(48,915,401)
Expenditures:					
Current:					
Instruction:					
Local grants	1,516,384	58,839	1,575,223	18,518,852	16,943,629
State grants	6,559,511	5,398	6,564,909	6,358,185	(206,724)
Federal grants	58,693,630	13,738,027	72,431,657	104,610,153	32,178,496
Total expenditures	66,769,525	13,802,264	80,571,789	129,487,190	48,915,401
Excess of revenues over expenditures	--	--	--	--	--
Fund balance at beginning of year	--	--	--	--	--
Fund balance at end of year	\$ --	\$ --	\$ --	\$ --	\$ --

STATE AND FEDERAL GRANTS  
 SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE  
 BUDGET (NON-GAAP BASIS) AND ACTUAL (Continued)

For the Year Ended June 30, 2010

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

Revenues reported on the basis of GAAP		\$ 66,769,525
Add revenues from current year encumbrances	\$ 14,114,218	
Deduct revenues on prior year encumbrances	<u>(311,954)</u>	<u>13,802,264</u>
Revenues reported on the basis of budgeting		<u>80,571,789</u>
Expenditures reported on the basis of GAAP		66,769,525
Add current year encumbrances	14,114,218	
Deduct expenditures on prior year encumbrances	<u>(311,954)</u>	<u>13,802,264</u>
Expenditures and encumbrances reported on the basis of budgeting		<u>80,571,789</u>
Excess of revenue over expenditures on the basis of budgeting		<u>\$ --</u>

See accompanying notes to required supplementary statements.

**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 24, 2009, the Assembly approved the district's combined budget of \$762,833,890 with \$232,947,582 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 August 11, 2009, the Assembly approved a resolution, (AR2009-162(S)), which established the upper limit spending authority of the district at \$830,840,080. This resolution provided a \$67,437,190 increase to the State and Federal Grants Special Revenue Fund to increase the State and Federal Grants Special Revenue Fund budget from \$62,200,000 to \$129,637,190 to reflect the one-time federal education funds provided through the American Recovery and Reinvestment Act (ARRA), which does not contribute to the local property tax cap limitation. In addition, the Food Service Special Revenue Fund was increased by \$569,000 from \$16,259,000 to \$16,828,000 to reflect an increase in anticipated costs based on increased participation in the Federal Free and Reduced Meal Program.

On June 28, 2010, the School Board approved ASD Memorandum #292 to approve a recommendation from management to make budget adjustments, within the upper limit spending authority, between funds to account for

increased Food Service revenue and a decrease in the total projected grant receipts as of June 30, 2010. This action increased the Food Service Special Revenue Fund budget \$150,000 to \$16,828,000 and reduced the State and Federal Grants Special Revenue Funds by the same amount to a final budget of \$129,487,190.

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.

June 30, 2010  
With Comparative Totals for  
June 30, 2009

## BALANCE SHEET

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Cash and investments, at cost	\$ 92,567,761	\$ 96,694,534
Accounts receivable (net of any allowances for uncollectibles)	995,044	1,169,406
Due from other funds:		
State and Federal Grants Special Revenue Fund	23,374,600	15,038,157
Capital Projects Fund	--	2,086,969
Student Activity Special Revenue Fund	57,483	41,125
Debt Service Fund	22,884,800	19,789,606
Due from other governments:		
Municipality of Anchorage	96,607,929	95,956,874
State of Alaska	180,000	--
Prepaid items	9,641,977	10,507,949
Inventory, at weighted average cost	2,099,789	2,016,515
Total assets	<u>\$ 248,409,383</u>	<u>\$ 243,301,135</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 2,814,485	\$ 3,930,995
Medical claims payable	2,468,925	5,623,423
Due to other funds:		
Equipment Replacement Fund	1,022,685	576,553
Food Service Special Revenue Fund	2,275,584	1,502,280
Student Activity Special Revenue Fund	1,493,354	1,371,030
Health Insurance Fund	--	4,172,074
Capital Projects Fund	2,638,173	--
Accrued salaries and related items:		
Wages and salaries payable	2,138,241	2,017,482
Payroll taxes, other accrued and withheld items	9,334,185	8,893,728
Unearned revenue	96,607,929	95,972,443
Total liabilities	<u>120,793,561</u>	<u>124,060,008</u>
Fund balance:		
Reserved:		
Encumbrances	18,447,111	19,066,639
Inventory	2,099,789	2,016,515
Federal Impact Aid	17,492,274	12,228,199
Prepaid items	9,641,977	10,506,092
Self-insurance	23,859,941	21,033,755
Unreserved:		
Designated for bond rating	19,292,937	18,600,421
Designated for subsequent year's expenditures	1,975,000	3,900,000
Designated for accrued compensated absences	8,878,554	8,380,055
Undesignated	25,928,239	23,509,451
Total fund balance	<u>127,615,822</u>	<u>119,241,127</u>
Total liabilities and fund balance	<u>\$ 248,409,383</u>	<u>\$ 243,301,135</u>

For the Year Ended June 30, 2010  
 With Comparative Totals  
 For the Year Ended June 30, 2009

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

	<u>2010</u>	<u>2009</u>
Revenues:		
Revenues from local sources:		
Appropriation from Municipality of Anchorage	\$ 191,913,748	\$ 178,556,242
Reimbursement for school facilities rental	658,036	580,448
Nonresident tuition	32,904	3,910
Investment income	4,702,877	1,734,779
E-Rate	1,634,729	1,591,650
Other revenues	1,701,474	1,723,694
Total revenues from local sources	<u>200,643,768</u>	<u>184,190,723</u>
Revenues from state sources:		
Public school funding program	295,483,681	281,733,376
Transportation	19,530,379	18,176,337
Retirement systems employer relief	58,606,858	73,805,572
On-Base tuition	408,484	408,484
Total revenues from state sources	<u>374,029,402</u>	<u>374,123,769</u>
Revenues from federal sources:		
Reserve Officers Training Corps	678,151	579,250
Federal Impact Aid	17,492,274	14,639,709
Medicaid reimbursement	234,978	--
Total revenues from federal sources	<u>18,405,403</u>	<u>15,218,959</u>
Total revenues	<u>593,078,573</u>	<u>573,533,451</u>
Expenditures:		
Current:		
General administration	16,065,662	17,674,860
Instruction	516,155,997	500,988,714
Pupil transportation	20,137,537	19,234,255
Operation and maintenance of plant	27,528,957	27,357,834
Community services	976,725	951,649
Non-departmental	3,851,645	3,436,400
Total expenditures	<u>584,716,523</u>	<u>569,643,712</u>
Excess of revenues over expenditures	8,362,050	3,889,739

For the Year Ended June 30, 2010  
 With Comparative Totals  
 For the Year Ended June 30, 2009

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

	<u>2010</u>	<u>2009</u>
Other financing sources (uses):		
Proceeds from sale of property and equipment	\$ 634	\$ 11,127
Transfers out - Health Insurance Fund	--	(4,172,074)
Transfers in - Equipment Replacement Fund	12,011	--
Transfers out - Debt Service Fund	--	(167,000)
Total other financing sources and (uses)	<u>12,645</u>	<u>(4,327,947)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	8,374,695	(438,208)
Fund balance at beginning of year	<u>119,241,127</u>	<u>119,679,335</u>
Fund balance at end of year	<u>\$ 127,615,822</u>	<u>\$ 119,241,127</u>

For the Year Ended June 30, 2010  
With Comparative Totals  
For the Year Ended June 30, 2009

## SCHEDULE OF EXPENDITURES GAAP BASIS

	<u>2010</u>	<u>2009</u>
Current:		
General administration:		
Anchorage School Board	\$ 552,573	\$ 484,855
Superintendent	1,392,493	1,663,415
Instruction	2,856,666	4,250,639
Support services	4,301,204	4,272,749
Planning, communications and development	1,011,829	1,081,058
Business management	2,974,453	3,016,254
Employee relations	2,976,444	2,905,890
Total general administration	<u>16,065,662</u>	<u>17,674,860</u>
Instruction:		
Instructional support:		
Curriculum and staff development	11,337,683	11,284,918
Instructional media	3,145,418	3,235,430
Assessment and evaluation	1,002,356	1,099,077
Technology/management information systems	14,470,437	11,357,044
Total instructional support	29,955,894	26,976,469
Elementary education	170,656,843	167,720,085
Charter schools	17,621,340	17,147,265
Middle school education	60,781,147	57,892,318
High school education	113,788,890	111,918,795
Special education services:		
Special services	30,052,478	29,450,283
Special education	74,535,951	72,799,636
Total special education services	104,588,429	102,249,919
English language learners	12,211,484	11,215,771
Gifted education	6,064,553	5,759,205
Native education	487,417	108,887
Total instruction	<u>516,155,997</u>	<u>500,988,714</u>
Pupil transportation	20,137,537	19,234,255
Operation and maintenance of plant:		
Custodial services	3,331,519	3,320,112
Facilities	22,889,848	22,785,063
Vehicle maintenance	1,307,590	1,252,659
Total operation and maintenance of plant	<u>27,528,957</u>	<u>27,357,834</u>

For the Year Ended June 30, 2010  
 With Comparative Totals  
 For the Year Ended June 30, 2009

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

	<u>2010</u>	<u>2009</u>
Community services	\$ 976,725	\$ 951,649
Non-departmental:		
Contracted services	--	54,877
Employee benefits:		
Association benefits	209,506	176,864
Employee assistance	74,086	70,225
Medical insurance - retirees	1,003,075	915,941
Sick leave bank	<u>278,836</u>	<u>252,640</u>
Total employee benefits	1,565,503	1,415,670
Insurance	2,051,323	1,333,617
Rental land and buildings	1,851,678	1,824,174
Utilities	307,178	291,466
Other non-departmental	<u>(1,924,037)</u>	<u>(1,483,404)</u>
Total non-departmental	<u>3,851,645</u>	<u>3,436,400</u>
Total expenditures	<u>\$ 584,716,523</u>	<u>\$ 569,643,712</u>

For the Year Ended June 30, 2010

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	
<b>Current:</b>						
<b>General administration:</b>						
<b>Anchorage School Board:</b>						
Personnel services	\$ 206,943	\$ --	\$ 206,943	\$ 206,639	\$ 207,444	\$ 501
Employee benefits	89,598	--	89,598	78,968	92,130	2,532
Purchased services	245,319	(18,433)	226,886	245,650	257,288	30,402
Supplies and materials	7,889	537	8,426	12,600	8,427	1
Capital outlay	2,824	(503)	2,321	--	2,321	--
<b>Total Anchorage School Board</b>	<b>552,573</b>	<b>(18,399)</b>	<b>534,174</b>	<b>543,857</b>	<b>567,610</b>	<b>33,436</b>
<b>Superintendent:</b>						
Personnel services	245,999	--	245,999	254,784	254,784	8,785
Employee benefits	126,293	--	126,293	138,448	138,448	12,155
Purchased services	1,012,804	28,443	1,041,247	1,509,700	1,513,200	471,953
Supplies and materials	7,316	(255)	7,061	7,175	8,407	1,346
Capital outlay	81	(81)	--	--	--	--
<b>Total superintendent</b>	<b>1,392,493</b>	<b>28,107</b>	<b>1,420,600</b>	<b>1,910,107</b>	<b>1,914,839</b>	<b>494,239</b>
<b>Instruction:</b>						
Personnel services	1,609,847	--	1,609,847	1,420,222	1,495,676	(114,171)
Employee benefits	895,034	--	895,034	860,665	874,520	(20,514)
Purchased services	154,799	1,503	156,302	63,100	160,413	4,111
Supplies and materials	127,901	81	127,982	23,128	131,743	3,761
Capital outlay	69,085	(49,477)	19,608	5,891	19,635	27
<b>Total instruction</b>	<b>2,856,666</b>	<b>(47,893)</b>	<b>2,808,773</b>	<b>2,373,006</b>	<b>2,681,987</b>	<b>(126,786)</b>
<b>Support services:</b>						
Personnel services	2,657,743	--	2,657,743	2,649,429	2,660,935	3,192
Employee benefits	1,481,051	--	1,481,051	1,559,282	1,555,101	74,050
Purchased services	74,788	(11,002)	63,786	98,402	76,502	12,716
Supplies and materials	39,086	13,666	52,752	50,570	62,843	10,091
Capital outlay	48,536	23,546	72,082	13,289	75,561	3,479
<b>Total support services</b>	<b>4,301,204</b>	<b>26,210</b>	<b>4,327,414</b>	<b>4,370,972</b>	<b>4,430,942</b>	<b>103,528</b>
<b>Planning, communications and development:</b>						
Personnel services	541,438	--	541,438	539,285	542,169	731
Employee benefits	315,841	--	315,841	318,280	318,914	3,073
Purchased services	141,461	56,144	197,605	204,200	199,200	1,595
Supplies and materials	9,979	18,402	28,381	32,422	30,432	2,051
Capital outlay	3,110	--	3,110	2,172	3,162	52
<b>Total planning, communications and development</b>	<b>1,011,829</b>	<b>74,546</b>	<b>1,086,375</b>	<b>1,096,359</b>	<b>1,093,877</b>	<b>7,502</b>
<b>Business management:</b>						
Personnel services	1,886,596	--	1,886,596	1,988,368	1,995,364	108,768
Employee benefits	1,049,927	--	1,049,927	1,121,686	1,122,093	72,166
Purchased services	12,653	40,110	52,763	12,418	56,677	3,914
Supplies and materials	20,890	(302)	20,588	22,574	22,052	1,464
Capital outlay	4,387	(4,321)	66	--	213	147
<b>Total business management</b>	<b>2,974,453</b>	<b>35,487</b>	<b>3,009,940</b>	<b>3,145,046</b>	<b>3,196,399</b>	<b>186,459</b>

(Continued)

For the Year Ended June 30, 2010

**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	
<b>Employee relations:</b>						
Personnel services	\$ 1,833,314	\$ --	\$ 1,833,314	\$ 1,909,578	\$ 1,915,198	\$ 81,884
Employee benefits	1,017,374	--	1,017,374	1,031,511	1,032,445	15,071
Purchased services	99,380	75,239	174,619	199,400	191,900	17,281
Supplies and materials	18,950	49	18,999	16,050	19,859	860
Capital outlay	7,426	(6,454)	972	--	980	8
Total employee relations	2,976,444	68,834	3,045,278	3,156,539	3,160,382	115,104
Total general administration	16,065,662	166,892	16,232,554	16,595,886	17,046,036	813,482
<b>Instruction:</b>						
<b>Instructional support:</b>						
<b>Curriculum and staff development:</b>						
Personnel services	6,404,682	--	6,404,682	6,544,407	6,500,312	95,630
Employee benefits	3,327,149	--	3,327,149	3,444,408	3,479,634	152,485
Purchased services	199,617	5,738	205,355	250,111	216,404	11,049
Supplies and materials	942,908	(376,461)	566,447	315,407	577,045	10,598
Capital outlay	463,327	(135,360)	327,967	325,201	329,656	1,689
Total curriculum and staff development	11,337,683	(506,083)	10,831,600	10,879,534	11,103,051	271,451
<b>Instructional media:</b>						
Personnel services	1,448,438	--	1,448,438	1,409,301	1,428,347	(20,091)
Employee benefits	839,673	--	839,673	843,388	848,673	9,000
Purchased services	299,541	107,937	407,478	417,387	441,545	34,067
Supplies and materials	490,023	16,352	506,375	513,792	499,630	(6,745)
Capital outlay	67,743	(42,458)	25,285	15,379	23,637	(1,648)
Total instructional media	3,145,418	81,831	3,227,249	3,199,247	3,241,832	14,583
<b>Assessment and evaluation:</b>						
Personnel services	598,536	--	598,536	643,968	670,468	71,932
Employee benefits	315,091	--	315,091	339,885	343,546	28,455
Purchased services	67,351	(1,010)	66,341	94,825	94,825	28,484
Supplies and materials	14,746	1,493	16,239	34,600	18,214	1,975
Capital outlay	6,632	10,806	17,438	8,103	21,605	4,167
Total assessment and evaluation	1,002,356	11,289	1,013,645	1,121,381	1,148,658	135,013
<b>Technology/management information systems:</b>						
Personnel services	4,330,668	--	4,330,668	4,452,512	4,509,651	178,983
Employee benefits	2,326,027	--	2,326,027	2,453,919	2,471,933	145,906
Purchased services	2,839,054	(545,592)	2,293,462	1,599,618	2,312,105	18,643
Supplies and materials	499,426	(43,897)	455,529	188,228	508,274	52,745
Capital outlay	4,475,262	(421,559)	4,053,703	5,059,768	4,040,708	(12,995)
Total technology/management information systems	14,470,437	(1,011,048)	13,459,389	13,754,045	13,842,671	383,282
Total instructional support	29,955,894	(1,424,011)	28,531,883	28,954,207	29,336,212	804,329
<b>Elementary education:</b>						
Personnel services	101,568,385	--	101,568,385	103,007,134	103,722,455	2,154,070
Employee benefits	58,582,236	--	58,582,236	62,283,060	62,292,806	3,710,570
Purchased services	7,940,193	34,856	7,975,049	10,794,260	9,409,287	1,434,238
Supplies and materials	2,344,664	129,191	2,473,855	2,433,507	2,596,918	123,063
Capital outlay	221,365	56,419	277,784	215,583	308,925	31,141
Total elementary education	170,656,843	220,466	170,877,309	178,733,544	178,330,391	7,453,082

(Continued)

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

For the Year Ended June 30, 2010

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
<b>Charter schools:</b>						
Personnel services	\$ 7,996,228	\$ --	\$ 7,996,228	\$ 7,915,054	\$ 7,996,351	\$ 123
Employee benefits	4,587,617	--	4,587,617	4,779,365	4,809,908	222,291
Purchased services	4,100,301	(400,900)	3,699,401	3,662,900	3,851,566	152,165
Supplies and materials	699,097	318,720	1,017,817	949,304	1,016,648	(1,169)
Capital outlay	156,736	(98,457)	58,279	155,100	57,817	(462)
Other	81,361	--	81,361	104,639	81,361	--
Total charter schools	17,621,340	(180,637)	17,440,703	17,566,362	17,813,651	372,948
<b>Middle school education:</b>						
Personnel services	35,420,185	--	35,420,185	35,889,110	36,029,979	609,794
Employee benefits	20,601,877	--	20,601,877	21,940,419	21,956,873	1,354,996
Purchased services	3,199,193	112,530	3,311,723	4,266,481	3,735,485	423,762
Supplies and materials	1,218,219	(66,557)	1,151,662	1,097,320	1,166,063	14,401
Capital outlay	341,673	(63,009)	278,664	268,015	281,878	3,214
Total middle school education	60,781,147	(17,036)	60,764,111	63,461,345	63,170,278	2,406,167
<b>High school education:</b>						
Personnel services	64,848,598	--	64,848,598	63,296,135	64,105,334	(743,264)
Employee benefits	37,147,144	--	37,147,144	38,041,599	38,139,361	992,217
Purchased services	8,853,076	70,272	8,923,348	10,663,076	9,263,060	339,712
Supplies and materials	2,139,979	(30,450)	2,109,529	2,174,939	2,165,100	55,571
Capital outlay	663,976	(39,734)	624,242	476,323	649,267	25,025
Other	136,117	--	136,117	135,005	135,202	(915)
Total high school education	113,788,890	88	113,788,978	114,787,077	114,457,324	668,346
<b>Special education services:</b>						
<b>Special services:</b>						
Personnel services	18,258,616	--	18,258,616	17,856,209	17,864,114	(394,502)
Employee benefits	10,725,871	--	10,725,871	11,338,095	11,223,835	497,964
Purchased services	847,459	5,055	852,514	641,574	956,053	103,539
Supplies and materials	160,018	(681)	159,337	149,348	165,053	5,716
Capital outlay	60,514	(12,380)	48,134	40,199	49,077	943
Total special services	30,052,478	(8,006)	30,044,472	30,025,425	30,258,132	213,660
<b>Special education:</b>						
Personnel services	44,243,660	--	44,243,660	44,949,487	44,545,590	301,930
Employee benefits	29,010,225	--	29,010,225	30,678,712	30,531,622	1,521,397
Purchased services	959,008	(7,403)	951,605	786,932	1,014,959	63,354
Supplies and materials	252,963	129,775	382,738	381,480	391,528	8,790
Capital outlay	70,095	29,876	99,971	84,163	108,615	8,644
Total special education	74,535,951	152,248	74,688,199	76,880,774	76,592,314	1,904,115
Total special education services	104,588,429	144,242	104,732,671	106,906,199	106,850,446	2,117,775
<b>English language learners:</b>						
Personnel services	7,147,751	--	7,147,751	7,408,065	7,413,967	266,216
Employee benefits	4,996,332	--	4,996,332	5,307,108	5,301,472	305,140
Purchased services	42,979	2,217	45,196	45,200	46,746	1,550
Supplies and materials	22,192	1,575	23,767	26,697	23,767	--
Capital outlay	2,230	--	2,230	--	2,636	406
Total english language learners	12,211,484	3,792	12,215,276	12,787,070	12,788,588	573,312
<b>Gifted education:</b>						
Personnel services	3,774,500	--	3,774,500	3,750,329	3,762,430	(12,070)
Employee benefits	2,196,332	--	2,196,332	2,327,353	2,330,705	134,373
Purchased services	24,076	851	24,927	18,944	29,782	4,855
Supplies and materials	50,559	(11,643)	38,916	67,195	39,993	1,077
Capital outlay	19,086	(8,965)	10,121	17,044	9,810	(311)
Total gifted education	6,064,553	(19,757)	6,044,796	6,180,865	6,172,720	127,924

(Continued)

For the Year Ended June 30, 2010

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	
<b>Native education:</b>						
Personnel services	\$ 223,783	\$ --	\$ 223,783	\$ 213,633	\$ 213,633	\$ (10,150)
Employee benefits	263,194	--	263,194	201,920	201,920	(61,274)
Purchased services	440	--	440	--	1,000	560
Total native education	487,417	--	487,417	415,553	416,553	(70,864)
Total instruction	516,155,997	(1,272,853)	514,883,144	529,792,222	529,336,163	14,453,019
<b>Pupil transportation:</b>						
Personnel services	4,426,259	--	4,426,259	4,185,535	4,395,762	(30,497)
Employee benefits	3,249,709	--	3,249,709	3,043,158	3,228,822	(20,887)
Purchased services	10,778,774	(22,079)	10,756,695	11,517,163	10,901,468	144,773
Supplies and materials	944,799	5,125	949,924	1,164,746	987,946	38,022
Capital outlay	695,312	404,318	1,099,630	485,397	1,104,097	4,467
Other	42,684	--	42,684	41,000	42,685	1
Total pupil transportation	20,137,537	387,364	20,524,901	20,436,999	20,660,780	135,879
<b>Operation and maintenance of plant:</b>						
<b>Custodial services:</b>						
Personnel services	1,573,786	--	1,573,786	1,453,555	1,484,945	(88,841)
Employee benefits	873,803	--	873,803	890,420	901,472	27,669
Purchased services	140,994	18,414	159,408	203,810	172,684	13,276
Supplies and materials	702,346	85,346	787,692	691,850	795,976	8,284
Capital outlay	40,590	78,451	119,041	52,059	129,059	10,018
Total custodial services	3,331,519	182,211	3,513,730	3,291,694	3,484,136	(29,594)
<b>Facilities:</b>						
Personnel services	9,947,759	--	9,947,759	10,327,545	10,355,945	408,186
Employee benefits	6,003,706	--	6,003,706	6,179,871	6,151,475	147,769
Purchased services	3,925,894	403,582	4,329,476	4,341,360	4,464,025	134,549
Supplies and materials	2,288,351	(224,007)	2,064,344	2,275,691	2,228,641	164,297
Capital outlay	724,138	(294,495)	429,643	416,808	445,196	15,553
Total facilities	22,889,848	(114,920)	22,774,928	23,541,275	23,645,282	870,354
<b>Vehicle maintenance:</b>						
Personnel services	482,402	--	482,402	483,260	484,161	1,759
Employee benefits	292,836	--	292,836	296,492	296,697	3,861
Purchased services	48,887	22,380	71,267	86,803	86,643	15,376
Supplies and materials	429,173	5,303	434,476	446,640	455,440	20,964
Capital outlay	54,292	32,056	86,348	58,628	84,228	(2,120)
Total vehicle maintenance	1,307,590	59,739	1,367,329	1,371,823	1,407,169	39,840
Total operation and maintenance of plant	27,528,957	127,030	27,655,987	28,204,792	28,536,587	880,600
<b>Community services:</b>						
Personnel services	585,671	--	585,671	554,527	554,527	(31,144)
Employee benefits	332,361	--	332,361	322,801	322,801	(9,560)
Purchased services	49,002	--	49,002	67,750	52,105	3,103
Supplies and materials	7,657	1,304	8,961	8,300	8,975	14
Capital outlay	2,034	64,984	67,018	19,672	71,072	4,054
Total community services	976,725	66,288	1,043,013	973,050	1,009,480	(33,533)
<b>Non-departmental:</b>						
Personnel services	369,869	--	369,869	731,638	(566,499)	(936,368)
Employee benefits	1,199,784	(200)	1,199,584	(27,698)	(27,698)	(1,227,282)
Purchased services	(198,355)	121,784	(76,571)	(132,657)	(127,611)	(51,040)
Supplies and materials	--	--	--	25,500	14,500	14,500
Capital outlay	3,540	--	3,540	150,000	25,000	21,460
Other	2,476,807	--	2,476,807	1,717,500	2,560,494	83,687
Total non-departmental	3,851,645	121,584	3,973,229	2,464,283	1,878,186	(2,095,043)
Total current	\$ 584,716,523	\$ (403,695)	\$ 584,312,828	\$ 598,467,232	\$ 598,467,232	\$ 14,154,404

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

For the Year Ended June 30, 2010

	Personnel Services	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other	Total
<b>Current:</b>							
<b>General administration:</b>							
Anchorage School Board	\$ 206,943	\$ 89,598	\$ 245,319	\$ 7,889	\$ 2,824	\$ --	\$ 552,573
Superintendent	245,999	126,293	1,012,804	7,316	81	--	1,392,493
Instruction	1,609,847	895,034	154,799	127,901	69,085	--	2,856,666
Support services	2,657,743	1,481,051	74,788	39,086	48,536	--	4,301,204
Planning, communications and development	541,438	315,841	141,461	9,979	3,110	--	1,011,829
Business management	1,886,596	1,049,927	12,653	20,890	4,387	--	2,974,453
Employee relations	1,833,314	1,017,374	99,380	18,950	7,426	--	2,976,444
<b>Total general administration</b>	<b>8,981,880</b>	<b>4,975,118</b>	<b>1,741,204</b>	<b>232,011</b>	<b>135,449</b>	<b>--</b>	<b>16,065,662</b>
<b>Instruction:</b>							
<b>Instructional support:</b>							
Curriculum and staff development	6,404,682	3,327,149	199,617	942,908	463,327	--	11,337,683
Instructional media	1,448,438	839,673	299,541	490,023	67,743	--	3,145,418
Assessment and evaluation	598,536	315,091	67,351	14,746	6,632	--	1,002,356
Technology/management information systems	4,330,668	2,326,027	2,839,054	499,426	4,475,262	--	14,470,437
<b>Total instructional support</b>	<b>12,782,324</b>	<b>6,807,940</b>	<b>3,405,563</b>	<b>1,947,103</b>	<b>5,012,964</b>	<b>--</b>	<b>29,955,894</b>
Elementary education	101,568,385	58,582,236	7,940,193	2,344,664	221,365	--	170,656,843
Charter schools	7,996,228	4,587,617	4,100,301	699,097	156,736	81,361	17,621,340
Middle school education	35,420,185	20,601,877	3,199,193	1,218,219	341,673	--	60,781,147
High school education	64,848,598	37,147,144	8,853,076	2,139,979	663,976	136,117	113,788,890
<b>Special education services:</b>							
Special services	18,258,616	10,725,871	847,459	160,018	60,514	--	30,052,478
Special education	44,243,660	29,010,225	959,008	252,963	70,095	--	74,535,951
<b>Total special education services</b>	<b>62,502,276</b>	<b>39,736,096</b>	<b>1,806,467</b>	<b>412,981</b>	<b>130,609</b>	<b>--</b>	<b>104,588,429</b>
English language learners	7,147,751	4,996,332	42,979	22,192	2,230	--	12,211,484
Gifted education	3,774,500	2,196,332	24,076	50,559	19,086	--	6,064,553
Native education	223,783	263,194	440	--	--	--	487,417
<b>Total instruction</b>	<b>296,264,030</b>	<b>174,918,768</b>	<b>29,372,288</b>	<b>8,834,794</b>	<b>6,548,639</b>	<b>217,478</b>	<b>516,155,997</b>
Pupil transportation	4,426,259	3,249,709	10,778,774	944,799	695,312	42,684	20,137,537
<b>Operation and maintenance of plant:</b>							
Custodial services	1,573,786	873,803	140,994	702,346	40,590	--	3,331,519
Facilities	9,947,759	6,003,706	3,925,894	2,288,351	724,138	--	22,889,848
Vehicle maintenance	482,402	292,836	48,887	429,173	54,292	--	1,307,590
<b>Total operation and maintenance of plant</b>	<b>12,003,947</b>	<b>7,170,345</b>	<b>4,115,775</b>	<b>3,419,870</b>	<b>819,020</b>	<b>--</b>	<b>27,528,957</b>

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

For the Year Ended June 30, 2010

	Personnel Services	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other	Total
Community services	\$ 585,671	\$ 332,361	\$ 49,002	\$ 7,657	\$ 2,034	\$ --	\$ 976,725
Non-departmental:							
Employee benefits:							
Association benefits	111,069	98,437	--	--	--	--	209,506
Employee assistance	--	74,086	--	--	--	--	74,086
Medical insurance - retirees	--	1,003,075	--	--	--	--	1,003,075
Sick leave bank	256,898	21,938	--	--	--	--	278,836
Total employee benefits	367,967	1,197,536	--	--	--	--	1,565,503
Insurance	--	--	--	--	--	2,051,323	2,051,323
Rental land and buildings	--	--	1,851,678	--	--	--	1,851,678
Utilities	--	--	307,178	--	--	--	307,178
Other non-departmental	1,901	2,250	(2,357,212)	--	3,540	425,484	(1,924,037)
Total non-departmental	369,868	1,199,786	(198,356)	--	3,540	2,476,807	3,851,645
Total current	<u>\$ 322,631,655</u>	<u>\$ 191,846,087</u>	<u>\$ 45,858,687</u>	<u>\$ 13,439,131</u>	<u>\$ 8,203,994</u>	<u>\$ 2,736,969</u>	<u>\$ 584,716,523</u>

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June 30, 2010  
With Comparative Totals for  
June 30, 2009

**BALANCE SHEET**

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Accounts receivable	\$ 686,486	\$ 558,847
Due from other governments:		
Municipality of Anchorage	84,414	328,337
State of Alaska	23,637,793	14,141,365
United States Government	1,406,399	1,126,732
Prepaid items	<u>20,500</u>	<u>54,155</u>
Total assets	<u>\$ 25,835,592</u>	<u>\$ 16,209,436</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 280,055	\$ 373,285
Due to General Fund	23,374,600	15,038,157
Accrued salaries and related items:		
Wages and salaries payable	1,018,257	315,089
Payroll taxes, other accrued and withheld items	763,814	219,455
Unearned revenue:		
Unearned revenue - local grants	307,258	197,179
Unearned revenue - state grants	89,266	58,118
Unearned revenue - federal grants	<u>2,342</u>	<u>8,153</u>
Total liabilities	<u>25,835,592</u>	<u>16,209,436</u>
Fund balance:		
Reserved:		
Encumbrances	14,213,538	445,214
Prepaid items	20,500	54,155
Unreserved:		
Designated for accrued compensated absences	--	507,744
Undesignated	<u>(14,234,038)</u>	<u>(1,007,113)</u>
Total fund balance	<u>--</u>	<u>--</u>
Total liabilities and fund balance	<u>\$ 25,835,592</u>	<u>\$ 16,209,436</u>

For the Year Ended June 30, 2010  
With Comparative Totals  
For the Year Ended June 30, 2009

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

	2010	2009
Revenues:		
Revenues from local grants:		
Alaska Railroad Summer Youth Program	\$ --	\$ 32,754
Donations From Local Agencies	818,166	1,488,732
Reading is Fundamental Grant	10,800	9,522
Partners in Homeless Education	339	3,378
Barbara Bush Literacy Grant	20,389	41,739
MOA Recycling Grant	85,497	183,818
State Farm - Raise Your Voice	19,068	--
AT&T Graduation Connection Grant	37,268	--
Cities Readiness H1N1	46,488	--
Clark Community Health Center	15,481	--
Community Partners Diversity	3,676	745
Second Order Prevention Project	459,212	--
Bus Shelter Cleaning Grant	--	25,218
Emergency Response and Crisis Management Grant	--	28,273
Reduce Underage Drinking	--	40,836
Total revenues from local grants	<u>1,516,384</u>	<u>1,855,015</u>
Revenues from state grants:		
Designated Legislative Grants		
Senate Bill 46	12,865	27,562
Senate Bill 53	25,652	107,561
Senate Bill 221	181,788	1,173,564
Senate Bill 231	48,961	153,326
Senate Bill 283	2,452	19,427
Total Designated Legislative Grants	<u>271,718</u>	<u>1,481,440</u>
Contract Schools - Memorandum of Agreement		
Alaska State School for Deaf	316,101	290,817
Safe Routes to the School	44,985	--
Creating Successful Futures	489	70,081
Pre-School Kindergarten Program	142,936	--
Health Career Pathways	28,434	9,007
Providence Heights Grant	130,352	128,962
McLaughlin Equipment and Supplies Funds	6,492	--
Youth in Detention	353,743	362,603
Retirement Systems Employer Relief	5,264,261	4,882,888
Charter Schools Supplemental Grants	--	22,685
Alaska Science and Technology Program	--	336
Salmon in the Classroom Program	--	6,679
Total revenues from state grants	<u>6,559,511</u>	<u>7,255,498</u>
Revenues from federal grants:		
Title I - No Child Left Behind Act		
District-wide Grant	9,388,632	10,235,465
Summer School Program	692,125	162,091
McLaughlin Youth Center	115,519	115,032
Delinquent and At-Risk Youth Program	178,023	106,398
Highly Qualified Program	9,699	15,621
Professional Development	1,003,141	1,185,205
Parent Involvement Program	76,566	2,819
Supplemental Education Services Program	1,163,103	619,028
School Improvement Program	309,722	213,001
Total Title I - No Child Left Behind Act	<u>12,936,530</u>	<u>12,654,660</u>

For the Year Ended June 30, 2010  
With Comparative Totals  
For the Year Ended June 30, 2009

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

	2010	2009
Title I - Migrant Education		
District-wide Grant	\$ 836,573	\$ 891,979
Summer Program	498,961	336,233
Book Program	1,930	893
Parent Involvement Program	2,451	2,103
Total Title I - Migrant Education	1,339,915	1,231,208
Title II-A - Professional Development Program	4,187,528	4,940,882
Title II-D - Enhancing Education Through Technology	223,014	280,872
Title III - English Language Acquisition	377,708	439,060
Title IV-A - Safe and Drug Free Schools	392,467	431,491
Title V - Innovative Program	6,839	100,040
Title VI-B - Education of All Handicapped Children Act	15,706,550	10,853,295
Title VII - Indian, Native Hawaiian, and Alaska Native Education	2,349,840	2,094,198
Pre-School Handicapped Grant	277,423	341,143
Reading is Fundamental Grant	32,058	28,565
Alaska State School for Deaf Program	83,710	44,579
Carl Perkins Vocational Education Basic Grant	1,145,074	1,015,188
Access to Education for Homeless Children Program	33,803	53,885
Community Action Prevention and Intervention Program	182,407	168,609
Charter Schools Grants	14,896	1,009
Reading First Grant	335,291	443,692
Work Investment Act School Youth Program	61,336	73,172
Foreign Language Assistance Program	293,186	194,370
Teaching American History Program	497,340	381,998
Community Centers Learning Program	1,653,063	1,523,983
Alaska Family Directory Website	25,585	30,760
Youth in Detention	4,933	11,762
Advanced Placement for Every Able Learner Grant	26,038	520,036
Alaska Educational Innovations Network Program	49,907	58,864
Excellence in Economic Education Program	(647)	7,316
Alaska Parent Information and Resource Center	127,611	152,333
Emergency Response and Crisis Management Grant	105,901	177,979
Alaska Mentorship Project	314,985	395,710
Cultural Collaboration Project	11,315	--
Alternative Schools Health and Wellness	76,814	--
National Writing Project	10,979	11,624
Presidential Award Program	274	280
Learn and Serve Begich - Community Services	1,535	--
Project Ki'l	308,635	132,210
Project Soar	98,428	97,893
USDA - Fresh Fruit and Vegetable Program	171,400	--
Universal Design Learning	13,244	18,684
Project Puqigtut	339,075	--
Drug and Violence Prevention Program	--	3,497
School Health Program	--	32,591
Safe and Drug Free Schools	--	18,250
Alaska/Russian Climate	--	30,589
Water Education Festival	--	2,000
Teaching With Primary Sources Program	--	1,820

For the Year Ended June 30, 2010  
With Comparative Totals  
For the Year Ended June 30, 2009

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

	2010	2009
American Recovery and Reinvestment Act		
State Fiscal Stabilization Fund	\$ 5,360,928	\$ --
Title I - No Child Left Behind Act	4,125,788	--
Title II-D - Enhancing Education Through Technology	467,718	--
Title VI-B - Education of All Handicapped Children Act	4,885,024	--
McKinney Vento	30,972	--
National School Lunch Program	7,210	--
Total American Recovery and Reinvestment Act	<u>14,877,640</u>	<u>--</u>
Total revenues from federal grants	<u>58,693,630</u>	<u>39,000,097</u>
Total revenues	<u>66,769,525</u>	<u>48,110,610</u>
Expenditures:		
Current:		
Instruction:		
Local grants	1,516,384	1,855,015
State grants	6,559,511	7,255,498
Federal grants	58,693,630	39,000,097
Total expenditures	<u>66,769,525</u>	<u>48,110,610</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, 2010  
With Comparative Totals  
For the Year Ended June 30, 2009

## SCHEDULE OF EXPENDITURES - GAAP BASIS

	2010	2009
Current:		
Instruction:		
Local grants:		
Alaska Railroad Summer Youth Program	\$ --	\$ 32,754
Donations From Local Agencies	818,166	1,488,732
Reading is Fundamental Grant	10,800	9,522
Partners in Homeless Education	339	3,378
Barbara Bush Literacy Grant	20,389	41,739
MOA Recycling Grant	85,497	183,818
State Farm - Raise Your Voice	19,068	--
AT&T Graduation Connection Grant	37,268	--
Cities Readiness H1N1	46,488	--
Clark Community Health Center	15,481	--
Community Partners Diversity	3,676	745
Second Order Prevention Project	459,212	--
Bus Shelter Cleaning Grant	--	25,218
Emergency Response and Crisis Management Grant	--	28,273
Reduce Underage Drinking	--	40,836
Total local grants	<u>1,516,384</u>	<u>1,855,015</u>
State grants:		
Designated Legislative Grants		
Senate Bill 46	12,865	27,562
Senate Bill 53	25,652	107,561
Senate Bill 221	181,788	1,173,564
Senate Bill 231	48,961	153,326
Senate Bill 283	2,452	19,427
Total Designated Legislative Grants	<u>271,718</u>	<u>1,481,440</u>
Contract Schools - Memorandum of Agreement		
Alaska State School for Deaf	316,101	290,817
Safe Routes to the School	44,985	--
Creating Successful Futures	489	70,081
Pre-School Kindergarten Program	142,936	--
Health Career Pathways	28,434	9,007
Providence Heights Grant	130,352	128,962
McLaughlin Equipment and Supplies Funds	6,492	--
Youth in Detention	353,743	362,603
Retirement Systems Employer Relief	5,264,261	4,882,888
Charter Schools Supplemental Grants	--	22,685
Alaska Science and Technology Program	--	336
Salmon in the Classroom Program	--	6,679
Total state grants	<u>6,559,511</u>	<u>7,255,498</u>
Federal grants:		
Title I - No Child Left Behind Act		
District-wide Grant	9,388,632	10,235,465
Summer School Program	692,125	162,091
McLaughlin Youth Center	115,519	115,032
Delinquent and At-Risk Youth Program	178,023	106,398
Highly Qualified Program	9,699	15,621
Professional Development	1,003,141	1,185,205
Parent Involvement Program	76,566	2,819
Supplemental Education Services Program	1,163,103	619,028
School Improvement Program	309,722	213,001
Total Title I - No Child Left Behind Act	<u>12,936,530</u>	<u>12,654,660</u>

For the Year Ended June 30, 2010  
With Comparative Totals  
For the Year Ended June 30, 2009

## SCHEDULE OF EXPENDITURES - GAAP BASIS (Continued)

	2010	2009
Title I - Migrant Education		
District-wide Grant	\$ 836,573	\$ 891,979
Summer Program	498,961	336,233
Book Program	1,930	893
Parent Involvement Program	2,451	2,103
Total Title I - Migrant Education	1,339,915	1,231,208
Title II-A - Professional Development Program	4,187,528	4,940,882
Title II-D - Enhancing Education Through Technology	223,014	280,872
Title III - English Language Acquisition	377,708	439,060
Title IV-A - Safe and Drug Free Schools	392,467	431,491
Title V - Innovative Program	6,839	100,040
Title VI-B - Education of All Handicapped Children Act	15,706,550	10,853,295
Title VII - Indian, Native Hawaiian, and Alaska Native Education	2,349,840	2,094,198
Pre-School Handicapped Grant	277,423	341,143
Reading is Fundamental Grant	32,058	28,565
Alaska State School for Deaf Program	83,710	44,579
Carl Perkins Vocational Education Basic Grant	1,145,074	1,015,188
Access to Education for Homeless Children Program	33,803	53,885
Community Action Prevention and Intervention Program	182,407	168,609
Charter Schools Grants	14,896	1,009
Reading First Grant	335,291	443,692
Work Investment Act School Youth Program	61,336	73,172
Foreign Language Assistance Program	293,186	194,370
Teaching American History Program	497,340	381,998
Community Centers Learning Program	1,653,063	1,523,983
Alaska Family Directory Website	25,585	30,760
Youth in Detention	4,933	11,762
Advanced Placement for Every Able Learner Grant	26,038	520,036
Alaska Educational Innovations Network Program	49,907	58,864
Excellence in Economic Education Program	(647)	7,316
Alaska Parent Information & Resource Center	127,611	152,333
Emergency Response & Crisis Management Grant	105,901	177,979
Alaska Mentorship Project	314,985	395,710
Cultural Collaboration Project	11,315	--
Alternative Schools Health and Wellness	76,814	--
National Writing Project	10,979	11,624
Presidential Award Program	274	280
Learn & Serve Begich - Community Services	1,535	--
Project Ki'l	308,635	132,210
Project Soar	98,428	97,893
USDA - Fresh Fruit and Vegetable Program	171,400	--
Universal Design Learning	13,244	18,684
Project Puqigtut	339,075	--
Drug and Violence Prevention Program	--	3,497
School Health Program	--	32,591
Safe and Drug Free Schools	--	18,250
Alaskan/Russian Climate	--	30,589
Water Education Festival	--	2,000
Teaching With Primary Sources	--	1,820
American Recovery and Reinvestment Act		
State Fiscal Stabilization Fund	5,360,928	--
Title I - No Child Left Behind Act	4,125,788	--
Title II-A - Professional Development Program	467,718	--
Title VI-B - Education of All Handicapped Children Act	4,885,024	--
McKinney Vento	30,972	--
National School Lunch Program	7,210	--
Total American Recovery and Reinvestment Act	14,877,640	--
Total federal grants	58,693,630	39,000,097
Total current expenditures	\$ 66,769,525	\$ 48,110,610

For the Year Ended June 30, 2010

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					
Supplies and materials	\$ --	\$ (573)	\$ (573)	\$ --	\$ 573
Donations From Local Agencies					
Personnel services	329,295	--	329,295	335,214	5,919
Employee benefits	62,213	--	62,213	71,704	9,491
Purchased services	60,513	389	60,902	85,195	24,293
Supplies and materials	191,076	3,815	194,891	181,985	(12,906)
Capital outlay	175,069	(2,552)	172,517	208,663	36,146
Total Donations From Local Agencies	818,166	1,652	819,818	882,761	62,943
Reading is Fundamental Grant					
Supplies and materials	10,800	--	10,800	11,341	541
Partners in Homeless Education					
Purchased services	116	(51)	65	--	(65)
Supplies and materials	223	--	223	--	(223)
Total Partners in Homeless Education	339	(51)	288	--	(288)
Barbara Bush Literacy Grant					
Personnel services	1,706	--	1,706	--	(1,706)
Employee benefits	222	--	222	--	(222)
Purchased services	18,405	--	18,405	--	(18,405)
Supplies and materials	56	(56)	--	5,800	5,800
Total Barbara Bush Literacy Grant	20,389	(56)	20,333	5,800	(14,533)
MOA Recycling Grant					
Personnel services	53,386	--	53,386	--	(53,386)
Employee benefits	27,980	--	27,980	--	(27,980)
Purchased services	49	--	49	--	(49)
Capital outlay	4,082	(4,082)	--	--	--
Total MOA Recycling Grant	85,497	(4,082)	81,415	--	(81,415)
State Farm - Raise Your Voice					
Personnel services	949	--	949	8,200	7,251
Employee benefits	290	--	290	1,080	790
Purchased services	12,620	--	12,620	70,856	58,236
Capital outlay	5,209	--	5,209	6,689	1,480
Total State Farm Raise Your Voice	19,068	--	19,068	86,825	67,757
AT&T Graduation Connection Grant					
Purchased services	10,500	--	10,500	15,240	4,740
Supplies and materials	26,768	--	26,768	34,760	7,992
Total AT&T Graduation Connection Grant	37,268	--	37,268	50,000	12,732
Cities Readiness H1N1					
Personnel services	14,603	--	14,603	14,603	--
Employee benefits	1,160	--	1,160	1,160	--
Purchased services	30,725	--	30,725	32,238	1,513
Total Cities Readiness H1N1	46,488	--	46,488	48,001	1,513
Clark Community Health Center					
Personnel services	13,375	--	13,375	20,593	7,218
Employee benefits	1,142	--	1,142	1,837	695
Purchased services	964	--	964	2,570	1,606
Supplies and materials	--	--	--	--	--
Total Clark Community Health Center	15,481	--	15,481	25,000	9,519
Community Partners Diversity Project					
Supplies and materials	3,676	(2,722)	954	--	(954)

(Continued)

For the Year Ended June 30, 2010

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)
Second Order Prevention Project					
Personnel services	\$ 185,608	\$ --	\$ 185,608	\$ 319,694	\$ 134,086
Employee benefits	49,361	--	49,361	72,489	23,128
Purchased services	203,418	60,196	263,614	360,367	96,753
Supplies and materials	20,709	524	21,233	54,330	33,097
Capital outlay	116	--	116	120	4
Total Second Order Prevention Project	459,212	60,720	519,932	807,000	287,068
Cultural Collaboration Project					
Purchased services	--	2,445	2,445	2,445	--
Supplies and materials	--	1,506	1,506	2,555	1,049
Total Cultural Collaboration Project	--	3,951	3,951	5,000	1,049
Contingency					
Purchased Services	--	--	--	16,597,124	16,597,124
Total local grants	1,516,384	58,839	1,575,223	18,518,852	16,943,629
State grants:					
Designated Legislative Grants:					
Senate Bill 46					
Supplies and materials	11,093	--	11,093	--	(11,093)
Capital outlay	1,772	--	1,772	--	(1,772)
Total Senate Bill 46	12,865	--	12,865	--	(12,865)
Senate Bill 53					
Supplies and materials	4,344	1,198	5,542	--	(5,542)
Capital outlay	21,308	(3,477)	17,831	--	(17,831)
Total Senate Bill 53	25,652	(2,279)	23,373	--	(23,373)
Senate Bill 221					
Purchased services	50,961	(2,861)	48,100	--	(48,100)
Supplies and materials	130,827	25,608	156,435	--	(156,435)
Capital outlay	--	--	--	--	--
Total Senate Bill 221	181,788	22,747	204,535	--	(204,535)
Senate Bill 231					
Supplies and materials	17,243	(3,339)	13,904	--	(13,904)
Capital outlay	31,718	(16,839)	14,879	--	(14,879)
Total Senate Bill 231	48,961	(20,178)	28,783	--	(28,783)
Senate Bill 283					
Supplies and materials	2,452	--	2,452	--	(2,452)
Total Designated Legislative Grants	271,718	290	272,008	--	(272,008)
Contract School - Memorandum of Agreement					
Alaska State School for Deaf					
Personnel services	205,165	--	205,165	205,798	633
Employee benefits	64,983	--	64,983	65,123	140
Purchased services	22,242	--	22,242	23,557	1,315
Supplies and materials	23,711	--	23,711	24,522	811
Total Contract School - Memorandum of Agreement Alaska State School for Deaf	316,101	--	316,101	319,000	2,899
Safe Routes to the School					
Purchased services	1,024	--	1,024	26,024	25,000
Supplies and materials	1,570	--	1,570	1,570	--
Capital outlay	42,391	--	42,391	44,295	1,904
Total Safe Routes to the School	44,985	--	44,985	71,889	26,904
Creating Successful Futures					
Personnel services	450	--	450	--	(450)
Employee benefits	39	--	39	--	(39)
Total Creating Successful Futures	489	--	489	--	(489)

For the Year Ended June 30, 2010

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)
<b>Pre-School Kindergarten Program</b>					
Personnel services	\$ 96,614	\$ --	\$ 96,614	\$ 104,902	\$ 8,288
Employee benefits	38,521	--	38,521	40,942	2,421
Purchased services	295	--	295	8,538	8,243
Supplies and materials	7,506	--	7,506	13,302	5,796
Total Pre-School Kindergarten Program	142,936	--	142,936	167,684	24,748
<b>Health Career Pathways</b>					
Purchased services	500	--	500	--	(500)
Supplies and materials	6,570	--	6,570	--	(6,570)
Capital outlay	21,364	--	21,364	--	(21,364)
Total Health Career Pathways	28,434	--	28,434	--	(28,434)
<b>Providence Heights Grant</b>					
Personnel services	96,857	--	96,857	107,886	11,029
Employee benefits	28,698	--	28,698	30,866	2,168
Purchased services	4,797	--	4,797	5,335	538
Supplies and materials	--	--	--	--	--
Capital outlay	--	--	--	913	913
Total Providence Heights Grant	130,352	--	130,352	145,000	14,648
<b>McLaughlin Equipment and Supplies Funds</b>					
Purchased services	--	--	--	551	551
Supplies and materials	5,367	4,285	9,652	4,200	(5,452)
Capital outlay	1,125	823	1,948	10,222	8,274
Total McLaughlin Equipment and Supplies Funds	6,492	5,108	11,600	14,973	3,373
<b>Youth in Detention</b>					
Personnel services	254,130	--	254,130	269,840	15,710
Employee benefits	88,989	--	88,989	90,483	1,494
Personnel services	9,336	--	9,336	13,811	4,475
Supplies and materials	1,288	--	1,288	1,244	(44)
Total Youth in Detention	353,743	--	353,743	375,378	21,635
<b>Retirement Systems Employer Relief</b>					
Employee benefits	5,264,261	--	5,264,261	5,264,261	--
Total state grants	6,559,511	5,398	6,564,909	6,358,185	(206,724)
<b>Federal grants:</b>					
<b>Title I - No Child Left Behind Act</b>					
<b>District-wide Grant</b>					
Personnel services	5,722,239	--	5,722,239	6,264,068	541,829
Employee benefits	2,359,293	--	2,359,293	2,481,964	122,671
Purchased services	505,273	569	505,842	1,377,899	872,057
Supplies and materials	549,142	311	549,453	1,239,020	689,567
Capital outlay	252,685	2,303	254,988	408,236	153,248
Total District-wide Grant	9,388,632	3,183	9,391,815	11,771,187	2,379,372
<b>Summer School Program</b>					
Personnel services	51,184	--	51,184	--	(51,184)
Employee benefits	8,362	--	8,362	--	(8,362)
Purchased services	84,900	--	84,900	--	(84,900)
Supplies and materials	547,679	--	547,679	--	(547,679)
Total Summer School Program	692,125	--	692,125	--	(692,125)
<b>McLaughlin Youth Center</b>					
Personnel services	70,890	--	70,890	74,305	3,415
Employee benefits	34,722	--	34,722	35,564	842
Purchased services	4,250	--	4,250	4,413	163
Supplies and materials	3,657	--	3,657	3,657	--
Capital outlay	2,000	--	2,000	2,000	--
Total McLaughlin Youth Center	115,519	--	115,519	119,939	4,420

For the Year Ended June 30, 2010

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)
<b>Delinquent and At-Risk Youth Program</b>					
Personnel services	\$ 123,337	\$ --	\$ 123,337	\$ 152,776	\$ 29,439
Employee benefits	47,268	--	47,268	52,155	4,887
Purchased services	6,550	--	6,550	24,721	18,171
Supplies and materials	868	--	868	1,000	132
<b>Total Delinquent and At-Risk     Youth Program</b>	<b>178,023</b>	<b>--</b>	<b>178,023</b>	<b>230,652</b>	<b>52,629</b>
<b>Highly Qualified Program</b>					
Personnel services	8,460	--	8,460	8,580	120
Employee benefits	1,159	--	1,159	1,225	66
Purchased services	45	--	45	5,000	4,955
Supplies and materials	35	--	35	35	--
<b>Total Highly Qualified Program</b>	<b>9,699</b>	<b>--</b>	<b>9,699</b>	<b>14,840</b>	<b>5,141</b>
<b>Professional Development</b>					
Personnel services	441,215	--	441,215	668,592	227,377
Employee benefits	138,982	--	138,982	168,667	29,685
Purchased services	406,927	(2,751)	404,176	682,059	277,883
Supplies and materials	15,156	--	15,156	18,916	3,760
Capital outlay	861	--	861	861	--
<b>Total Professional Development</b>	<b>1,003,141</b>	<b>(2,751)</b>	<b>1,000,390</b>	<b>1,539,095</b>	<b>538,705</b>
<b>Parent Involvement Program</b>					
Personnel services	22,234	--	22,234	37,415	15,181
Employee benefits	8,746	--	8,746	11,795	3,049
Purchased services	3,930	--	3,930	14,304	10,374
Supplies and materials	41,536	--	41,536	63,492	21,956
Capital outlay	120	--	120	3,369	3,249
<b>Total Parent Involvement Program</b>	<b>76,566</b>	<b>--</b>	<b>76,566</b>	<b>130,375</b>	<b>53,809</b>
<b>Supplemental Education Services Program</b>					
Personnel services	270,603	--	270,603	434,176	163,573
Employee benefits	41,436	--	41,436	70,964	29,528
Purchased services	832,367	(8,178)	824,189	841,720	17,531
Supplies and materials	15,873	840	16,713	29,133	12,420
Capital outlay	2,824	--	2,824	2,824	--
<b>Total Supplemental Education     Services Program</b>	<b>1,163,103</b>	<b>(7,338)</b>	<b>1,155,765</b>	<b>1,378,817</b>	<b>223,052</b>
<b>School Improvement Program</b>					
Personnel services	175,272	--	175,272	292,578	117,306
Employee benefits	24,197	--	24,197	41,368	17,171
Purchased services	19,856	--	19,856	35,954	16,098
Supplies and materials	47,160	(76)	47,084	96,117	49,033
Capital outlay	43,237	--	43,237	67,623	24,386
<b>Total School Improvement Program</b>	<b>309,722</b>	<b>(76)</b>	<b>309,646</b>	<b>533,640</b>	<b>223,994</b>
<b>Total Title I - No Child Left Behind Act</b>	<b>12,936,530</b>	<b>(6,982)</b>	<b>12,929,548</b>	<b>15,718,545</b>	<b>2,788,997</b>
<b>Title I - Migrant Education</b>					
<b>District-wide Grant</b>					
Personnel services	467,928	--	467,928	551,564	83,636
Employee benefits	232,103	--	232,103	219,210	(12,893)
Purchased services	87,405	--	87,405	97,012	9,607
Supplies and materials	45,266	--	45,266	46,990	1,724
Capital outlay	3,871	--	3,871	3,960	89
<b>Total District-wide Grant</b>	<b>836,573</b>	<b>--</b>	<b>836,573</b>	<b>918,736</b>	<b>82,163</b>
<b>Summer Program</b>					
Personnel services	242,496	--	242,496	255,976	13,480
Employee benefits	52,339	--	52,339	70,024	17,685
Purchased services	71,090	39,425	110,515	124,275	13,760
Supplies and materials	52,178	19,508	71,686	62,600	(9,086)
Capital outlay	80,858	(10,747)	70,111	414,200	344,089
<b>Total Summer Program</b>	<b>498,961</b>	<b>48,186</b>	<b>547,147</b>	<b>927,075</b>	<b>379,928</b>

For the Year Ended June 30, 2010

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)
Book Program					
Supplies and materials	\$ 1,930	\$ --	\$ 1,930	\$ 1,933	\$ 3
Parent Involvement Program					
Purchased services	2,451	--	2,451	5,000	2,549
Total Title I - Migrant Education	1,339,915	48,186	1,388,101	1,852,744	464,643
Title II-A - Professional Development Program					
Personnel services	2,841,219	--	2,841,219	3,049,976	208,757
Employee benefits	1,103,802	--	1,103,802	1,155,525	51,723
Purchased services	212,375	--	212,375	224,791	12,416
Supplies and materials	--	--	--	30,501	30,501
Capital outlay	30,132	--	30,132	--	(30,132)
Total Title II-A - Professional Development Program	4,187,528	--	4,187,528	4,460,793	273,265
Title II-D - Enhancing Education Through Technology					
Personnel services	91,338	--	91,338	158,087	66,749
Employee benefits	31,683	--	31,683	41,505	9,822
Purchased services	72,432	--	72,432	125,214	52,782
Supplies and materials	11,868	--	11,868	18,214	6,346
Capital outlay	15,693	--	15,693	15,704	11
Total Title II-D - Enhancing Education Through Technology	223,014	--	223,014	358,724	135,710
Title III - English Language Acquisition					
Personnel services	185,237	--	185,237	234,094	48,857
Employee benefits	49,710	--	49,710	59,288	9,578
Purchased services	60,346	--	60,346	77,379	17,033
Supplies and materials	81,790	--	81,790	136,564	54,774
Capital outlay	625	--	625	635	10
Total Title III - English Language Acquisition	377,708	--	377,708	507,960	130,252
Title IV-A - Safe and Drug Free Schools					
Personnel services	281,366	--	281,366	342,403	61,037
Employee benefits	86,620	--	86,620	94,975	8,355
Purchased services	14,858	--	14,858	37,100	22,242
Supplies and materials	9,280	(473)	8,807	7,721	(1,086)
Capital outlay	343	(330)	13	3,000	2,987
Total Title IV-A - Safe and Drug Free Schools	392,467	(803)	391,664	485,199	93,535
Title V - Innovative Program					
Personnel services	6,300	--	6,300	6,309	9
Employee benefits	539	--	539	539	--
Total Title V - Innovative Program	6,839	--	6,839	6,848	9
Title VI-B - Education of All Handicapped Children Act					
Personnel services	9,186,621	--	9,186,621	10,101,265	914,644
Employee benefits	4,584,443	--	4,584,443	4,986,495	402,052
Purchased services	1,490,250	--	1,490,250	1,820,917	330,667
Supplies and materials	214,915	(32)	214,883	262,915	48,032
Capital outlay	230,321	--	230,321	293,502	63,181
Total Title VI-B - Education of All Handicapped Children Act	15,706,550	(32)	15,706,518	17,465,094	1,758,576
Title VII - Indian, Native Hawaiian, and Alaska Native Education					
Personnel services	1,314,114	--	1,314,114	1,271,262	(42,852)
Employee benefits	710,179	--	710,179	707,230	(2,949)
Purchased services	175,400	15,253	190,653	180,404	(10,249)
Supplies and materials	72,404	5,477	77,881	59,321	(18,560)
Capital outlay	77,743	(1,844)	75,899	26,500	(49,399)
Total Title VII - Indian, Native Hawaiian, and Alaska Native Education	2,349,840	18,886	2,368,726	2,244,717	(124,009)

For the Year Ended June 30, 2010

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)
Pre-School Handicapped Grant					
Personnel services	\$ 164,643	\$ --	\$ 164,643	\$ 207,408	\$ 42,765
Employee benefits	91,188	--	91,188	93,316	2,128
Purchased services	10,208	--	10,208	18,501	8,293
Supplies and materials	11,384	--	11,384	78,871	67,487
Total Pre-School Handicapped Grant	277,423	--	277,423	398,096	120,673
Reading is Fundamental Grant					
Supplies and materials	32,058	--	32,058	32,106	48
Alaska State School for Deaf Program					
Personnel services	35,377	--	35,377	44,500	9,123
Employee benefits	7,075	--	7,075	9,780	2,705
Purchased services	38,824	3,300	42,124	61,158	19,034
Supplies and materials	2,434	--	2,434	3,400	966
Total Alaska State School for Deaf Program	83,710	3,300	87,010	118,838	31,828
Carl Perkins Vocational Education Basic Grant					
Personnel services	234,210	--	234,210	264,500	30,290
Employee benefits	26,577	--	26,577	23,912	(2,665)
Purchased services	266,711	--	266,711	301,346	34,635
Supplies and materials	202,452	(58)	202,394	224,403	22,009
Capital outlay	415,124	(6,290)	408,834	429,118	20,284
Total Carl Perkins Vocational Education Basic Grant	1,145,074	(6,348)	1,138,726	1,243,279	104,553
Access to Education for Homeless Children Program					
Personnel services	2,878	--	2,878	5,000	2,122
Employee benefits	303	--	303	427	124
Purchased services	9,756	4,445	14,201	14,800	599
Supplies and materials	20,866	--	20,866	26,119	5,253
Total Access to Education for Homeless Children Program	33,803	4,445	38,248	46,346	8,098
Community Action Prevention and Intervention Program					
Personnel services	125,308	--	125,308	125,310	2
Employee benefits	40,587	--	40,587	40,800	213
Purchased services	14,270	--	14,270	14,352	82
Supplies and materials	2,242	--	2,242	4,059	1,817
Total Community Action Prevention and Intervention Program	182,407	--	182,407	184,521	2,114
Charter Schools Grants					
Personnel services	2,250	--	2,250	--	(2,250)
Employee benefits	202	--	202	--	(202)
Purchased services	12,254	--	12,254	--	(12,254)
Supplies and materials	190	--	190	--	(190)
Total Charter Schools Grants	14,896	--	14,896	--	(14,896)
Reading First Grant					
Personnel services	88,975	--	88,975	88,975	--
Employee benefits	20,997	--	20,997	20,983	(14)
Purchased services	24,064	--	24,064	24,811	747
Supplies and materials	106,562	--	106,562	109,315	2,753
Capital outlay	94,693	--	94,693	103,898	9,205
Total Reading First Grant	335,291	--	335,291	347,982	12,691
Work Investment Act School Youth Program					
Personnel services	49,366	--	49,366	52,778	3,412
Employee benefits	5,543	--	5,543	6,496	953
Purchased services	2,257	--	2,257	2,487	230
Supplies and materials	4,170	--	4,170	5,825	1,655
Total Work Investment Act School Youth Program	61,336	--	61,336	67,586	6,250

For the Year Ended June 30, 2010

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)
Foreign Language Assistance Program					
Personnel services	\$ 134,601	\$ --	\$ 134,601	\$ 132,642	\$ (1,959)
Employee benefits	36,045	--	36,045	35,957	(88)
Purchased services	78,385	7,488	85,873	60,514	(25,359)
Supplies and materials	27,505	6,291	33,796	15,523	(18,273)
Capital outlay	16,650	--	16,650	12,470	(4,180)
Total Foreign Language Assistance Program	293,186	13,779	306,965	257,106	(49,859)
Teaching American History Program					
Personnel services	152,436	--	152,436	--	(152,436)
Employee benefits	52,713	--	52,713	--	(52,713)
Purchased services	234,848	22,572	257,420	--	(257,420)
Supplies and materials	57,277	--	57,277	--	(57,277)
Capital outlay	66	--	66	--	(66)
Total Teaching American History Program	497,340	22,572	519,912	--	(519,912)
Community Centers Learning Program					
Personnel services	1,096,859	--	1,096,859	1,241,936	145,077
Employee benefits	405,958	--	405,958	451,921	45,963
Purchased services	119,698	--	119,698	137,180	17,482
Supplies and materials	22,386	--	22,386	33,400	11,014
Capital outlay	8,162	--	8,162	10,658	2,496
Total Community Centers Learning Program	1,653,063	--	1,653,063	1,875,095	222,032
Alaska Family Directory Website					
Personnel services	14,990	--	14,990	15,560	570
Employee benefits	4,110	--	4,110	4,575	465
Purchased services	4,123	--	4,123	5,747	1,624
Supplies and materials	1,818	--	1,818	5,728	3,910
Capital outlay	544	--	544	390	(154)
Total Alaska Family Directory Website	25,585	--	25,585	32,000	6,415
Youth in Detention					
Personnel services	800	--	800	800	--
Employee benefits	118	--	118	119	1
Purchased services	181	--	181	239	58
Supplies and materials	3,834	--	3,834	5,342	1,508
Total Youth in Detention	4,933	--	4,933	6,500	1,567
Advanced Placement for Every Able Learner					
Purchased services	926	--	926	--	(926)
Supplies and materials	14,290	(14,315)	(25)	--	25
Capital outlay	10,822	(10,822)	--	--	--
Total Advanced Placement for Every Able Learner	26,038	(25,137)	901	--	(901)
Alaska Educational Innovations Network Program					
Personnel services	38,185	--	38,185	104,158	65,973
Employee benefits	5,291	--	5,291	9,071	3,780
Purchased services	2,016	--	2,016	4,735	2,719
Supplies and materials	4,415	--	4,415	5,284	869
Total Alaska Educational Innovation Network Program	49,907	--	49,907	123,248	73,341
Excellence in Economic Education Program					
Personnel services	373	--	373	--	(373)
Employee benefits	55	--	55	--	(55)
Purchased services	54	--	54	--	(54)
Supplies and materials	(1,129)	--	(1,129)	--	1,129
Total Excellence in Economic Education Program	(647)	--	(647)	--	647

For the Year Ended June 30, 2010

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 and Resource Center					
Personnel services	\$ 70,409	\$ --	\$ 70,409	\$ 100,843	\$ 30,434
Employee benefits	44,649	--	44,649	47,150	2,501
Purchased services	12,500	(12,500)	--	--	--
Supplies and materials	53	--	53	3,052	2,999
Total Alaska Parent Information and Resource Center	127,611	(12,500)	115,111	151,045	35,934
Emergency Response and Crisis Management					
Personnel services	47,419	--	47,419	--	(47,419)
Employee benefits	6,803	--	6,803	--	(6,803)
Purchased services	51,679	(47,782)	3,897	--	(3,897)
Total for Emergency Response and Crisis Management Grant	105,901	(47,782)	58,119	--	(58,119)
Alaska Mentorship Project					
Personnel services	242,160	--	242,160	239,632	(2,528)
Employee benefits	72,825	--	72,825	75,354	2,529
Total Alaska Mentorship Project	314,985	--	314,985	314,986	1
Cultural Collaboration Project					
Personnel services	1,000	--	1,000	1,000	--
Employee benefits	150	--	150	150	--
Purchased services	9,797	--	9,797	9,753	(44)
Supplies and materials	368	--	368	1,431	1,063
Total Cultural Collaboration Project	11,315	--	11,315	12,334	1,019
Alternative Schools Health and Wellness					
Personnel services	32,458	--	32,458	32,505	47
Employee benefits	5,549	--	5,549	5,586	37
Purchased services	14,852	(3,000)	11,852	15,980	4,128
Supplies and materials	14,520	(226)	14,294	14,712	418
Capital outlay	9,435	--	9,435	9,435	--
Total Alternative Schools Health and Wellness	76,814	(3,226)	73,588	78,218	4,630
National Writing Project					
Personnel services	9,700	--	9,700	9,700	--
Employee benefits	1,279	--	1,279	1,279	--
Purchased services	--	--	--	1,521	1,521
Total National Writing Project	10,979	--	10,979	12,500	1,521
Presidential Award Program					
Supplies and materials	274	(274)	--	--	--
Learn and Serve Begich - Community Services					
Supplies and materials	126	--	126	126	--
Capital outlay	1,409	--	1,409	1,409	--
Total Learn and Serve Begich - Community Services	1,535	--	1,535	1,535	--
Project Ki'l					
Personnel services	136,007	--	136,007	349,305	213,298
Employee benefits	54,003	--	54,003	98,155	44,152
Purchased services	79,774	16,169	95,943	247,211	151,268
Supplies and materials	32,783	4,205	36,988	61,218	24,230
Capital outlay	6,068	2,729	8,797	8,450	(347)
Total Project Ki'l	308,635	23,103	331,738	764,339	432,601
Project Soar					
Personnel services	73,868	--	73,868	41,274	(32,594)
Employee benefits	22,460	--	22,460	13,702	(8,758)
Purchased services	2,100	--	2,100	2,101	1
Total Project Soar	98,428	--	98,428	57,077	(41,351)

For the Year Ended June 30, 2010

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)
USDA Fruit and Vegetables					
Supplies and materials	\$ 171,400	\$ --	\$ 171,400	\$ 258,800	\$ 87,400
Universal Design Learning					
Personnel services	9,990	--	9,990	11,500	1,510
Employee benefits	1,394	--	1,394	1,713	319
Purchased services	1,860	--	1,860	1,687	(173)
Supplies and materials	--	455	455	500	45
Total Universal Design Learning	13,244	455	13,699	15,400	1,701
Project Puqigtut					
Personnel services	108,788	--	108,788	182,759	73,971
Employee benefits	46,404	--	46,404	108,786	62,382
Purchased services	50,013	5,777	55,790	87,117	31,327
Supplies and materials	60,786	--	60,786	62,609	1,823
Capital outlay	73,084	2,925	76,009	80,231	4,222
Total Project Puqigtut	339,075	8,702	347,777	521,502	173,725
American Recovery and Reinvestment Act					
State Fiscal Stabilization Fund					
Personnel services	1,822,379	--	1,822,379	2,889,758	1,067,379
Employee benefits	670,074	--	670,074	883,892	213,818
Purchased services	282,819	2,159,065	2,441,884	9,453,527	7,011,643
Supplies and materials	379,966	599,431	979,397	2,815,321	1,835,924
Capital outlay	2,205,690	9,899,836	12,105,526	14,237,578	2,132,052
Total Fiscal Stabilization Fund	5,360,928	12,658,332	18,019,260	30,280,076	12,260,816
Title II-D - Enhancing Education Through Technology					
Personnel services	52,228	--	52,228	123,936	71,708
Employee benefits	20,578	--	20,578	43,872	23,294
Purchased services	14,657	--	14,657	20,170	5,513
Supplies and materials	378,502	7,992	386,494	408,274	21,780
Capital outlay	1,753	--	1,753	1,753	--
Title II-D - Enhancing Education Through Technology	467,718	7,992	475,710	598,005	122,295
Title VI-B - Education of All Handicapped					
Personnel services	2,509,319	--	2,509,319	5,370,277	2,860,958
Employee benefits	645,541	--	645,541	2,086,024	1,440,483
Purchased services	861,326	944,596	1,805,922	4,281,759	2,475,837
Supplies and materials	722,792	66	722,858	806,295	83,437
Capital outlay	146,046	342	146,388	164,238	17,850
Title VI-B - Education of All Handicapped	4,885,024	945,004	5,830,028	12,708,593	6,878,565
Title I -No Child Left Behind Act					
Personnel services	2,155,917	10	2,155,927	5,503,292	3,347,365
Employee benefits	771,826	32	771,858	1,590,463	818,605
Purchased services	321,343	7,904	329,247	2,082,555	1,753,308
Supplies and materials	474,356	78,409	552,765	1,066,124	513,359
Capital outlay	402,346	--	402,346	652,600	250,254
Title I -No Child Left Behind Act	4,125,788	86,355	4,212,143	10,895,034	6,682,891
McKinney Vento					
Personnel services	13,653	--	13,653	18,750	5,097
Employee benefits	1,767	--	1,767	2,508	741
Purchased services	8,184	--	8,184	71,546	63,362
Supplies and materials	7,368	--	7,368	7,368	--
Total McKinney Vento	30,972	--	30,972	100,172	69,200
National School Lunch Program					
Capital outlay	7,210	--	7,210	7,210	--
Total American Recovery and Reinvestment	14,409,922	13,689,691	28,099,613	53,991,085	25,891,472
Total federal grants	58,693,630	13,738,027	72,431,657	104,610,153	32,178,496
Total current expenditures	\$ 66,769,525	\$ 13,802,264	\$ 80,571,789	\$ 129,487,190	\$ 48,915,401

For the Year Ended June 30, 2010

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:						
Donations From						
Local Agencies	\$ 329,295	\$ 62,213	\$ 60,513	\$ 191,076	\$ 175,069	\$ 818,166
Reading is Fundamental Grant	--	--	--	10,800	--	10,800
Partners in Homeless Education	--	--	116	223	--	339
Barbara Bush Literacy Grant	1,706	222	18,405	56	--	20,389
MOA Recycling Grant	53,386	27,980	49	--	4,082	85,497
State Farm - Raise Your Voice	949	290	12,620	--	5,209	19,068
AT&T Graduation Connection Grant	--	--	10,500	26,768	--	37,268
Cities Readiness HINI	14,603	1,160	30,725	--	--	46,488
Clark Community Health Center	13,375	1,142	964	--	--	15,481
Community Partners Diversity Project	--	--	--	3,676	--	3,676
Second Order Prevention Project	185,608	49,361	203,418	20,709	116	459,212
Total local grants	598,922	142,368	337,310	253,308	184,476	1,516,384
State grants:						
Designated Legislative Grants						
Senate Bill 46	--	--	--	11,093	1,772	12,865
Senate Bill 53	--	--	--	4,344	21,308	25,652
Senate Bill 221	--	--	50,961	130,827	--	181,788
Senate Bill 231	--	--	--	17,243	31,718	48,961
Senate Bill 283	--	--	--	2,452	--	2,452
Total Designated Legislative Grants	--	--	50,961	165,959	54,798	271,718
Contract Schools - Memorandum of Agreement						
Alaska State School for Deaf	205,165	64,983	22,242	23,711	--	316,101
Safe Routes to the School	--	--	1,024	1,570	42,391	44,985
Creating Successful Futures	450	39	--	--	--	489
Pre-School Kindergarten Program	96,614	38,521	295	7,506	--	142,936
Health Career Pathways	--	--	500	6,570	21,364	28,434
Providence Heights Grant	96,857	28,698	4,797	--	--	130,352
McLaughlin Equipment and Supplies Funds	--	--	--	5,367	1,125	6,492
Youth in Detention	254,130	88,989	9,336	1,288	--	353,743
Retirement Systems Employer Relief	--	5,264,261	--	--	--	5,264,261
Total state grants	653,216	5,485,491	89,155	211,971	119,678	6,559,511
Federal grants:						
Title I - No Child Left Behind Act						
District-wide Grant	5,722,239	2,359,293	505,273	549,142	252,685	9,388,632
Summer School Program	51,184	8,362	84,900	547,679	--	692,125
McLaughlin Youth Center	70,890	34,722	4,250	3,657	2,000	115,519
Delinquent and At-Risk Youth Program	123,337	47,268	6,550	868	--	178,023
Highly Qualified Program	8,460	1,159	45	35	--	9,699
Professional Development	441,215	138,982	406,927	15,156	861	1,003,141
Parent Involvement Program	22,234	8,746	3,930	41,536	120	76,566
Supplemental Education Services Program	270,603	41,436	832,367	15,873	2,824	1,163,103
School Improvement Program	175,272	24,197	19,856	47,160	43,237	309,722
Total Title I - No Child Left Behind Act	6,885,434	2,664,165	1,864,098	1,221,106	301,727	12,936,530

(Continued)

For the Year Ended June 30, 2010

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

	Personnel Services	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Total
Title I - Migrant Education						
District-wide Grant	\$ 467,928	\$ 232,103	\$ 87,405	\$ 45,266	\$ 3,871	\$ 836,573
Summer Program	242,496	52,339	71,090	52,178	80,858	498,961
Book Program	--	--	--	1,930	--	1,930
Parent Involvement Program	--	--	2,451	--	--	2,451
Total Title I -Migrant Education	710,424	284,442	160,946	99,374	84,729	1,339,915
Title II-A - Professional Development Program	2,841,219	1,103,802	212,375	--	30,132	4,187,528
Title II-D - Enhancing Education Through Technology	91,338	31,683	72,432	11,868	15,693	223,014
Title III - English Language Acquisition	185,237	49,710	60,346	81,790	625	377,708
Title IV-A - Safe and Drug Free Schools	281,366	86,620	14,858	9,280	343	392,467
Title V - Innovative Program	6,300	539	--	--	--	6,839
Title VI-B - Education of All Handicapped Children Act	9,186,621	4,584,443	1,490,250	214,915	230,321	15,706,550
Title VII - Indian, Native Hawaiian, and Alaska Native Education	1,314,114	710,179	175,400	72,404	77,743	2,349,840
Pre-School Handicapped Grant	164,643	91,188	10,208	11,384	--	277,423
Reading is Fundamental Grant	--	--	--	32,058	--	32,058
Alaska State School for Deaf Program	35,377	7,075	38,824	2,434	--	83,710
Carl Perkins Vocational Education Basic Grant	234,210	26,577	266,711	202,452	415,124	1,145,074
Access to Education for Homeless Children Program	2,878	303	9,756	20,866	--	33,803
Community Action Prevention and Intervention Program	125,308	40,587	14,270	2,242	--	182,407
Charter Schools Grants	2,250	202	12,254	190	--	14,896
Reading First Grant	88,975	20,997	24,064	106,562	94,693	335,291
Work Investment Act School Youth Program	49,366	5,543	2,257	4,170	--	61,336
Foreign Language Assistance Program	134,601	36,045	78,385	27,505	16,650	293,186
Teaching American History Program	152,436	52,713	234,848	57,277	66	497,340
Community Centers Learning Program	1,096,859	405,958	119,698	22,386	8,162	1,653,063
Alaska Family Directory Website	14,990	4,110	4,123	1,818	544	25,585
Youth in Detention	800	118	181	3,834	--	4,933
Advanced Placement for Every Able Learner Grant	--	--	926	14,290	10,822	26,038
Alaska Educational Innovations Network Program	38,185	5,291	2,016	4,415	--	49,907
Excellence in Economic Education Program	373	55	54	(1,129)	--	(647)
Alaska Parent Information & Resource Center	70,409	44,649	12,500	53	--	127,611
Emergency Response & Crisis Management Grant	47,419	6,803	51,679	--	--	105,901
Alaska Mentorship Project	242,160	72,825	--	--	--	314,985
Cultural Collaboration Project	1,000	150	9,797	368	--	11,315
Alternative School Health and Wellness	32,458	5,549	14,852	14,520	9,435	76,814
National Writing Project	9,700	1,279	--	--	--	10,979
President Award Program	--	--	--	274	--	274
Learn & Serve Begich - Community Services	--	--	--	126	1,409	1,535
Project Ki'i	136,007	54,003	79,774	32,783	6,068	308,635
Project Soar	73,868	22,460	2,100	--	--	98,428
USDA Fruit and Vegetables	--	--	--	171,400	--	171,400
Universal Design Learning	9,990	1,394	1,860	--	--	13,244

(Continued)

For the Year Ended June 30, 2010

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

	Personnel Services	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Total
Project Puqigtut	\$ 108,788	\$ 46,404	\$ 50,013	\$ 60,786	\$ 73,084	\$ 339,075
American Recovery and Reinvestment Act						
State Fiscal Stabilization Fund	1,822,379	670,074	282,819	379,966	2,205,690	5,360,928
Title I - No Child Left Behind	2,155,917	771,826	321,343	474,356	402,346	4,125,788
Title II-D - Enhancing Education Through Technology	52,228	20,578	14,657	378,502	1,753	467,718
Title VI-B - Education of All Handicapped Children Act	2,509,319	645,541	861,326	722,792	146,046	4,885,024
McKinney Vento	13,653	1,767	8,184	7,368	--	30,972
National School Lunch Program	--	--	--	--	7,210	7,210
Total American Recovery and Reinvestment Act	6,553,496	2,109,786	1,488,329	1,962,984	2,763,045	14,877,640
Total federal grants	30,928,599	12,577,647	6,580,184	4,466,785	4,140,415	58,693,630
Total current expenditures	\$ 32,180,737	\$ 18,205,506	\$ 7,006,649	\$ 4,932,064	\$ 4,444,569	\$ 66,769,525

June 30, 2010  
With Comparative Totals for  
June 30, 2009

## COMBINING BALANCE SHEET

	Food Service	Student Activity	Totals	
			2010	2009
<b>Assets</b>				
Cash and investments, at cost	\$ --	\$ 2,295,446	\$ 2,295,446	\$ 2,345,837
Accounts receivable	58,751	8,109	66,860	53,605
Interest receivable	--	1,822	1,822	2,002
Due from General Fund	2,275,584	1,493,354	3,768,938	2,873,310
Due from State of Alaska	132,176	--	132,176	122,315
Prepaid items	695	4,376	5,071	23,602
U.S.D.A. food commodities, at U.S.D.A. allocated value	96,273	--	96,273	150,643
Inventory, at weighted average cost	721,835	--	721,835	832,622
<b>Total assets</b>	<b>\$ 3,285,314</b>	<b>\$ 3,803,107</b>	<b>\$ 7,088,421</b>	<b>\$ 6,403,936</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 22,078	\$ 10,164	\$ 32,242	\$ 45,668
Due to General Fund	--	57,483	57,483	41,125
Accrued salaries and related items:				
Wages and salaries payable	28,453	--	28,453	26,825
Payroll taxes, other accrued and withheld items	24,380	--	24,380	38,349
Unearned revenue	270,219	--	270,219	323,197
<b>Total liabilities</b>	<b>345,130</b>	<b>67,647</b>	<b>412,777</b>	<b>475,164</b>
Fund balance:				
Reserved:				
Encumbrances	225,564	--	225,564	3,221
Inventory	721,835	--	721,835	832,622
Prepaid items	695	4,376	5,071	23,602
Unreserved:				
Designated for accrued compensated absences	312,584	--	312,584	331,105
Undesignated	1,679,506	3,731,084	5,410,590	4,738,222
<b>Total fund balances</b>	<b>2,940,184</b>	<b>3,735,460</b>	<b>6,675,644</b>	<b>5,928,772</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,285,314</b>	<b>\$ 3,803,107</b>	<b>\$ 7,088,421</b>	<b>\$ 6,403,936</b>

For the Year Ended June 30, 2010  
With Comparative Totals  
For the Year Ended June 30, 2009

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

	Food Service	Student Activity	Totals	
			2010	2009
<b>Revenues:</b>				
Revenues from local sources	\$ 4,586,647	\$ 7,450,168	\$ 12,036,815	\$ 12,070,352
Revenues from state sources	288,364	31,938	320,302	682,267
Revenues from federal sources	12,495,037	--	12,495,037	10,984,019
Total revenues	<u>17,370,048</u>	<u>7,482,106</u>	<u>24,852,154</u>	<u>23,736,638</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction	--	7,410,540	7,410,540	6,844,985
Food services	<u>16,694,742</u>	<u>--</u>	<u>16,694,742</u>	<u>16,594,195</u>
Total expenditures	<u>16,694,742</u>	<u>7,410,540</u>	<u>24,105,282</u>	<u>23,439,180</u>
Excess of revenues over expenditures	675,306	71,566	746,872	297,458
Fund balances at beginning of year	<u>2,264,878</u>	<u>3,663,894</u>	<u>5,928,772</u>	<u>5,631,314</u>
Fund balances at end of year	<u>\$ 2,940,184</u>	<u>\$ 3,735,460</u>	<u>\$ 6,675,644</u>	<u>\$ 5,928,772</u>

June 30, 2010  
With Comparative Totals for  
June 30, 2009

**BALANCE SHEET**

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Cash and investments, at cost	\$ --	\$ 600
Accounts receivable	58,751	45,496
Due from General Fund	2,275,584	1,502,280
Due from State of Alaska	132,176	122,315
Prepaid items	695	23,602
U.S.D.A. food commodities, at U.S.D.A. allocated value	96,273	150,643
Inventory, at weighted average cost	<u>721,835</u>	<u>832,622</u>
<b>Total assets</b>	<b><u>\$ 3,285,314</u></b>	<b><u>\$ 2,677,558</u></b>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 22,078	\$ 24,309
Accrued salaries and related items:		
Wages and salaries payable	28,453	26,825
Payroll taxes, other accrued and withheld items	24,380	38,349
Unearned revenue:		
Prepaid meal charges	173,946	172,554
U.S.D.A. food commodities	<u>96,273</u>	<u>150,643</u>
<b>Total liabilities</b>	<b><u>345,130</u></b>	<b><u>412,680</u></b>
Fund balance:		
Reserved:		
Encumbrances	225,564	3,221
Inventory	721,835	832,622
Prepaid items	695	23,602
Unreserved:		
Designated for accrued compensated absences	312,584	331,105
Undesignated	<u>1,679,506</u>	<u>1,074,328</u>
<b>Total fund balance</b>	<b><u>2,940,184</u></b>	<b><u>2,264,878</u></b>
<b>Total liabilities and fund balance</b>	<b><u>\$ 3,285,314</u></b>	<b><u>\$ 2,677,558</u></b>

For the Year Ended June 30, 2010  
 With Comparative Totals  
 For the Year Ended June 30, 2009

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

	<u>2010</u>	<u>2009</u>
<b>Revenues:</b>		
Revenues from local sources:		
Lunch sales - student	\$ 2,854,711	\$ 3,101,173
Lunch sales - adult	32,329	62,789
Breakfast program	169,837	162,447
Milk program	71,482	87,592
A la carte program	1,241,874	1,401,884
Special meals	99,223	95,386
Other revenues	117,191	97,043
Total revenues from local sources	<u>4,586,647</u>	<u>5,008,314</u>
Revenues from state sources:		
Retirement system employer relief	<u>288,364</u>	<u>643,508</u>
Revenues from federal sources:		
Type A lunch program - reimbursement	9,789,461	8,656,593
Breakfast program - reimbursement	1,952,085	1,596,621
After school snack program - reimbursement	160,772	137,817
United States Department of Agriculture commodities	592,719	481,477
Fresh Fruits and Vegetable Program - USDA	--	111,511
Total revenues from federal sources	<u>12,495,037</u>	<u>10,984,019</u>
Total revenues	<u>17,370,048</u>	<u>16,635,841</u>
<b>Expenditures:</b>		
Current:		
Food services:		
General administration	1,270,821	1,277,826
Kitchens and food center	14,045,987	13,881,246
Delivery	1,377,934	1,435,123
Total expenditures	<u>16,694,742</u>	<u>16,594,195</u>
Excess of revenues over expenditures	675,306	41,646
Fund balance at beginning of year	<u>2,264,878</u>	<u>2,223,232</u>
Fund balance at end of year	<u>\$ 2,940,184</u>	<u>\$ 2,264,878</u>

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

For the Year Ended June 30, 2010

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
<b>Revenues:</b>						
Revenues from local sources:						
Lunch sales - student	\$ 2,854,711	\$ --	\$ 2,854,710	\$ 3,288,403	\$ 3,288,403	\$ (433,693)
Lunch sales - adult	32,329	--	32,329	82,897	82,897	(50,568)
Breakfast program	169,837	--	169,837	170,419	170,419	(582)
Milk program	71,482	--	71,482	80,396	80,396	(8,914)
A la carte program	1,241,874	--	1,241,874	1,542,732	1,542,732	(300,858)
Special meals	99,223	--	99,223	119,826	119,826	(20,603)
Other revenues	117,191	--	117,191	--	--	117,191
Total revenue from local sources	4,586,647	--	4,586,646	5,284,673	5,284,673	(698,027)
Revenues from state sources:						
Retirement system employer relief	288,364	--	288,364	300,000	300,000	(11,636)
Revenues from federal sources:						
Type A lunch program - reimbursement	9,789,461	--	9,789,461	8,894,914	9,044,914	744,547
Breakfast program - reimbursement	1,952,085	--	1,952,085	1,760,095	1,760,095	191,990
After school snack program - reimbursement	160,772	--	160,772	149,326	149,326	11,446
United States Department of Agriculture commodities	592,719	--	592,719	438,992	438,992	153,727
Total revenue from federal sources	12,495,037	--	12,495,037	11,243,327	11,393,327	1,101,710
Total revenues	17,370,048	--	17,370,047	16,828,000	16,978,000	392,047
<b>Expenditures:</b>						
Current:						
Food services						
General administration						
Personnel services	392,979	--	392,979	667,239	458,632	65,653
Employee benefits	240,404	--	240,404	273,349	277,236	36,832
Purchased services	626,990	9,994	636,984	624,151	624,151	(12,833)
Supplies and materials	9,462	102	9,564	11,000	11,000	1,436
Capital outlay	986	--	986	6,380	21,961	20,975
Total general administration	1,270,821	10,096	1,280,917	1,582,119	1,392,980	112,063
Kitchens and food center						
Personnel services	4,217,876	--	4,217,876	4,097,829	4,220,986	3,110
Employee benefits	3,278,736	--	3,278,736	3,294,445	3,346,492	67,756
Purchased services	305,554	48,453	354,007	388,541	388,541	34,534
Supplies and materials	6,188,262	5,388	6,193,650	5,871,192	5,871,192	(322,458)
Capital outlay	54,834	150,188	205,022	56,053	217,390	12,368
Others	725	--	725	7,000	7,000	6,275
Total kitchens and food center	14,045,987	204,029	14,250,016	13,715,060	14,051,601	(198,415)

(Continued)

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

For the Year Ended June 30, 2010

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Delivery:						
Personnel services	\$ 791,660	\$ --	\$ 791,660	\$ 844,914	\$ 846,899	\$ 55,239
Employee benefits	480,326	--	480,326	542,229	542,842	62,516
Purchased services	6,849	4,600	11,449	25,478	25,478	14,029
Supplies and materials	91,123	6,470	97,593	115,000	115,000	17,407
Capital outlay	7,976	--	7,976	3,200	3,200	(4,776)
Total delivery	<u>1,377,934</u>	<u>11,070</u>	<u>1,389,004</u>	<u>1,530,821</u>	<u>1,533,419</u>	<u>144,415</u>
Total expenditures	<u>16,694,742</u>	<u>225,195</u>	<u>16,919,937</u>	<u>16,828,000</u>	<u>16,978,000</u>	<u>58,063</u>
Excess (deficiency) of revenues over (under) expenditures	<u>675,306</u>	<u>\$ (225,195)</u>	<u>\$ 450,110</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 450,110</u>
Fund balance at beginning of year	<u>2,264,878</u>					
Fund balance at end of year	<u>\$ 2,940,184</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		\$ 17,370,048
Expenditures reported on the basis of GAAP		16,694,742
Add: current year encumbrances	\$ 225,643	
Deduct: expenditures on prior year's encumbrances	<u>(448)</u>	
		<u>225,195</u>
Expenditures and encumbrances reported on the basis of budgeting		<u>16,919,937</u>
Excess of revenues over expenditures on the basis of budgeting		<u>\$ 450,111</u>

For the Year Ended June 30, 2010

**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>Others</u>	<u>Total</u>
<b>Current:</b>							
Food services:							
General administration	\$ 392,979	\$ 240,404	\$ 626,990	\$ 9,462	\$ 986	\$ --	\$ 1,270,821
Kitchens and food center	4,217,876	3,278,736	305,554	6,188,262	54,834	725	14,045,987
Delivery	<u>791,660</u>	<u>480,326</u>	<u>6,849</u>	<u>91,123</u>	<u>7,976</u>	<u>--</u>	<u>1,377,934</u>
	<u>\$ 5,402,515</u>	<u>\$ 3,999,466</u>	<u>\$ 939,393</u>	<u>\$ 6,288,847</u>	<u>\$ 63,796</u>	<u>\$ 725</u>	<u>\$ 16,694,742</u>

June 30, 2010  
With Comparative Totals for  
June 30, 2009

**BALANCE SHEET - BY ACCOUNT**

	Decentralized Student Activities	Centralized Student Activities	Totals	
			2010	2009
<b>Assets</b>				
Cash and investments, at cost	\$ 2,183,958	\$ 111,488	\$ 2,295,446	\$ 2,345,238
Accounts receivable	--	8,109	8,109	8,109
Interest receivable	--	1,822	1,822	2,002
Due from General Fund	16,717	1,476,637	1,493,354	1,371,029
Prepays	--	4,376	4,376	--
<b>Total assets</b>	<u><u>\$ 2,200,675</u></u>	<u><u>\$ 1,602,432</u></u>	<u><u>\$ 3,803,107</u></u>	<u><u>\$ 3,726,378</u></u>
<b>Liabilities and Fund Balance</b>				
<b>Liabilities:</b>				
Accounts payable	\$ --	\$ 10,164	\$ 10,164	\$ 21,359
Due to General Fund	<u>57,483</u>	<u>--</u>	<u>57,483</u>	<u>41,125</u>
<b>Total liabilities</b>	<u>57,483</u>	<u>10,164</u>	<u>67,647</u>	<u>62,484</u>
<b>Fund balance:</b>				
Reserved for prepaid items:	--	4,376	4,376	--
Unreserved - undesignated:	<u>2,143,192</u>	<u>1,587,892</u>	<u>3,731,084</u>	<u>3,663,894</u>
<b>Total fund balance</b>	<u>2,143,192</u>	<u>1,592,268</u>	<u>3,735,460</u>	<u>3,663,894</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 2,200,675</u></u>	<u><u>\$ 1,602,432</u></u>	<u><u>\$ 3,803,107</u></u>	<u><u>\$ 3,726,378</u></u>

For the Year Ended June 30, 2010  
With Comparative Totals  
For the Year Ended June 30, 2009

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

	Decentralized Student Activities	Centralized Student Activities	Totals	
			2010	2009
<b>Revenues:</b>				
Revenues from local sources:				
Other revenues	\$ 6,154,737	\$ 1,295,431	\$ 7,450,168	\$ 7,062,038
Revenues from state sources:				
Retirement systems employer relief	--	31,938	31,938	38,759
Total revenues	6,154,737	1,327,369	7,482,106	7,100,797
<b>Expenditures:</b>				
Current:				
Instruction:				
Pupil activity	6,221,200	1,189,340	7,410,540	6,844,985
Excess (deficiency) of revenues over (under) expenditures	(66,463)	138,029	71,566	255,812
Fund balance at beginning of year	2,209,655	1,454,239	3,663,894	3,408,082
Fund balance at end of year	\$ 2,143,192	\$ 1,592,268	\$ 3,735,460	\$ 3,663,894

June 30, 2010  
With Comparative Totals for  
June 30, 2009

DECENTRALIZED STUDENT ACTIVITIES  
BALANCE SHEET - BY DEPARTMENT

	High Schools	Middle Schools	Alternative Schools and Others	Totals	
				2010	2009
<b>Assets</b>					
Cash and investments, at cost	\$ 1,439,097	\$ 502,810	\$ 242,051	\$ 2,183,958	\$ 2,235,209
Due from General Fund	--	16,627	90	16,717	15,571
Total assets	<u>\$ 1,439,097</u>	<u>\$ 519,437</u>	<u>\$ 242,141</u>	<u>\$ 2,200,675</u>	<u>\$ 2,250,780</u>
<b>Liabilities and Fund Balance</b>					
Liabilities:					
Due to General Fund	\$ 57,483	\$ --	\$ --	\$ 57,483	\$ 41,125
Fund balance:					
Unreserved - undesignated	1,381,614	519,437	242,141	2,143,192	2,209,655
Total liabilities and fund balance	<u>\$ 1,439,097</u>	<u>\$ 519,437</u>	<u>\$ 242,141</u>	<u>\$ 2,200,675</u>	<u>\$ 2,250,780</u>

For the Year Ended June 30, 2010  
With Comparative Totals  
For the Year Ended June 30, 2009

## DECENTRALIZED STUDENT ACTIVITIES

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

	High Schools	Middle Schools	Alternative Schools and Others	Totals	
				2010	2009
Revenues:					
Revenues from local sources:					
Other revenues	\$ 4,503,823	\$ 967,891	\$ 683,023	\$ 6,154,737	\$ 5,839,652
Expenditures:					
Current:					
Instruction:					
Pupil activity	4,511,886	991,671	717,643	6,221,200	5,768,385
Excess (deficiency) of revenues over (under) expenditures	(8,063)	(23,780)	(34,620)	(66,463)	71,267
Fund balance at beginning of year	1,389,677	543,217	276,761	2,209,655	2,138,388
Fund balance at end of year	\$ 1,381,614	\$ 519,437	\$ 242,141	\$ 2,143,192	\$ 2,209,655

June 30, 2010  
With Comparative Totals for  
June 30, 2009

CENTRALIZED STUDENT ACTIVITIES  
BALANCE SHEET - BY DEPARTMENT

	PTA Support	Student Activities	Instructional Replacement Fees	Supplemental Sources	Totals	
					2010	2009
<b>Assets</b>						
Cash and investments, at cost	\$ --	\$ --	\$ --	\$ 111,488	\$ 111,488	\$ 110,029
Accounts receivable	--	--	--	8,109	8,109	8,109
Interest receivable	--	--	--	1,822	1,822	2,002
Due from General Fund	193,073	248,420	632,326	402,818	1,476,637	1,355,458
Prepaid charges	7	--	--	4,369	4,376	--
Total assets	<u>\$ 193,080</u>	<u>\$ 248,420</u>	<u>\$ 632,326</u>	<u>\$ 528,606</u>	<u>\$ 1,602,432</u>	<u>\$ 1,475,598</u>
<b>Liabilities and Fund Balance</b>						
Liabilities:						
Accounts payable	\$ 2,602	\$ 1,868	\$ 5,308	\$ 386	\$ 10,164	\$ 21,359
Fund balance:						
Reserved for prepaid items	7	--	--	4,369	4,376	--
Unreserved - undesignated	190,471	246,552	627,018	523,851	1,587,892	1,454,239
Total fund balance	<u>190,478</u>	<u>246,552</u>	<u>627,018</u>	<u>528,220</u>	<u>1,592,268</u>	<u>1,454,239</u>
Total liabilities and fund balance	<u>\$ 193,080</u>	<u>\$ 248,420</u>	<u>\$ 632,326</u>	<u>\$ 528,606</u>	<u>\$ 1,602,432</u>	<u>\$ 1,475,598</u>

For the Year Ended June 30, 2010  
With Comparative Totals  
For the Year Ended June 30, 2009

## CENTRALIZED STUDENT ACTIVITIES

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BY DEPARTMENT (1)

	PTA Support	Student Activities	Instructional Replacement Fees	Supplemental Sources	Totals	
					2010	2009
Revenues:						
Revenues from local sources:						
Other revenues	\$ 207,391	\$ 326,266	\$ 376,203	\$ 385,571	\$ 1,295,431	\$ 1,222,386
Revenues from state sources:						
Retirement systems employer relief	--	--	--	31,938	31,938	38,759
Total revenues	207,391	326,266	376,203	417,509	1,327,369	1,261,145
Expenditures:						
Current:						
Instruction:						
Pupil activity	191,909	300,220	320,067	377,144	1,189,340	1,076,600
Excess of revenues over expenditures	15,482	26,046	56,136	40,365	138,029	184,545
Fund balance at beginning of year	174,996	220,506	570,882	487,855	1,454,239	1,269,694
Fund balance at end of year	\$ 190,478	\$ 246,552	\$ 627,018	\$ 528,220	\$ 1,592,268	\$ 1,454,239

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June 30, 2010  
With Comparative Totals for  
June 30, 2009

## BALANCE SHEET

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Cash and investments, at cost	\$ --	\$ 150,598
Cash and investments with paying agent	24,487,762	21,249,819
Interest receivable	--	336
Due from other governments:		
Municipality of Anchorage	20,772,057	20,516,916
State of Alaska	<u>448,727</u>	<u>434,862</u>
Total assets	<u>\$ 45,708,546</u>	<u>\$ 42,352,531</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Due to General Fund	\$ 22,884,800	\$ 19,789,606
Unearned revenue - property taxes	<u>20,772,057</u>	<u>20,516,916</u>
Total liabilities	<u>43,656,857</u>	<u>40,306,522</u>
Fund balance:		
Reserved for debt service	<u>2,051,689</u>	<u>2,046,009</u>
Total liabilities and fund balance	<u>\$ 45,708,546</u>	<u>\$ 42,352,531</u>

For the Year Ended June 30, 2010  
With Comparative Actual Amounts  
For the Year Ended June 30, 2009

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

	2010				
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2009
	Original	Final			
<b>Revenues:</b>					
Revenues from local sources:					
Appropriation from Municipality of Anchorage	\$ 41,033,834	\$ 41,033,834	\$ 41,033,834	\$ --	\$ 39,415,466
Investment income	--	--	174	174	2,570
Total revenues from local sources	41,033,834	41,033,834	41,034,008	174	39,418,036
Revenues from state sources:					
Aid for school construction	44,873,824	44,873,824	44,873,815	(9)	43,487,039
Total revenues	85,907,658	85,907,658	85,907,823	165	82,905,075
<b>Expenditures:</b>					
Debt service:					
Principal	49,520,000	49,520,000	49,520,000	--	46,630,000
Interest	36,372,658	36,372,658	36,372,658	--	37,270,931
Fiscal agent fees	15,000	15,000	11,208	3,792	10,648
Total expenditures	85,907,658	85,907,658	85,903,866	3,792	83,911,579
Excess (deficiency) of revenues over (under) expenditures	--	--	3,957	3,957	(1,006,504)
Other financing sources:					
Transfers in - General Fund	--	--	--	--	167,000
Transfers in - Capital Projects Fund	--	--	1,723	1,723	175,889
Total other financing sources	--	--	1,723	1,723	342,889
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ --	\$ --	5,680	\$ 5,680	\$ (663,615)
Fund balance at beginning of year			2,046,009		
Fund balance at end of year			\$ 2,051,689		

June 30, 2010  
With Comparative Totals for  
June 30, 2009

## BALANCE SHEET

	2010	2009
<b>Assets</b>		
Cash and investments, at cost	\$ 19,691,798	\$ 56,984,875
Cash with paying agent	8,990,105	4,454,082
Accounts receivable	--	439,988
Interest receivable	65,339	204,709
Due from General Fund	2,638,173	--
Due from other governments:		
Municipality of Anchorage	328,959	1,878,471
State of Alaska	460,586	--
Prepaid items	33,072	23,306
Total assets	<u>\$ 32,208,032</u>	<u>\$ 63,985,431</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 1,835	\$ 3,270
Contracts payable	4,427,180	5,121,316
Due to General Fund	--	2,086,969
Accrued salaries and related items:		
Wages and salaries payable	54,554	34,323
Payroll taxes, other accrued and withheld items	40,482	59,733
Unearned revenue	13,859	22,863
Total liabilities	<u>4,537,910</u>	<u>7,328,474</u>
Fund balance:		
Reserved:		
Encumbrances	13,606,405	41,292,595
Prepaid items	33,072	23,306
Unreserved:		
Designated:		
Accrued compensated absences	210,830	202,286
Authorized construction, net of authorized unissued bonds	4,886,817	(2,406,914)
Undesignated	8,932,998	17,545,684
Total fund balance	<u>27,670,122</u>	<u>56,656,957</u>
Total liabilities and fund balance	<u>\$ 32,208,032</u>	<u>\$ 63,985,431</u>

For the Year Ended June 30, 2010  
 With Comparative Totals  
 For the Year Ended June 30, 2009

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

	<u>2010</u>	<u>2009</u>
Revenues:		
Revenues from local sources:		
Investment income	\$ 216,308	\$ 1,305,096
Other revenues	<u>739,656</u>	<u>1,207,653</u>
Total revenues from local sources	<u>955,964</u>	<u>2,512,749</u>
Revenues from state sources:		
State/Municipal grants	2,104,826	2,965,445
Retirement systems employer relief	<u>148,026</u>	<u>297,924</u>
Total revenues from state sources	<u>2,252,852</u>	<u>3,263,369</u>
Revenues from federal sources:		
Federal Impact Aid	460,586	694,106
Federal capital grants	<u>--</u>	<u>358,503</u>
Total revenues from federal sources	<u>460,586</u>	<u>1,052,609</u>
Total revenues	<u>3,669,402</u>	<u>6,828,727</u>
Expenditures:		
Bond issuance cost	134,674	219,481
Capital outlays:		
Secondary schools	15,369,571	37,533,208
Elementary schools	35,610,072	15,566,850
Other capital outlays	<u>1,701,593</u>	<u>8,418,030</u>
Total capital outlays	<u>52,681,236</u>	<u>61,518,088</u>
Total expenditures	<u>52,815,910</u>	<u>61,737,569</u>
Deficiency of revenues under expenditures	(49,146,508)	(54,908,842)
Other financing sources and (uses):		
Proceeds of general obligation bonds	20,025,000	29,840,000
Premium on issuance of general obligation bonds	136,396	395,335
Transfers out - Debt Service Fund	<u>(1,723)</u>	<u>(175,889)</u>
Total other financing sources and (uses)	<u>20,159,673</u>	<u>30,059,446</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	(28,986,835)	(24,849,396)
Fund balance at beginning of year	<u>56,656,957</u>	<u>81,506,353</u>
Fund balance at end of year	<u>\$ 27,670,122</u>	<u>\$ 56,656,957</u>

For the Period Ended June 30, 2010

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

	2010				Total	Project Authoriza- tion	Variance favorable (unfavorable)
	Prior Years	Land and Improvements	Buildings and Equipment	Total			
Capital outlays:							
Secondary schools:							
Bartlett Senior High	\$ 2,034,837	\$ --	\$ 567,386	\$ 567,386	\$ 2,602,223	\$ 3,326,010	\$ 723,787
Chugiak Senior High	3,124,844	3,620	586,487	590,107	3,714,951	5,737,931	2,022,980
Dimond Senior High	166,605	--	518,579	518,579	685,184	1,559,871	874,687
Eagle River Senior High	1,100,000	--	713,582	713,582	1,813,582	1,963,126	149,544
East Senior High	2,058,850	--	613,881	613,881	2,672,731	4,615,218	1,942,487
South Anchorage Senior High	65,412	--	85,948	85,948	151,360	1,166,020	1,014,660
Service Senior High	3,476,744	25,369	1,118,382	1,143,751	4,620,495	6,260,519	1,640,024
West Senior High	1,146,602	51,902	1,434,403	1,486,305	2,632,907	4,852,361	2,219,454
Central Middle School	246,989	335,815	30,750	366,565	613,554	1,176,441	562,887
Clark Middle School	58,650,308	--	4,029,804	4,029,804	62,680,112	65,013,399	2,333,287
Golden View Middle School	129,016	--	583,517	583,517	712,533	1,242,888	530,355
Ernest Gruening Middle School	1,391,575	--	529,136	529,136	1,920,711	2,367,519	446,808
U. S. Hanshew Middle School	586,736	--	1,338,537	1,338,537	1,925,273	3,268,698	1,343,425
Jane Mears Middle School	458,535	--	1,573,519	1,573,519	2,032,054	5,091,077	3,059,023
Mirror Lake Middle School	51,371	--	30,763	30,763	82,134	318,783	236,649
Begich Middle School	--	--	345,400	345,400	345,400	709,618	364,218
Romig Middle School	54,348	--	20,665	20,665	75,013	623,404	548,391
Wendler Middle School	--	--	15,511	15,511	15,511	378,528	363,017
Benny Benson Secondary	55,984	--	194,606	194,606	250,590	354,671	104,081
Martin Luther King, Jr. Career Center	70,857	--	358,630	358,630	429,487	1,151,104	721,617
Save Alternative	162	--	184,680	184,680	184,842	1,436,647	1,251,805
Steller Alternative	6,661	--	34,291	34,291	40,952	46,467	5,515
Retirement system employer relief	391,765	--	44,408	44,408	436,173	--	(436,173)
Total secondary schools	<u>75,268,201</u>	<u>416,706</u>	<u>14,952,865</u>	<u>15,369,571</u>	<u>90,637,772</u>	<u>112,660,300</u>	<u>22,022,528</u>
Elementary schools:							
Abbott Loop	118,472	--	4,000	4,000	122,472	264,662	142,190
Airport Heights	--	--	29,263	29,263	29,263	110,755	81,492
Alpenglow	123,519	--	119,209	119,209	242,728	243,805	1,077
Aquarian Charter	--	409,796	26,955	436,751	436,751	969,085	532,334
Aurora	4,744	--	76,291	76,291	81,035	377,436	296,401
Baxter	207,403	--	31,490	31,490	238,893	343,729	104,836
Bayshore	35,919	--	142,926	142,926	178,845	207,691	28,846
Bear Valley	38,095	--	205,490	205,490	243,585	298,604	55,019
Birchwood	10,280	--	63,859	63,859	74,139	328,390	254,251
Willard Bowman	126,408	--	45,114	45,114	171,522	358,827	187,305
Campbell	343,543	--	628,797	628,797	972,340	2,292,561	1,320,221
Chester Valley	1,112,447	--	14,084,353	14,084,353	15,196,800	17,542,451	2,345,651
Chinook	285,000	--	--	--	285,000	301,649	16,649
Chugach	36,929	--	5,387	5,387	42,316	70,473	28,157
Chugiak	1,148,896	--	25,663	25,663	1,174,559	1,256,349	81,790

(Continued)

For the Period Ended June 30, 2010

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

	2010						
	Prior Years	Land and Improvements	Buildings and Equipment	Total	Total	Project Authoriza- tion	Variance favorable (unfavorable)
College Gate	\$ --	\$ --	\$ 297,659	\$ 297,659	\$ 297,659	\$ 745,023	\$ 447,364
Creekside Park	1,535	--	364,192	364,192	365,727	1,102,178	736,451
Denali	--	--	--	--	--	428	428
Eagle River	287,714	--	185,828	185,828	473,542	1,325,403	851,861
Fairview	--	--	--	--	--	(2,748)	(2,748)
Fire Lake	--	--	--	--	--	388	388
Girdwood	104,871	--	53,545	53,545	158,416	852,969	694,553
Government Hill	--	--	10,430	10,430	10,430	162,921	152,491
Homestead	--	--	272	272	272	(78,173)	(78,445)
Huffman	91,719	--	107,281	107,281	199,000	473,445	274,445
Inlet View	2,202	--	1,018,607	1,018,607	1,020,809	1,471,544	450,735
Kasuun	47,360	--	20,448	20,448	67,808	184,508	116,700
Kennedy	19,232	--	7,372	7,372	26,604	29,472	2,868
Kincaid	--	2,080	--	2,080	2,080	43,074	40,994
Klatt	367,423	--	371,579	371,579	739,002	970,871	231,869
Lake Hood	5,437	--	19,079	19,079	24,516	24,881	365
Lake Otis	--	--	7,800	7,800	7,800	301,451	293,651
Mt. View	64,898	--	184,244	184,244	249,142	321,374	72,232
Mt. Iliamna	77,711	--	25,505	25,505	103,216	248,635	145,419
Mt. Spurr	83,935	--	35,984	35,984	119,919	281,360	161,441
Muldoon	165,200	--	22,553	22,553	187,753	207,482	19,729
North Star	45,000	--	463,025	463,025	508,025	1,169,513	661,488
Northern Lights	--	--	16,365	16,365	16,365	37,789	21,424
Northwood	80,816	32,141	45,585	77,726	158,542	270,802	112,260
Nunaka Valley	40,797	--	1,203	1,203	42,000	81,869	39,869
Ocean View	69,008	--	190,301	190,301	259,309	394,960	135,651
O'Malley	135,151	--	187,068	187,068	322,219	805,891	483,672
Orion	87,465	--	79,188	79,188	166,653	822,305	655,652
Polaris K-12	91,484	--	70,986	70,986	162,470	637,438	474,968
Ptarmigan	36,742	--	28,380	28,380	65,122	367,940	302,818
Rabbit Creek	156,457	--	444,741	444,741	601,198	659,358	58,160
Ravenwood	--	--	36,822	36,822	36,822	110,668	73,846
Rogers Park	--	--	8,195	8,195	8,195	124,069	115,874
Russian Jack	--	2,400	3,899	6,299	6,299	148,848	142,549
Sand Lake	1,028,037	--	13,869,672	13,869,672	14,897,709	18,409,114	3,511,405
Scenic Park	662,488	--	30,500	30,500	692,988	1,177,080	484,092
Spring Hill	141	--	79,718	79,718	79,859	90,946	11,087
Susitna	516,862	--	259,457	259,457	776,319	906,537	130,218
Trailside	--	--	1,675	1,675	1,675	257,532	255,857
Taku	15,695	--	1,687	1,687	17,382	217,321	199,939
Tudor	3,041	--	--	--	3,041	537,012	533,971

(Continued)

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

For the Period Ended June 30, 2010

	2010						
	Prior Years	Land and Improvements	Buildings and Equipment	Total	Total	Project Authoriza- tion	Variance favorable (unfavorable)
Turnagain	\$ 145,708	\$ --	\$ 483,680	\$ 483,680	\$ 629,388	\$ 812,720	\$ 183,332
Ursa Major	19,455	--	34,564	34,564	54,019	210,820	156,801
Ursa Minor	5,748	--	35,886	35,886	41,634	144,095	102,461
William Tyson	9,161	--	2,527	2,527	11,688	30,141	18,453
Whaley Center	268,076	--	286,027	286,027	554,103	1,025,724	471,621
Williwaw	162	--	17,192	17,192	17,354	405,005	387,651
Willow Crest	679,643	--	15,212	15,212	694,855	938,421	243,566
Wonder Park	162	--	16,138	16,138	16,300	411,637	395,337
Gladys Wood	66,062	--	129,169	129,169	195,231	558,541	363,310
Retirement system employer relief	119,203	--	103,618	103,618	222,821	--	(222,821)
Total elementary schools	9,193,456	446,417	35,163,655	35,610,072	44,803,528	65,397,049	20,593,521
Other capital outlays:							
District-wide Asbestos/ Life Safety	44,843	--	30,145	30,145	74,988	372,335	297,347
District-wide Code Compliance	--	--	4,926	4,926	4,926	16,837	11,911
District-wide Emergency Preparation	583,318	--	67,041	67,041	650,359	650,358	(1)
District-wide Security Systems	315,248	--	5,850	5,850	321,098	328,706	7,608
District-wide Sprinkler Upgrade	82,521	--	389,775	389,775	472,296	504,033	31,737
District-wide Underground Storage Tank Removal	35,269	--	11,786	11,786	47,055	68,448	21,393
District-wide Computer Equipment/Technology	--	--	18,460	18,460	18,460	373,720	355,260
District-wide Electric/Switch Upgrades	122,628	--	157,553	157,553	280,181	829,946	549,765
District-wide Elevator	--	--	--	--	--	2,640	2,640
District-wide Fencing	17,042	--	--	--	17,042	29,526	12,484
District-wide Fire Code	--	--	479	479	479	6,262	5,783
District-wide Heating/Ventilation Air Condition Upgrades	--	--	--	--	--	35,777	35,777
District-wide Library Books	--	--	2,432	2,432	2,432	2,302	(130)
District-wide Mechanical	27,264	--	64,761	64,761	92,025	677,999	585,974
District-wide Building Renewal	20,113	--	110,202	110,202	130,315	261,689	131,374
District-wide Roof Replacement	--	--	25,087	25,087	25,087	151,790	126,703
District-wide Site Acquisition	--	587,823	250	588,073	588,073	5,044,894	4,456,821
Facilities/Maintenance	385,527	--	128,216	128,216	513,743	1,078,797	565,054
Traffic Safety	--	--	3,276	3,276	3,276	296,201	292,925
Pupil Transportation New Buses	133,387	--	--	--	133,387	433,541	300,154
Student Nutrition	169,796	--	31,397	31,397	201,193	202,960	1,767
Warehouse	593,363	--	62,134	62,134	655,497	814,928	159,431
Total other capital outlays	2,530,319	587,823	1,113,770	1,701,593	4,231,912	12,183,689	7,951,875
	<u>\$ 86,991,976</u>	<u>\$ 1,450,946</u>	<u>\$ 51,230,290</u>	<u>\$ 52,681,236</u>	<u>\$ 139,673,212</u>	<u>\$ 190,241,038</u>	<u>\$ 50,567,924</u>

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June 30, 2010  
With Comparative Totals for  
June 30, 2009

## INTERNAL SERVICE FUNDS

## COMBINING STATEMENT OF NET ASSETS

	Equipment Replacement	Health Insurance	Total Internal Service Funds	
			2010	2009
<b>Assets</b>				
Current Assets:				
Investments, at cost	\$ 7,381,209	\$ 11,893,712	\$ 19,274,921	\$ 7,075,422
Accounts receivable	--	3,220	3,220	--
Due from other funds	1,022,685	--	1,022,685	4,748,627
Total current assets	8,403,894	11,896,932	20,300,826	11,824,049
Noncurrent assets:				
Machinery and equipment	8,406,864	--	8,406,864	7,835,384
Accumulated depreciation	(6,397,620)	--	(6,397,620)	(5,954,102)
Total capital assets (net of accumulated depreciation)	2,009,244	--	2,009,244	1,881,282
Total assets	10,413,138	11,896,932	22,310,070	13,705,331
<b>Liabilities</b>				
Medical claims and other contractual obligations payable	--	7,479,652	7,479,652	--
<b>Net Assets</b>				
Invested in capital assets	2,009,244	--	2,009,244	1,881,282
Unrestricted	8,403,894	4,417,280	12,821,174	11,824,049
Total net assets	\$ 10,413,138	\$ 4,417,280	\$ 14,830,418	\$ 13,705,331

See accompanying notes to basic financial statements.

For the Year Ended June 30, 2010  
With Comparative Totals  
For the Year Ended June 30, 2009

## INTERNAL SERVICE FUNDS

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS

	Equipment Replacement	Health Insurance	Total Internal Service Funds	
			2010	2009
Operating revenues:				
Charges for sales and services	\$ 465,706	\$ --	\$ 465,706	\$ 470,338
Charges for health insurance services	--	27,538,732	27,538,732	--
Total operating revenues	<u>465,706</u>	<u>27,538,732</u>	<u>28,004,438</u>	<u>470,338</u>
Operating expenses:				
Depreciation	465,706	--	465,706	470,338
Costs of sales and services	--	28,424	28,424	--
Medical plan administration	--	2,652,462	2,652,462	--
Medical claims	--	24,857,846	24,857,846	--
Total operating expenses	<u>465,706</u>	<u>27,538,732</u>	<u>28,004,438</u>	<u>470,338</u>
Operating income	--	--	--	--
Non-operating revenues:				
Loss on sale of capital assets	(32,932)	--	(32,932)	1,854
Investment income	<u>387,758</u>	<u>245,206</u>	<u>632,964</u>	<u>105,912</u>
Total income before capital contributions and transfers	<u>354,826</u>	<u>245,206</u>	<u>600,032</u>	<u>107,766</u>
Capital contributions	537,066	--	537,066	361,136
Transfers out - General Fund	<u>(12,011)</u>	--	<u>(12,011)</u>	<u>4,172,074</u>
Total capital contributions and transfers	<u>525,055</u>	--	<u>525,055</u>	<u>4,533,210</u>
Changes in net assets	879,881	245,206	1,125,087	4,640,976
Net assets at beginning of year	<u>9,533,257</u>	<u>4,172,074</u>	<u>13,705,331</u>	<u>9,064,355</u>
Net assets at end of year	<u>\$ 10,413,138</u>	<u>\$ 4,417,280</u>	<u>\$ 14,830,418</u>	<u>\$ 13,705,331</u>

See accompanying notes to basic financial statements

For the Year Ended June 30, 2010  
With Comparative Totals  
For the Year Ended June 30, 2009

INTERNAL SERVICE FUNDS  
STATEMENT OF CASH FLOWS

	Equipment Replacement	Health Insurance	Total Internal Service Funds	
			2010	2009
Cash flows from operating activities:				
Receipts from interfund activities	\$ 465,706	\$ 31,677,469	\$ 32,143,175	\$ 470,338
Payments for interfund services used	(465,706)	--	(465,706)	(470,338)
Payments for medical claims and other health insurance activity	--	(24,201,036)	(24,201,036)	--
Net cash flows provided by operating activities	--	7,476,433	7,476,433	--
Cash flows from noncapital financing activities:				
Transfer to other funds	(12,011)	--	(12,011)	--
Advances to General Fund	(434,121)	--	(434,121)	(3,654,162)
Net cash used by noncapital and related financing activities	(446,132)	--	(446,132)	(3,654,162)
Cash flows from capital and related financing activities:				
Capital Contributions	--	357,610	357,610	4,172,074
Net cash provided by capital and related financing activities	--	357,610	357,610	4,172,074
Cash flows from investing activities:				
Proceeds from matured investments	--	--	--	376,176
Loss on sale of investments	(24,162)	(510,558)	(534,720)	--
Gain on sale of investments	82,536	--	82,536	--
Purchase of investments	--	(7,568,691)	(7,568,691)	(1,000,000)
Interest earnings received	387,758	245,206	632,964	105,912
Net cash provided (used) in investing activities	446,132	(7,834,043)	(7,387,911)	(517,912)
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	230,798	141,557	372,355	(109,360)
Noncash transactions :				
Assets contributed from the General Fund	537,066	--	537,066	361,136

See accompanying notes to basic financial statements

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June 30, 2010  
With Comparative Totals for  
June 30, 2009

## SCHEDULE OF CAPITAL ASSETS - BY SOURCE

	<u>2010</u>	<u>2009</u>
Capital Assets:		
Land and improvements	\$ 92,230,392	\$ 89,430,789
Buildings and equipment	1,532,204,169	1,433,348,724
Pupil transportation equipment	9,695,160	9,044,380
Construction in progress	<u>24,261,222</u>	<u>86,779,633</u>
Total Capital Assets	<u>\$ 1,658,390,943</u>	<u>\$ 1,618,603,526</u>
Investments in Capital Assets acquired prior to July 1, 2000	\$ 811,225,973	\$ 824,851,548
Investments in Capital Assets acquired after July 1, 2000		
Capital Projects Fund:		
General obligation bonds	784,667,165	744,545,519
Local, state and federal grants	26,921,712	24,342,458
Contribution from General Fund	151,817	151,817
Other	19,336,577	10,339,821
General Fund	13,241,752	11,896,038
State and Federal Grants Special Revenue Fund	1,582,420	1,227,297
Food Service Special Revenue Fund	<u>1,263,527</u>	<u>1,249,028</u>
Total Investments in Capital Assets	<u>\$ 1,658,390,943</u>	<u>\$ 1,618,603,526</u>

June 30, 2010

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	\$ 12,522,368	\$ --	\$ --	\$ 24,378,166
Instruction	77,483,333	1,501,547,822	--	24,261,222	1,603,292,377
Pupil transportation	390,741	287,587	9,695,160	--	10,373,488
Operation and maintenance of plant	2,408,398	8,213,985	--	--	10,622,383
Food services	92,122	9,632,407	--	--	9,724,529
Total governmental funds capital assets	<u>\$ 92,230,392</u>	<u>\$ 1,532,204,169</u>	<u>\$ 9,695,160</u>	<u>\$ 24,261,222</u>	<u>\$ 1,658,390,943</u>

For the Year Ended June 30, 2010

SCHEDULE OF CHANGES IN CAPITAL ASSETS  
BY FUNCTION AND ACTIVITY

Function and Activity	Governmental Funds Capital Assets July 1, 2009	Additions	Deductions	Governmental Funds Capital Assets June 30, 2010
General administration	\$ 14,396,617	\$ 211,974	\$ --	\$ 14,608,591
Instruction	1,481,251,770	116,886,636	15,466,705	1,582,671,701
Pupil transportation	9,891,336	650,780	--	10,542,116
Operation and maintenance of plant	15,177,902	8,643	--	15,186,545
Food services	11,106,268	14,500	--	11,120,768
Construction in progress	86,779,633	52,681,237	115,199,648	24,261,222
Total governmental funds capital assets	\$ 1,618,603,526	\$ 170,453,770	\$ 130,666,353	\$ 1,658,390,943

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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 Nine Years.....	115
BB	Statement of Activities and Change in Net Assets - Last Nine Years.....	116
CC	Fund Balance, Governmental Funds - Last Ten Years.....	118
DD	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Last Ten Years.....	120
EE	Government-wide Expenses by Function - Last Nine Years.....	122
FF	Government-wide Revenues by Function - Last Nine Years.....	123
GG	General Expenditures by Function - Last Ten Years .....	124
HH	General Revenues by Source - Last Ten Years .....	125

**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 .....	126
JJ	Property Tax Rates and Tax Levies Direct and Overlapping Governments Service Funds - Last Ten Years.....	127
KK	Principal Property Tax Payers - Current and Nine Years Ago.....	128
LL	Property Tax Levies and Collections - Last Ten Years .....	129

**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 .....	130
NN	Computation of Direct and Overlapping Debt, and Legal Debt Margin .....	131
OO	Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures - Last Ten Years .....	132

**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 .....	133
QQ	Principal Employers - Current and Nine Years Ago.....	134
RR	Average General Expenditures Per Pupil - Last Ten Years .....	135
SS	Average Daily Membership as Compared to Assessed Valuation Showing Assessed Valuation Support Per Student - Last Ten Years .....	136
TT	Authorized Positions by Category - General Operations - Last Ten Years .....	137
UU	Teacher Education and Salary Information - Current Year.....	138
VV	Average Daily Membership and Pupil to Classroom Teacher Ratio - Last Ten Years .....	139

**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 .....	140
XX	Student Nutrition Local Revenues - Last Ten Years.....	141
YY	Miscellaneous Statistics - Last Ten Years.....	142
ZZ	Schedule of Insurance in Force - Current Year .....	143

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For the Last Nine Years

## STATEMENT OF NET ASSETS (1)

<b>Net Assets</b>					
<u>Fiscal Year</u>	<u>Investment in Capital Assets Net of Related Debt</u>	<u>Restricted for:</u>		<u>Unrestricted</u>	<u>Total Net Assets</u>
		<u>Debt Service</u>	<u>Authorized Construction, Net of Authorized Unissued Bonds</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
2009-2010	488,771,145	2,051,689	4,886,817	118,466,786	614,176,437

## Notes:

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

For the Last Nine Years

## STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS (1)

	2002	2003	2004	2005	2006
<b>Program Expenses</b>					
District-wide activities:					
General administration	\$ 9,452,484	\$ 11,965,357	\$ 26,454,531	\$ 22,928,887	\$ 20,418,961
Instruction	352,491,798	357,948,970	380,596,221	434,474,069	435,822,328
Pupil transportation	15,136,449	15,316,591	16,219,676	16,390,472	17,181,490
Operation and maintenance of plant	20,379,602	18,379,710	19,298,372	21,441,868	23,980,926
Community services	1,804,986	1,949,296	2,193,218	1,602,248	716,982
Non-departmental	3,834,756	2,724,000	3,956,114	3,768,058	2,945,943
Food services	11,482,531	11,834,319	12,406,855	13,778,656	14,471,253
Construction and facility acquisition	96,670	160,838	--	449,333	625,117
Interest expense	28,615,906	30,491,745	43,244,987	32,823,838	37,248,152
Total district-wide expenses	<u>443,295,182</u>	<u>450,770,826</u>	<u>504,369,974</u>	<u>547,657,429</u>	<u>553,411,152</u>
<b>Program Revenues</b>					
District-wide activities:					
Charges for services					
General administration	--	(30,321)	8,445	7,292	8,473
Instruction	705,105	1,075,708	892,418	1,479,913	1,465,127
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	684,383
Non-departmental	74,402	(322,903)	28,742	83,125	83,147
Food services	5,325,807	5,365,654	5,546,012	5,294,513	5,250,367
Operating grants and contributions					
General administration	--	--	--	28,500	--
Instruction	33,548,165	39,974,345	45,274,462	48,258,380	48,176,314
Pupil transportation	15,200,905	16,874,909	17,019,454	17,048,940	17,317,199
Operation and maintenance of plant	1,135,445	849,212	199,017	666,671	862,668
Community services	271,935	253,478	124,705	23,198	6,866
Food services	6,084,997	6,762,893	7,228,153	7,670,607	8,579,320
Construction and facility acquisition	--	--	--	--	--
Capital grants and contributions					
Construction and facility acquisition	623,636	27,294,178	38,721,389	38,057,560	38,065,413
Total district-wide revenues	<u>63,579,952</u>	<u>98,802,483</u>	<u>115,454,801</u>	<u>119,305,676</u>	<u>120,499,277</u>
<b>Net expense</b>					
District-wide activities	<u>(379,715,230)</u>	<u>(351,968,343)</u>	<u>(388,915,173)</u>	<u>(428,351,753)</u>	<u>(432,911,875)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Unrestricted:					
Appropriation from					
Municipality of Anchorage	135,521,074	142,954,582	144,983,658	163,503,322	177,157,001
Investment income	4,451,782	3,531,249	2,320,920	4,693,350	6,747,140
Public School Funding Program	204,684,325	207,129,272	205,100,316	227,186,292	248,771,460
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	11,804,273
Proceeds from sale of assets	--	--	--	--	--
Other	2,369,238	2,070,559	2,194,195	1,824,565	2,531,372
Loss on sale of capital assets	(2,824,572)	(135,077)	--	--	--
Special and extraordinary items	--	--	--	--	--
Total general revenues	<u>380,205,182</u>	<u>367,648,261</u>	<u>368,700,211</u>	<u>411,510,653</u>	<u>447,011,246</u>
Change in net assets	489,952	15,679,918	(20,214,962)	(16,841,100)	14,099,371
Net assets at beginning of year	504,283,028	504,772,980	520,452,898	500,237,936	483,396,836
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>	<u>\$ 497,496,207</u>

Notes:

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

For the Last Nine Years

## STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS (1)

	2007	2008	2009	2010
<b>Program Expenses</b>				
District-wide activities:				
General administration	\$ 15,662,670	\$ 18,572,821	\$ 17,734,805	\$ 22,355,887
Instruction	478,651,589	572,761,690	588,836,769	627,204,202
Pupil transportation	18,002,836	20,087,773	19,580,050	20,013,352
Operation and maintenance of plant	28,460,380	29,996,382	30,863,209	31,171,887
Community services	1,243,907	856,785	988,897	987,202
Non-departmental	--	--	--	--
Food services	15,518,428	16,054,390	16,855,858	16,914,479
Construction and facility acquisition	674,062	241,710	513,472	--
Interest expense	34,012,953	36,773,707	36,393,199	35,284,867
Total district-wide expenses	<u>592,226,825</u>	<u>695,345,258</u>	<u>711,766,259</u>	<u>753,931,876</u>
<b>Program Revenues</b>				
District-wide activities:				
Charges for services				
General administration	83,209	16,770	19,604	19,139
Instruction	1,431,789	1,752,350	1,606,288	1,612,977
Pupil transportation	--	--	--	--
Operation and maintenance of plant	--	--	(2,553)	(3,404)
Community services	568,108	849,453	580,448	658,036
Non-departmental	--	--	--	--
Food services	4,977,713	5,081,541	4,911,270	4,469,455
Operating grants and contributions				
General administration	--	750,813	925,219	464,438
Instruction	47,202,793	139,878,408	126,529,115	132,107,431
Pupil transportation	17,082,693	17,249,338	18,645,611	19,740,997
Operation and maintenance of plant	362,868	3,097,712	3,186,546	2,363,241
Community services	422,052	101,188	77,725	37,494
Food services	9,246,111	10,140,621	11,627,527	12,790,612
Construction and facility acquisition	--	213,047	297,924	--
Capital grants and contributions				
Construction and facility acquisition	37,976,770	41,082,316	46,810,987	47,466,227
Total district-wide revenues	<u>119,354,106</u>	<u>220,213,557</u>	<u>215,215,711</u>	<u>221,726,643</u>
<b>Net expenses</b>				
District-wide activities	<u>(472,872,719)</u>	<u>(475,131,701)</u>	<u>(496,550,548)</u>	<u>(532,205,233)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Unrestricted:				
Appropriation from				
Municipality of Anchorage	191,602,288	206,359,861	217,971,708	232,947,582
Investment income	7,862,943	8,523,023	3,148,355	5,552,323
Public School Funding Program	277,322,639	264,718,683	281,733,376	295,483,681
State Tuition Program	--	--	--	17,952,860
Aid for School Construction	--	--	--	--
School improvement grant	--	7,890,604	--	--
Energy relief	--	6,656,602	--	--
Federal Impact Aid	13,042,523	14,150,178	15,333,815	1,119,024
Proceeds from sale of assets	--	--	12,982	--
Other	1,861,280	2,794,520	1,817,444	--
Loss on sale of capital assets	--	--	--	--
Special and extraordinary items	--	--	17,582,137	--
Total general revenues, special and extraordinary items	<u>491,691,673</u>	<u>511,093,471</u>	<u>537,599,817</u>	<u>553,055,470</u>
Change in net assets	18,818,954	35,961,770	41,049,269	20,850,237
Net assets at beginning of year	497,496,207	516,315,161	552,276,931	593,326,200
Net assets at end of the year	<u>\$ 516,315,161</u>	<u>\$ 552,276,931</u>	<u>\$ 593,326,200</u>	<u>\$ 614,176,437</u>

Notes:

117

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

For the Last Ten Years

## FUND BALANCE, GOVERNMENTAL FUNDS

	2001	2002	2003	2004	2005
<b>General Fund</b>					
Fund balances:					
Reserved:					
Encumbrances	\$ 11,803,803	\$ 9,850,275	\$ 9,354,186	\$ 10,433,541	\$ 10,093,854
Inventory	1,837,111	1,920,197	1,902,320	2,030,830	2,064,961
Federal Impact Aid	9,125,804	10,043,352	10,861,296	11,988,897	12,534,815
Prepaid items	1,012,141	1,520,464	1,241,325	1,509,007	2,005,401
Accrued compensated absences	--	--	6,577,773	6,706,442	--
Self-insurance	9,000,000	12,100,000	10,175,294	9,210,096	16,201,846
Total reserved	<u>32,778,859</u>	<u>35,434,288</u>	<u>40,112,194</u>	<u>41,878,813</u>	<u>42,900,877</u>
Unreserved:					
Designated:					
Bond rating	--	--	--	--	--
Subsequent year's expenditures	5,013,571	--	5,044,000	27,989,871	6,500,000
Accrued compensated absences	--	6,573,521	--	--	6,826,898
Undesignated	<u>17,171,678</u>	<u>23,573,647</u>	<u>26,664,508</u>	<u>--</u>	<u>21,878,326</u>
Total unreserved	<u>22,185,249</u>	<u>30,147,168</u>	<u>31,708,508</u>	<u>27,989,871</u>	<u>35,205,224</u>
Total General Fund	<u>\$ 54,964,108</u>	<u>\$ 65,581,456</u>	<u>\$ 71,820,702</u>	<u>\$ 69,868,684</u>	<u>\$ 78,106,101</u>
<b>All Other Governmental Funds</b>					
Fund balances:					
Reserved:					
Encumbrances	\$ 66,479,718	\$ 99,687,951	\$ 115,318,022	\$ 101,948,317	\$ 86,654,468
Inventory	392,100	586,866	488,958	557,571	556,127
Prepaid items	2,500	303,880	14,213,851	17,568	186,790
Accrued compensated absences	--	--	892,594	995,192	--
Self-insurance	--	87,579	29,352	19,565	--
Debt service	<u>5,862,973</u>	<u>16,162,142</u>	<u>3,586,648</u>	<u>10,732,112</u>	<u>12,215,951</u>
Total reserved	<u>72,737,291</u>	<u>116,828,418</u>	<u>134,529,425</u>	<u>114,270,325</u>	<u>99,613,336</u>
Unreserved:					
Designated:					
Subsequent year's expenditures	95,000	--	--	--	--
Special Revenue Funds	--	200,000	74,265	225,000	369,413
Accrued compensated absences					
Special Revenue Funds	--	608,414	--	--	849,919
Capital Projects Fund	--	163,890	--	--	231,704
Other Governmental Funds	--	--	--	--	--
Authorized construction, net of authorized unissued bonds	72,834,124	97,185,450	--	945,856	51,706,706
Undesignated, reported in:					
Special Revenue Funds	(274,942)	2,315,074	2,866,083	2,930,089	2,833,063
Capital Projects Fund	<u>10,562,908</u>	<u>9,976,440</u>	<u>(15,497,006)</u>	<u>14,343,267</u>	<u>16,763,763</u>
Total unreserved	<u>83,217,090</u>	<u>110,449,268</u>	<u>(12,556,658)</u>	<u>18,444,212</u>	<u>72,754,568</u>
Total all other government funds	<u>\$ 155,954,381</u>	<u>\$ 227,277,686</u>	<u>\$ 121,972,767</u>	<u>\$ 132,714,537</u>	<u>\$ 172,367,904</u>

For the Last Ten Years

## FUND BALANCE, GOVERNMENTAL FUNDS

	2006	2007	2008	2009	2010
<b>General Fund</b>					
Fund balances:					
Reserved:					
Encumbrances	\$ 16,024,824	\$ 17,981,023	\$ 22,102,814	\$ 19,066,639	\$ 18,447,111
Inventory	2,061,456	2,170,242	2,004,661	2,016,515	2,099,789
Federal Impact Aid	10,201,503	11,779,903	12,645,547	12,228,199	17,492,274
Prepaid items	1,732,925	3,250,150	8,187,537	10,506,092	9,641,977
Accrued compensated absences	--	--	--	--	--
Self-insurance	17,302,552	18,284,048	20,896,840	21,033,755	23,859,941
Total reserved	<u>47,323,260</u>	<u>53,465,366</u>	<u>65,837,399</u>	<u>64,851,200</u>	<u>71,541,092</u>
Unreserved:					
Designated:					
Bond rating	--	16,415,939	17,503,677	18,600,421	19,292,937
Subsequent year's expenditures	--	--	3,959,000	3,900,000	1,975,000
Accrued compensated absences	7,001,948	7,449,350	7,936,952	8,380,055	8,878,554
Undesignated	<u>29,350,831</u>	<u>34,468,976</u>	<u>24,442,307</u>	<u>23,509,451</u>	<u>25,928,239</u>
Total unreserved	<u>36,352,779</u>	<u>58,334,265</u>	<u>53,841,936</u>	<u>54,389,927</u>	<u>56,074,730</u>
Total General Fund	<u>\$ 83,676,039</u>	<u>\$ 111,799,631</u>	<u>\$ 119,679,335</u>	<u>\$ 119,241,127</u>	<u>\$ 127,615,822</u>
<b>All Other Governmental Funds</b>					
Fund balances:					
Reserved:					
Encumbrances	\$ 25,339,574	\$ 67,546,079	\$ 41,119,895	\$ 41,743,253	\$ 28,045,507
Inventory	766,571	1,527,646	775,147	832,622	721,835
Prepaid items	34,485	30,948	142,314	101,063	58,643
Accrued compensated absences	--	--	--	--	--
Self-insurance	--	--	--	--	--
Debt service	5,799,233	5,141,963	2,709,624	2,046,009	2,051,689
Total reserved	<u>31,939,863</u>	<u>74,246,636</u>	<u>44,746,980</u>	<u>44,722,947</u>	<u>30,877,674</u>
Unreserved:					
Designated:					
Subsequent year's expenditures	--	--	--	--	--
Special Revenue Funds	193,160	--	400,000	--	--
Accrued compensated absences					
Special Revenue Funds	925,411	540,587	473,436	473,435	--
Capital Projects Fund	253,877	--	172,542	202,286	210,830
Other Governmental Funds	--	--	336,858	331,105	312,584
Authorized construction, net of authorized unissued bonds	11,703,334	--	20,585,681	--	--
Undesignated, reported in:					
Special Revenue Funds	3,132,956	2,442,009	3,145,903	3,763,195	(8,823,448)
Capital Projects Fund	<u>16,984,877</u>	<u>(4,798,000)</u>	<u>19,985,891</u>	<u>15,138,770</u>	<u>13,819,815</u>
Total unreserved	<u>33,193,615</u>	<u>(1,815,404)</u>	<u>45,100,311</u>	<u>19,908,791</u>	<u>5,519,781</u>
Total all other government funds	<u>\$ 65,133,478</u>	<u>\$ 72,431,232</u>	<u>\$ 89,847,291</u>	<u>\$ 64,631,738</u>	<u>\$ 36,397,455</u>

For the Last Ten Years

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

	2001	2002	2003	2004	2005
<b>Revenues:</b>					
Local sources	\$ 145,928,476	\$ 154,204,468	\$ 160,774,444	\$ 161,768,902	\$ 183,978,564
State sources	235,994,038	246,502,312	255,345,978	263,485,503	284,773,761
Federal sources	40,614,346	44,951,437	49,907,518	58,290,973	61,192,088
<b>Total revenues</b>	<b>422,536,860</b>	<b>445,658,217</b>	<b>466,027,940</b>	<b>483,545,378</b>	<b>529,944,413</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General administration	8,608,469	9,081,409	9,648,338	9,516,769	10,270,182
Instruction	306,067,874	330,840,150	338,395,756	358,265,412	384,216,850
Pupil transportation	15,747,079	14,467,097	15,447,724	15,356,917	15,774,086
Operation and maintenance of plant	20,227,505	20,369,504	20,171,027	19,015,616	21,267,797
Community services	1,720,283	1,686,897	1,839,752	2,068,659	1,514,088
Non-departmental	4,806,465	3,834,755	2,724,000	3,956,112	3,763,972
Food services	10,895,039	11,190,827	11,763,298	12,033,209	13,217,128
<b>Debt service:</b>					
Principal	19,195,799	21,687,909	24,750,163	28,745,000	34,760,000
Interest	21,799,479	24,447,307	26,311,060	32,290,960	34,214,001
Fiscal agent fees	6,147	6,747	9,991	9,322	9,579
<b>Bond issuance cost</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Capital outlays</b>	<b>48,678,343</b>	<b>79,429,994</b>	<b>114,065,315</b>	<b>121,896,066</b>	<b>120,638,291</b>
<b>Total expenditures</b>	<b>457,752,482</b>	<b>517,042,596</b>	<b>565,126,424</b>	<b>603,154,042</b>	<b>639,645,974</b>
<b>Deficiency of revenues over expenditures</b>	<b>(35,215,622)</b>	<b>(71,384,379)</b>	<b>(99,098,484)</b>	<b>(119,608,664)</b>	<b>(109,701,561)</b>
<b>Other financing sources (uses):</b>					
Proceeds from sale of property and equipment	61,184	38,964	15,882	23,748	25,405
Issuance of general obligation bonds	181,012,364	131,800,000	--	126,770,000	150,090,000
Premium on issuance of general obligation bonds	--	7,237,446	--	1,421,741	7,507,226
Issuance of refunding bonds	54,698,781	70,345,000	--	--	109,930,938
Premium on issuance of refunding bonds	--	4,195,227	--	--	11,178,973
Payment to refunded bond escrow agent	(54,698,781)	(74,540,227)	--	--	(121,068,973)
Transfers in	1,212,299	5,954,059	859,711	777,009	6,081,461
Transfers out	(1,212,299)	(5,954,059)	(859,711)	(777,009)	(6,081,461)
<b>Total other financing sources</b>	<b>181,073,548</b>	<b>139,076,410</b>	<b>15,882</b>	<b>128,215,489</b>	<b>157,663,569</b>
<b>Net change in fund balances</b>	<b>\$ 145,857,926</b>	<b>\$ 67,692,031</b>	<b>\$ (99,082,602)</b>	<b>\$ 8,606,825</b>	<b>\$ 47,962,008</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>10.0%</b>	<b>10.5%</b>	<b>11.3%</b>	<b>12.7%</b>	<b>13.3%</b>

## 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

	2006	2007	2008	2009	2010
<b>Revenues:</b>					
Local sources	\$ 199,358,932	\$ 214,888,704	\$ 233,669,852	\$ 240,046,875	\$ 256,186,939
State sources	305,979,143	335,377,434	434,882,555	428,811,942	428,035,882
Federal sources	61,318,187	60,491,468	62,409,670	66,255,684	90,054,656
<b>Total revenues</b>	<b>566,656,262</b>	<b>610,757,606</b>	<b>730,962,077</b>	<b>735,114,501</b>	<b>774,277,477</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General administration	10,962,994	11,769,210	19,239,207	17,674,860	16,065,662
Instruction	418,150,467	447,887,180	536,523,214	555,944,309	590,336,062
Pupil transportation	16,303,868	17,236,133	18,982,195	19,234,255	20,137,537
Operation and maintenance of plant	22,962,874	24,697,997	26,772,621	27,357,834	27,528,957
Community services	688,032	790,222	840,031	951,649	976,725
Non-departmental	2,940,084	3,480,038	3,144,562	3,436,400	3,851,645
Food services	13,997,995	15,112,931	15,693,492	16,594,195	16,694,742
<b>Debt service:</b>					
Principal	39,035,000	39,870,000	44,080,000	46,630,000	49,520,000
Interest	37,525,701	35,021,935	35,884,852	37,270,931	36,372,658
Fiscal agent fees	13,506	11,578	11,605	10,648	11,208
<b>Bond issuance cost</b>	<b>--</b>	<b>425,618</b>	<b>119,483</b>	<b>219,481</b>	<b>134,674</b>
<b>Capital outlays</b>	<b>105,820,823</b>	<b>45,593,411</b>	<b>52,526,056</b>	<b>61,518,088</b>	<b>52,681,236</b>
<b>Total expenditures</b>	<b>668,401,344</b>	<b>641,896,253</b>	<b>753,817,318</b>	<b>786,842,650</b>	<b>814,311,106</b>
<b>Deficiency of revenues over expenditures</b>	<b>(101,745,082)</b>	<b>(31,138,647)</b>	<b>(22,855,241)</b>	<b>(51,728,149)</b>	<b>(40,033,629)</b>
<b>Other financing sources (uses):</b>					
Proceeds from sale of property and equipment	65,320	42,904	51,531	11,127	634
Issuance of general obligation bonds	--	48,495,000	63,790,000	29,840,000	20,025,000
Premium on issuance of general obligation bonds	--	1,152,350	1,335,234	395,335	136,396
Issuance of refunding bonds	14,790,000	251,745,000	--	--	--
Premium on issuance of refunding bonds	1,561,914	13,906,249	--	--	--
Payment to refunded bond escrow agent	(16,330,730)	(265,651,249)	--	--	--
Transfers in	242,978	894,501	1,298,003	342,889	13,734
Transfers out	(242,978)	(1,094,501)	(1,898,003)	(4,514,963)	(1,723)
<b>Total other financing sources</b>	<b>86,504</b>	<b>49,490,254</b>	<b>64,576,765</b>	<b>26,074,388</b>	<b>20,174,041</b>
<b>Net change in fund balances</b>	<b>\$ (101,658,578)</b>	<b>\$ 18,351,607</b>	<b>\$ 41,721,524</b>	<b>\$ (25,653,761)</b>	<b>\$ (19,859,588)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>13.6%</b>	<b>12.6%</b>	<b>11.4%</b>	<b>11.6%</b>	<b>11.3%</b>

## Notes:

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

Last Nine 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
2009-2010	22,355,887	627,333,164	20,013,352	31,171,887	987,202	--	16,914,479	--	35,284,867	754,060,838

## 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
2009-2010	8,652,636

Last Nine 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			
2009-2010	6,756,203	167,633,175	47,466,227	221,855,605			

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
2009-2010	232,947,582	5,552,323	295,483,681	--	17,952,860	1,119,024	553,055,470

## Notes:

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

For the Last Ten Years

**GENERAL EXPENDITURES  
BY FUNCTION (1)**

Fiscal Year	General Administration	Instruction	Pupil Transportation	Operation and Maintenance of Plant	Community Services	Non Departmental	Food Services	Debt Service	Total (2)
2000-2001 (3)	\$ 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	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	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	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	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	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	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	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
2009-2010	16,065,662	590,336,062	20,137,537	27,528,957	976,725	3,851,645	16,694,742	85,903,866	761,495,196

## Notes:

- (1) Includes General, Special Revenue, and Debt Service Funds; excludes Capital Projects Fund.
- (2) For comparative analysis transfers have not been included.
- (3) Excludes Student Activity Funds which were reclassified from Agency Funds to Special Revenue Funds after 2001-2002.

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>
2000-2001 (3)	\$ 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	158,077,867	250,993,537	49,907,518	458,978,922
2003-2004	159,936,428	254,775,072	57,373,253	472,084,753
2004-2005	180,891,401	280,960,065	60,793,473	522,644,939
2005-2006	195,905,548	304,908,978	60,711,533	561,526,059
2006-2007	211,118,561	334,381,044	60,124,838	605,624,443
2007-2008	228,551,829	434,028,791	61,864,635	724,445,255
2008-2009	237,534,125	425,548,573	65,203,075	728,285,773
2009-2010	255,230,975	425,783,030	89,594,070	770,608,075

## 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) Excludes Student Activity Funds which were reclassified from Agency Funds to Special Revenue Funds after 2001-2002.

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>Areawide Tax Rate (mils)</u>
2000	\$ 12,822,486,034	\$ 1,802,500,841	\$ 14,939,812,371	9.72
2001	13,774,994,498	1,885,868,114	15,664,818,012	9.44
2002	15,222,751,959	1,876,558,476	17,335,768,455	9.37
2003	17,225,701,316	1,854,219,932	19,079,921,248	8.87
2004	18,884,219,903	1,843,145,621	20,727,365,524	8.36
2005	20,181,488,078	1,908,057,825	22,343,272,432	8.23
2006	23,665,390,223	2,178,724,534	25,844,114,757	7.59
2007	26,710,032,138	2,559,073,381	29,269,105,519	7.02
2008	28,173,397,139	2,407,424,007	30,580,821,146	7.31
2009	28,633,930,448	2,819,418,266	31,453,348,714	7.67

## Notes:

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

For the Last Ten Years

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

	TAX RATES (IN MILLS)									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Area Wide:										
Municipality of Anchorage	0.49	0.37	0.23	0.46	0.64	1.10	1.50	1.56	1.24	1.64
Anchorage School District	7.18	6.94	6.79	7.13	7.59	7.26	7.37	7.81	8.20	8.08
Property Tax Credit	(0.57)	(0.51)	--	--	--	--	--	--	--	--
Total Areawide	7.1	6.8	7.02	7.59	8.23	8.36	8.87	9.37	9.44	9.72
Former City Service Area	--	--	.02	.02	.01	.02	--	.02	.03	.02
Chugiak Service Area	0.97	0.99	1	0.91	1.00	0.89	0.88	0.99	1.00	1.00
Glen Alps Service Area	2.75	2.75	2.75	2.75	2.75	2.75	2.25	2.47	2.76	2.69
Girdwood Service Area	3.83	3.03	4	3.97	3.47	3.47	3.39	3.25	3.35	3.40
Former Borough Roads & Drainage Service Area	--	--	--	--	--	--	--	--	--	--
Anchorage Fire Service Area	1.75	1.77	1.73	1.76	1.97	1.87	1.64	1.68	1.82	1.61
Roads & Drainage Service Area	2.77	2.6	2.59	2.80	2.75	2.90	3.10	2.97	3.61	3.03
Limited Road Service Areas	1.32	1.3	1.28	1.21	1.31	1.26	0.99	1.29	1.29	1.29
Anchorage Police Service Area	2.61	2.56	2.6	2.57	2.71	2.37	2.25	2.39	2.40	2.63
Parks & Recreation Service Area	0.7	0.65	0.6	.56	.62	.68	.74	.73	.72	.74
Building Safety Service Area	--	--	--	--	--	--	.01	.01	.01	.01
Chugiak/Eagle River Recreational Facilities Service Area	1.05	1.08	1.11	1.13	1.17	1.18	.69	.69	.70	.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	2009			2000		
	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.	\$ 242,952,302	1	0.77 %	\$ 221,311,477	1	1.51 %
Calais Company, Inc.	152,459,210	2	0.48	69,617,677	5	0.48
G.C.I. Communications Corp.	145,771,518	3	0.46	72,187,578	4	0.49
Fred Meyers Stores, Inc.	132,247,483	4	0.42			
Galen Hospital Alaska, Inc.	124,017,508	5	0.39			
B.P. Exploration (Alaska) Inc.	118,449,717	6	0.38	89,835,496	2	0.61
Hickel Investment Company	107,421,099	7	0.34	87,867,826	3	0.60
WEC 2000A-Alaska L.L.C.	102,089,595	8	0.32	60,028,239	7	0.41
Enstar Natural Gas Company	95,829,871	9	0.30	57,955,354	8	0.40
Anchorage Fueling & Service Co.	91,370,040	10	0.29	51,562,683	10	0.35
Federal Express Corp.				68,229,366	6	0.47
Hilton Md Finance Company				53,678,100	9	0.37
	<u>\$ 1,312,608,343</u>		4.15 %	<u>\$ 832,273,796</u>		5.69 %

## Notes:

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

For the Last Ten Years

## PROPERTY TAX LEVIES AND COLLECTIONS (1)(2)

Fiscal Year	Total Tax Levy	Cash Collections on Tax Levy	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2000	\$ 262,257,722	\$ 258,051,374	98.4 %	\$ 4,200,331	\$ 262,251,705	100.0 %	\$ 6,017	0.0 %
2001	279,861,463	277,508,664	99.2	2,347,677	279,856,341	100.0	5,122	0.0
2002	299,084,667	298,771,844	99.9	307,886	299,079,730	100.0	4,937	0.0
2003	315,403,940	311,915,068	98.9	3,482,851	315,397,919	100.0	6,021	0.0
2004	337,190,170	325,033,543	96.4	12,143,661	337,177,204	100.0	12,966	0.0
2005	357,895,662	353,993,904	98.9	3,890,721	357,884,625	100.0	11,037	0.0
2006	398,955,490	389,483,559	97.6	9,274,063	398,757,622	100.0	197,868	0.1
2007	386,615,505	378,829,566	98.0	7,468,594	389,298,160	99.9	317,345	0.1
2008	438,158,786	430,346,262	98.2	5,169,509	435,515,771	99.4	2,643,015	0.1
2009	463,732,284	454,799,895	98.1	--	454,799,895	98.1	8,932,389	1.9

## Notes:

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

For the Last Ten Years

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

Fiscal Year	Population (1)	Average Daily Membership K-12 and Special Ed (2)	Assessed Valuation (3)	Gross Bonded Debt (4)	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
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
2009-2010	290,588	49,061	31,453,348,714	743,090,000	2,051,689	741,038,311	2.4	2,550	15,104

## 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.

June 30, 2010

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

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable To</u>	<u>Amount Applicable To</u>
Overlapping Municipality of Anchorage	\$ 610,882,660	100 %	\$ 610,882,660
Direct: Anchorage School District	743,090,000	100	<u>743,090,000</u>
			<u><u>\$ 1,353,972,660</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)
2000-2001	(2) \$ 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	24,715,000	26,308,651	9,991	51,033,642	451,061,109	11.3
2003-2004	28,745,000	32,290,960	9,322	61,045,282	481,257,976	12.7
2004-2005	34,760,000	34,214,001	9,579	68,983,580	519,007,683	13.3
2005-2006	39,035,000	37,525,701	13,506	76,574,207	562,580,521	13.6
2006-2007	39,870,000	35,021,935	11,578	74,903,513	595,877,224	12.6
2007-2008	44,080,000	35,884,852	11,606	79,976,458	701,171,780	11.4
2008-2009	46,630,000	37,270,931	10,648	83,911,579	725,105,081	11.6
2009-2010	49,520,000	36,372,658	11,208	85,903,866	761,366,234	11.3

## Notes:

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

(2) Excludes Student Activity Funds which were reclassified from Agency Funds to Special Revenue Funds after 2001-2002.

<u>Fiscal Year (1)</u>	<u>Population (2)</u>	<u>Per Capita Personal Income(1)</u>	<u>Total Personal Income(1)</u>	<u>Average Daily Membership Grades K-12 and Special Education (3)</u>	<u>Unemployment Rate (4)</u>
2000	260,283	\$ 33,693	\$ 8,769,715	48,856	4 %
2001	264,937	36,013	9,541,176	49,247	4
2002	269,070	36,998	9,955,052	49,545	5
2003	274,003	37,307	10,222,230	49,265	6
2004	277,498	39,206	10,879,587	49,182	6
2005	278,241	41,522	11,553,123	49,320	5
2006	282,813	43,957	12,431,611	48,707	6
2007	283,823	46,243	13,124,827	48,144	6
2008	284,994	50,755	14,464,870	48,227	6
2009	290,588	47,381	13,765,350	49,061	7

Notes:

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

Current Year  
and Nine Years Ago

## PRINCIPAL EMPLOYERS (1) (2)

Employer	2009(3)			2000(3)		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
U.S. Uniformed military	23,077	1	14.10 %	17,614	1	12.34 %
State of Alaska	18,139	2	11.08	16,066	3	11.25
Federal Civilians	17,065	3	10.43			
University of Alaska	7,218	4	4.41	6,112	4	4.28
Anchorage School District	7,006	5	4.28	5,945	5	4.16
Providence Health & Services	4,000	6	2.44			
Municipality of Anchorage	3,110	7	1.90	2,868	8	2.01
Wal-Mart/Sam's Club	3,249	8	1.83			
Carrs/Safeway	2,999	9	1.83			
Fred Meyer	2,749	10	1.68	2,146	9	1.50
Safeway Stores/Carr Gottstein Foods				3,270	6	2.29
Providence Alaska Medical Center				3,098	7	2.17
Fairbanks North Star Borough School District				1,918	10	1.34
Federal Government				17,139	2	12.01
	<u>88,612</u>		53.98 %	<u>76,176</u>		53.35 %

## 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

Fiscal Year	Total General Expenditures (1)	General Expenditures Percentage Increase (Decrease) Over Prior Year	Average Daily Membership Grades K-12 and Special Education (2)	General Expenditures Per Student Per Capita	General Expenditures per Student Capita Percentage Increase (Decrease) Over Prior Year
2000-2001 (3)	\$ 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	451,061,109	3.07	49,545	9,104	2.45
2003-2004	481,257,976	6.69	49,265	9,769	7.30
2004-2005	519,007,683	7.84	49,182	10,553	8.03
2005-2006	562,580,521	8.40	49,320	11,407	8.09
2006-2007	595,877,224	5.92	48,707	12,234	7.25
2007-2008	701,171,780	17.67	48,144	14,564	19.05
2008-2009	728,285,773	3.87	48,227	15,101	3.69
2009-2010	770,479,112	5.79	49,061	15,705	4.00

## 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) Excludes Student Activity Funds which were reclassified from Agency Funds to Special Revenue Funds after 2001-2002

**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
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
2009-2010	49,061	1.73	31,453,348,714	2.85	641,107

## 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				
	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Administration	146	145	151	157	157
Principals	122	124	130	135	138
Teachers	3,115	3,236	3,236	3,221	3,223
Technical	143	147	154	169	180
Clerical and teacher aides	881	881	899	917	917
Maintenance/warehouse	177	178	184	186	191
Custodial	327	329	329	329	341
Drivers/attendants	95	115	111	111	104
Noon attendants	76	74	74	74	74
Food service	<u>170</u>	<u>165</u>	<u>168</u>	<u>175</u>	<u>190</u>
Total authorized positions	<u>5,252</u>	<u>5,394</u>	<u>5,436</u>	<u>5,474</u>	<u>5,515</u>
Employee Category	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Administration	159	145	189	190	202
Principals	144	144	149	151	151
Teachers	3,240	3,240	3305	3315	3353
Technical	182	183	179	197	205
Clerical and teacher aides	1,005	1,000	1030	1089	1118
Maintenance/warehouse	198	183	187	187	187
Custodial	354	353	361	361	371
Drivers/attendants	105	105	111	112	111
Noon attendants	74	74	74	74	75
Food service	<u>197</u>	<u>200</u>	<u>205</u>	<u>207</u>	<u>208</u>
Total authorized positions	<u>5,658</u>	<u>5,627</u>	<u>5790</u>	<u>5883</u>	<u>5981</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 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(4)</u>
Bachelor's Degree	376	\$ 42,917	\$ 58,366
Bachelor's Degree plus 18 semester credits	378	45,144	63,302
Bachelor's Degree plus 36 semester credits	321	47,370	68,236
Master's Equivalency with 54 semester credits	225	49,597	73,173
Master's Equivalency with 72 semester credits	152	51,823	76,820
Master's Equivalency with 90 semester credits	400	54,050	81,528 (3)
Master's Degree	249	47,911	70,098
Master's Degree with 54 semester credits	263	50,138	75,034
Master's Degree with 72 semester credits	269	52,364	79,969
Master's Degree with 90 semester credits	932	54,591	84,676 (3)
Doctorate Degree with 90 semester credits	28	56,214	86,396 (3)

## Notes:

- (1) Information furnished through Anchorage School District internal report.
- (2) Number of teachers (by FTE) as of April 2010. Does not include all authorized positions.
- (3) Includes \$1,000 longevity bonus.
- (4) Salary amounts include salary schedule plus 6% additional for Related Services staff.

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

For the Last Ten Years

**AVERAGE DAILY MEMBERSHIP**

Fiscal Year	Average Daily Membership Grades K-6 (1)	Percentage Increase (Decrease) Over Prior Year Grades K-6	Average Daily Membership Grades 7-12	Percentage Increase (Decrease) Over Prior Year Grades 7-12
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)
2009-2010	26,544	2.47	22,517	0.84

## 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 2009-2010.

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

Fiscal Year	Kindergarten (FTE)	Grade 1	Grades 2 - 3	Grades 4 - 6	Grades 7 - 12	Special Education
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
2009-2010	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 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>	
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
2009-2010	3,320,887	1,444	27,210	26,544	3,760,066	1,090	22,437	22,517	3,084

**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
2009-2010	8	10	60	6	2	1	8

## Notes:

(1) Information furnished from Anchorage School District's 10-year Capital Improvement Plan 2010-2020.

For the Last Ten Years

## STUDENT NUTRITION LOCAL REVENUES(1)

Fiscal Year	Lunch Sales Student	Lunch Sales Adult	Breakfast Program	Milk Program	A la Carte Program	Special Meals	After School Snack Program	Other Revenues	Total
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
2009-2010	2,854,711	32,329	169,837	71,482	1,241,874	99,223	--	117,191	4,586,647

## Notes:

(1) Information furnished through Anchorage School District internal report.

For the Last Ten Years

## MISCELLANEOUS STATISTICS

Date of adoption of Home Rule Charter  
Municipality of Anchorage

September 16, 1975

## Number of Type A lunches served (1):

Fiscal Year	Paid	Free	Reduced Price	Adult
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
2009-2010	900,291	1,729,615	424,749	18,246

## Pupil transportation statistics (1):

Fiscal Year	Number of Routes			
	Regular to and from schools		Special Education to and from school	
	District	Contracted	District	Contracted
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
2009-2010	51	96	28	63

## Notes:

(1) Information furnished through Anchorage School District internal report.

June 30, 2010

## SCHEDULE OF INSURANCE IN FORCE

Carrier/Coverage	Policy Number	Limits	Expiration Date
Everest National Insurance Company GL/Auto/Ed Legal Emp Benefits	71P7000112101	\$10,000,000 Each Occurrence \$10,000,000 Aggregate (Where Applicable) Self Insured Retention claim - \$1,000,000	7/1/2011
Colony Insurance Company 1st Excess Liability	AR6460092	\$5,000,000 excess of \$5,000,000	7/1/2011
Arch Specialty Ins. Company Excess Liability	UXP000803105	\$5,000,000 excess of \$5,000,000	7/1/2011
Allied World Insurance Company Excess Liability	3056799	\$10,000,000 excess of \$10,000,000	7/1/2011
Safety National Excess Workers Compensation & Employers Liability	SP4042195	Statutory Limits Part I \$1,000,000 Part II Self Insured Retention - \$750,000 \$50,000,000 Aggregate	7/1/2011
Chartis Insurance Company Travel Accident Insurance	GTP 0009127634	\$500,000 Prinsipal Sum \$5,000,000 Aggregate, per Accurance	7/1/2011
Western Fire Insurance Company N/O Aviation	AACN02204435002	\$1,000,000 Each Occurrence Including Passengers Increased to 20 seats \$5,000 Medical per Person	7/1/2011
Westchester Fire Ins. Company Employee Dishonesty Bond	G21679586006	\$1,000,000 Bond Limit \$7,500 Deductible	7/1/2011
ACE USA International Foreign Liability	PHFD37499626	\$1,000,000 per Occurance \$2,000,000 Aggregate Limit	7/1/2011
Hartford Accident & Indemnity School Board Treasurer Bond	52BSBFK4605	\$50,000 Bond Limit	4/27/2011
Zurich Ins. Company Storage Tank 3rd Party Liability	USC2954411-10	\$1,000,000 Each Incident \$1,000,000 Aggregate Limit \$10,000 Deductible	3/23/2011
FM Global Insurance Company Property Insurance excluding Quake	UW428	\$1,000,000,000 Limit \$100,000 Deductible/Occurrence	7/1/2011
Catastrophic Student Accident Insurance	SB20CC054817	\$1,000,000 Accident Maximum Benefit \$50,000 Deductible	7/1/2011

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