

Comprehensive Annual
Financial Report

ANCHORAGE SCHOOL DISTRICT

for the Fiscal Year Ended
June 30, 2011

Carol Comeau
Superintendent

Prepared by Business Management Division

Chad Stiteler, Chief Financial Officer
Susan Jolin, 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.

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Introductory Section





Anchorage School District

5530 E. Northern Lights Blvd.
Anchorage, Alaska 99504-3135
(907) 742-4000

October 18, 2011

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

SCHOOL BOARD

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Clerk

Pat Higgins

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SUPERINTENDENT

Carol Comeau

The Comprehensive Annual Financial Report (CAFR) of the Anchorage School District (District) for the year ended June 30, 2011, 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 Mondays or as needed.

Meeting agendas are published on the district's web site at 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.

CREATING A HIGH PERFORMING DISTRICT THE ANCHORAGE SCHOOL BOARD'S VISION

Mission

To educate all students for success in life

Vision

All students will graduate prepared for post-secondary educational and employment opportunities

Preamble

The Anchorage School Board is a municipal-wide elected body with governance responsibility for the Anchorage School District. As a governance board, it is our responsibility to do the following: (1) set a clear direction for the district; (2) empower and hold accountable the superintendent for implementing our direction and managing district operations; (3) develop and adopt policies and budgets that support and implement the board's direction; and (4) model the professionalism and degree of effort they expect from students, families and staff.

The board expects a high-performing district that achieves exceptional results. We believe a process of continuous improvement and reform for results can be consistent over time, transcending board membership and superintendents.

Board Commitments

Based on our core beliefs and values, the board is committed to the following:

- A collaborative and respectful governance relationship with the superintendent;
- A rigorous core curriculum of language arts, mathematics, science and social studies;
- A well-rounded educational program that integrates career and technical education, arts and athletics;

- Instruction and early interventions that meet the needs of each student and moves them forward at least one year's academic growth annually;
- Effective public school choice options;
- Parents and the community as informed partners; and
- Cost-effective and efficient operations.

Core Values and Beliefs

POTENTIAL: Every student deserves the opportunity to achieve his or her potential

To best serve all students, the board believes schools, families and the community should provide every student the opportunity to reach his or her potential. We believe students learn differently, and as such, each classroom and/or school must teach the curriculum in a way that meets the needs of each child. Our district must provide opportunities including a highly effective educator in each classroom, differentiated instruction and high-performing neighborhood and alternative schools. We believe we must close the achievement gap while moving all students forward.

HIGH EXPECTATIONS: The district will foster a culture of high expectations

To achieve high performance, the board believes the district must foster a culture of high expectations for everyone: students, parents, educators, staff and the board. High expectations require adopting an attitude that does not make excuses for a child's academic performance. High expectations also require high performance standards for each employee, including an expectation of collaboration.

ACCOUNTABILITY: The district will be open, transparent and accountable to the public

The board believes the district should be open, transparent, and accountable to the public, ensuring a high-quality education while remaining fiscally responsible. Our budget, policies, guidelines, curriculum and district performance data will be easily accessible (unless protected by law) and understandable. Parents will always have access to what their child is learning and how they are progressing. The district will promote strong community partnerships and public involvement.

SAFETY: All schools and departments will be safe and supportive

The board believes all schools and departments will have safe and supportive environments by providing safe facilities, being intolerant of bullying and discrimination, and ensuring respect for all. This belief also includes promoting skills necessary to create positive relationships, and to handle confrontational and challenging situations constructively and ethically.

RESPONSIVENESS: Public education should be responsive to an ever-changing world

The board believes the district must be responsive to the changing educational requirements of students for meeting the challenges of an ever-changing world.

Every graduate should be ready for his or her next step in life and be a productive member of a democratic republic.

Operating Principles for Instruction

To implement our vision, the board sets forth the following operating principles, or the active actions, the district will take to move us towards high performance.

Managed instruction – The district will use a Managed Instruction System approach, which includes consistent content, grade-level expectations, and performance standards and curriculum across grade levels and schools. The main driver for this principle is the mobility of our district: almost one-third of students do not end the year in the school in which they start.

School innovation – The district will encourage creativity, innovation and reform including allowing schools to request flexibility (e.g., waiver, pilot programs) so the school can best meet the needs of its students.

Principal priorities – Principals will implement board policies and vision, focusing on three priorities: (1) a safe and secure environment, (2) serving as the instructional leader and ensuring quality education, and (3) serving as the liaison with the neighborhood and school community.

Instructional differentiation – As a best practice, the district will ensure instruction and early interventions to meet the needs of each student, moving every child forward at least one year's academic growth annually.

Educator accountability – Teachers, principals and all educators will be held accountable for complying with district policy and direction to meet the district's mission, vision, core beliefs, commitments and performance measures.

Effective communication – The district will establish effective communications (including feedback loops) with parents, students, educators and the community.

Research-based curriculum and best-practice instruction – The district's curricula will be research-based with the expectation of and accountability for best practice with instruction.

Technology integration – The district will integrate technology into all classrooms and curricula to provide each child the opportunity to fully engage in a twenty-first century learning environment.

Implementation

To implement our vision, the board will work with management each year to determine strategic initiatives, annual board projects, and performance measures.

Strategic Initiatives

Each spring, after board elections and reorganization and before the start of the fiscal year, the board and superintendent will work together to confirm and set strategic objectives, major tactics, and board liaison based on resources and priorities. These objectives will be rolling, recognizing that strategic objectives often take more than one year to complete. As such, each year some objectives will be initiated, in process, discontinued or completed. Additionally, once a project is to implementation, it will move from board governance to superintendent management. The board may request at this time implementation updates.

1. Develop a district long-range fiscal plan
2. Develop a value-based budgeting system
3. Review of math curriculum
4. Career/Technical and Vocational Comprehensive Plan
5. Develop a comprehensive model for staff evaluation based on classroom effectiveness
6. Develop improvements in bond and capital improvement plans
7. Response to Instruction system
8. Management Review
9. Review and prioritize Native education services

10. Enhanced effectiveness of board communications

11. Partnership and merging of services with MOA

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 (SBP) program under the guidance of the Superintendent. Over the past twenty years 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 over 2,850 events during FY 2010-2011. This included over 1,650 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, 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 \$770,435 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 six 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, Eagle River and South 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 over 1700 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 into the future.

During the 2010-2011 school year, the 21st CCLC delivered after-school academic and enrichment services in eleven elementary schools, one charter school and one middle school. Four sites operated under their second year of a five-year renewable state grant, four sites operated under their third year of a five-year renewable state grant, and four sites operated under their fourth year of a five-year renewable state grant. The district will have thirteen sites providing 21st CCLC programs during the 2011-2012 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 for the program include the YWCA, Boy Scouts of America Great Alaska Council, Girl Scouts of Alaska, 4H, Juneau Economic Development Council, Starbase Alaska, 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. (SBP) is a 501(c)(3) non-profit corporation. Over the past 20 years, the SBP program

has been responsible for developing more than 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 annual Executive Exchange Event and the STAR awards luncheon to recognize exemplary partnerships. The program puts out quarterly Partnership Press newsletters as well as the annual Best Practices publication. The program assists the Gifted Mentorship Department in recruiting new business mentors and supports the instructors of the School Business Partnership Classes taught at some 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 12th grades. These programs offer a variety of educational options for students.

Birchwood, Northwood, and Northern Lights schools offer an "ABC" or "back to basics" program. These schools are highly structured and dedicated to academic excellence. ABC schools seek to build a sense of responsibility, patriotism, citizenship, confidence, pride in accomplishment and a positive self-image through academic achievement. To do this, ABC schools provide a quiet and orderly environment

that utilizes a positive, firm, and consistent code of conduct. Birchwood and Northwood are K-6 schools and Northern Lights is a K-8 school.

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

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

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

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

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

Bartlett High School's Humanities Interdisciplinary Program allows Bartlett students to become a part of a community. They are a group of people, grades 10, 11, and 12, of all ability levels, from advanced placement, academically motivated students, to learning disabled and at risk students, who acknowledge their interconnectedness, have a sense of common purpose, respect their differences, share in decision making, and share the responsibility for the group's actions. The goals are to increase skills in reading, writing, listening, speaking, organizing, and thinking; to create a process of dialogue and reflection between students, between students and teacher and between teachers; to implement an exchange between students and the greater Anchorage community; to enable students to examine their relationship with themselves, with others, and with the larger world community; to help students understand their own learning and writing process and to provide students with opportunities to invest time, energy, effort and creativity in long term projects in publishing, acting, video production and community service.

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

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

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

West High School has a School of the Arts, which focuses on integrating the arts into the core curriculum and humanities. The International Baccalaureate Program began in the fall of 2004 for juniors and seniors. The preeminent college preparatory course of studies in the world, taught in more than 115 countries, includes courses in English, a second language, social studies, math, science 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 2010-2011 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. 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 interventions in first grade may have difficulties with speech or writing, following instruction they hear, or letter / sound recognition and other visual tasks.

At the elementary level, the gifted program offers two program options. The larger of the two is our gifted enrichment program, known as IGNITE. This program serves qualifying students throughout the district in grades 2-6, providing enrichment opportunities incorporating novelty, depth, complexity and opportunities for critical thinking as a supplement to the regular classroom curriculum. The second elementary program offered is our Highly Gifted program. This is a self-contained program serving qualifying students from anywhere in the district in grades Kindergarten through 6, housed at Rogers Park Elementary School. Students that qualify for this program receive full time accelerated instruction at Rogers Park instead of their regular classroom.

The middle school program focuses on the areas of science and language arts. The needs of identified gifted students are met by providing gifted level accelerated courses at all ten regular middle schools. The educational needs of Highly Gifted students in middle and high schools are addressed with pro-

grams housed at Romig Middle School and West High School that serve qualifying students from anywhere in the district.

The gifted program also offers mentorships for qualifying high school juniors and seniors. The Gifted Mentorship program is for the exceptional 11th and 12th grade high school student who has the self-discipline and interest to pursue independent study under the direction of a professional/expert in a field of great interest to the student. The program gives motivated, mature high school students an idea of what it is like to work in a field of their interest by being teamed with a professional who acts as their mentor during a 45 to 60 hour program.

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.

Title VII Indian Education meets the 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.

Beyond the regular school year, 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 or mathematics. At the secondary level, 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 5-6 week summer school program in June and July.

This year, summer school served over 6,500 students, with just under 7,000 credits earned.

The “Creating Successful Futures I” (CSF I) 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 support students who need intervention in the area of social emotional learning and to empower them 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 approximately 200-225 students per year.

STUDENTS

The Anchorage area had an estimated population of 291,826 in 2010. This represents an increase in residents of 0.4 percent over 2009.

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. However, modest growth in employment returned in 2010 and is expected to continue. 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 37 percent of the Anchorage population, they are 53 percent of the district student population. The official enrollment for school year 2010-2011 reached 49,091 students: 26,073 elementary, 22,502 secondary, and 516 special services and contracted program students.

Approximately 28,667 Anchorage students participated in the Alaska Standards Based Assessment (SBA) in school year 2010-11. 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, 79.8 percent were proficient in reading, 76.9 percent in writing, 70.4 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 who tested, 2,122 students or 60.7 percent had passed all three subtests on the first administration. Of the 1,375 students who have not passed all three subtests, 536 have only one remaining subtest to pass, 346 had two remaining subtests to pass and 493 have all three subtests to pass.

Of the seniors enrolled in the Anchorage School District on the last day of school, 96.0 percent of those with sufficient credits to graduate had passed the HSGQE and .5 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 2010-11 school year involved the administration of the TerraNova 3rd edition in grades five and seven. The mean normal curve equivalent scores for all students in grades five and seven ranged from 49 to 55 with the national average being 50. Anchorage School District students scored at or above the national average on all subtests except 5th grade reading and mathematics. 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 2010-11 school year, the average composite ACT score for Anchorage was 22.0 compared to 21.1 nationally and 21.2 for our state.

The average SAT math was 534 for Anchorage compared to 514 nationally and 511 for our state. The average SAT critical reading for Anchorage was 525 compared to 497 nationally and 515 for our state. The average SAT writing score for Anchorage was 500 compared to 489 nationally and 487 for our state.

In terms of meeting Adequate Yearly Progress as defined by the Elementary and Secondary Education Act, the Anchorage School District's 2010-2011 preliminary report shows test scores are down while the graduation rate is up. The Annual Measurable Objective, the percentage of proficient students needed in order to obtain AYP, increased this year by 5.7 percentage points in language arts and 8.5 percentage points in math. Schoolwide results for the district's 96 schools are as follows: 99 percent met the test participating requirement, 75 percent met the language arts requirement, 73 percent met the math requirement and 96 percent met the attendance/graduation requirement. This year, 37 ASD schools met every requirement for which they were accountable; a decrease of 10 schools compared to last year. Seventeen schools missed AYP by one or two targets; 42 schools missed by three or more targets. Language arts proficiency scores, a combination of reading and writing, were 78.5 percent, down from 80.6 percent last year. Math proficiency scores decreased from 73.5 to 70.8 percent. The five-year trend shows language arts decreased from 82.3 to 78.5 percent proficient. In math, the five-year trend shows a decrease of 76.3 to 70.8 percent proficient. The district's preliminary graduation rate is 71.85 for the four-year rate and 75.94 for the five-year rate. This year, five Title I schools made AYP. In the previous year, fourteen 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 1,255 routes each school day and travel over 3,000,000 miles annually. The Transportation Department also scheduled and dispatched buses for 4,880 activity and field trips during the 2010/11 school 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 23,673 meals daily or more approximately 4,024,372 meals a year to elementary, middle level and high school students. In addition, over 39,222 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 23 high needs schools. Over 187,144 after school snacks were provided, in cooperation with the 21st 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 from TLC (The Library Corporation) has successfully been in operation since the fall 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. 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. Coordination of the Federal Universal Services Administration E-Rate program that provides approximately \$1.6 million in discounted communication services to ASD is also accomplished by Audio-Visual Services. In addition, this department is responsible for the first class and bulk mail processing for the Education Center in addition to the serving as the district's internal mail sorting facility which processes 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 Management 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 2010 and 2011 oil production statewide continues to decline resulting in reduced employment in the oil and gas industry in Anchorage. 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. As a result of the slowdown in the national and international economies, statewide tourism activities continued to slow in 2010 and early 2011 declining by nearly 5 percent. International air cargo operations also help fuel the Anchorage economy and cargo flights through Ted Stevens Anchorage International Airport continue to increase over the previous year. The district is expectant that the reduction in oil production as well as in tourism will have a negative impact on the district's local and state allocations in the future.

The Anchorage School District is very fortunate to receive federal education funds provided through the Education Jobs Fund. The purpose of these funds is to pay salaries and benefits, and rehire, retain, or hire staff for the purpose of educating students. These one-time funds are being used to fund approximately 87 FTE classroom based teaching position for FY 2011-2012. The State of Alaska also provided one-time funding to support education by providing fuel opportunity grants to help offset inflationary increases of energy costs.

The district has approved a balanced budget for the fiscal year 2011-2012 by appropriating \$5.2 million of fund balance, but has currently projected a \$27 million budget deficit for the fiscal year 2012-2013 budget. By state statute and local funding process, district decisions are required to focus on annual appropriations rather than long range financial planning.

Any increase in local or state funding from fiscal 2011-2012 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, 2010.

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, 2010.

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



Gretchen Guess
President



Jeannie Mackie
Vice President



Jeff Friedman
Clerk



Kathleen Plunkett
Treasurer



Pat Higgins



Crystal Kennedy

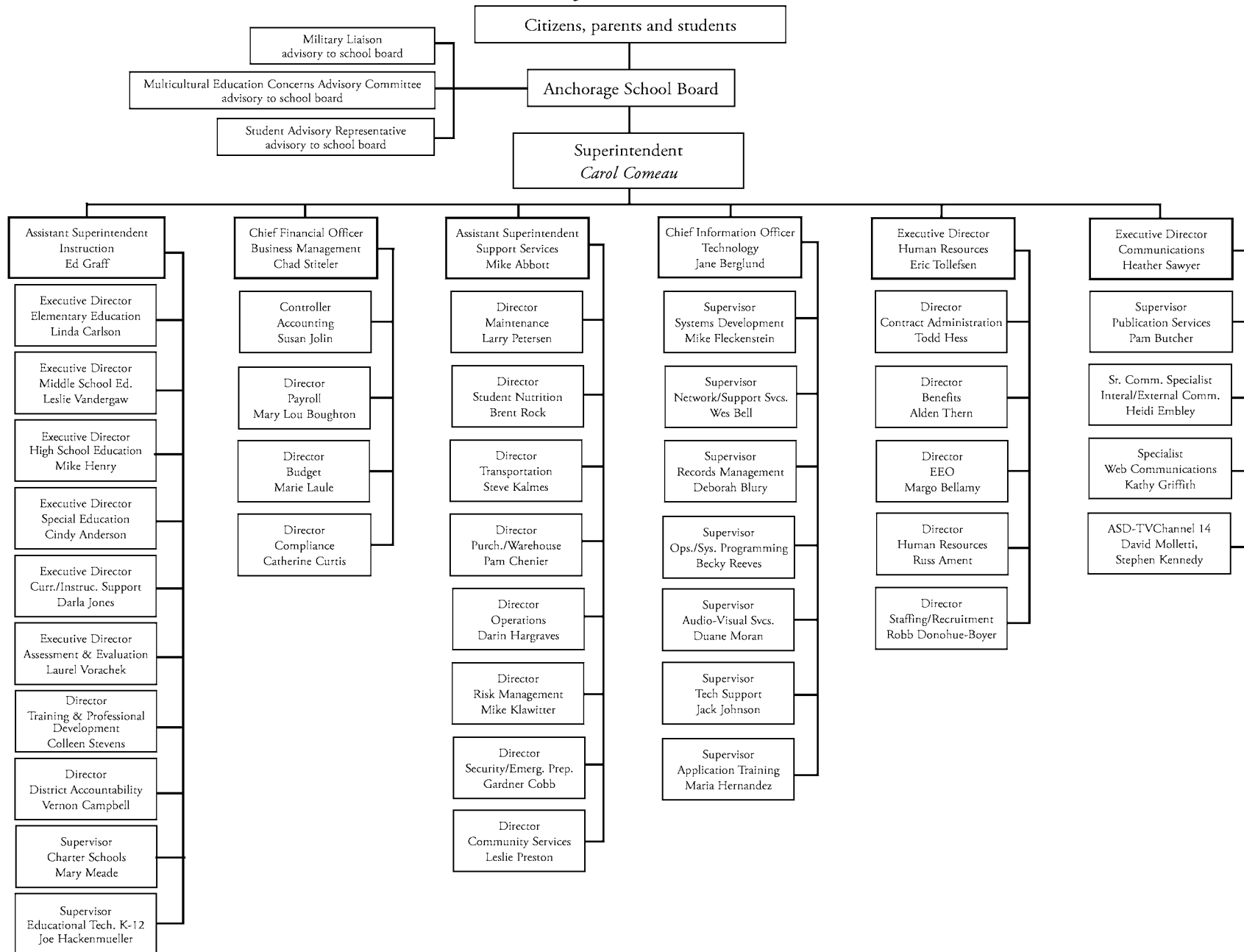


Don Smith

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

JUNE 2011



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, 2010

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.



Linda C. Sandison

President

Jeffrey R. Emer

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

ANCHORAGE SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2010

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

President

Executive Director

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Financial Section



Independent Auditor's Report

Members of the School Board
Anchorage School District
Anchorage, Alaska

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Anchorage School District, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Anchorage School District's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the District's 2010 financial statements and, in our opinion dated October 21, 2010, we expressed unqualified opinions on the respective financial statements of governmental activities, each major fund, and the aggregate remaining fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Anchorage School District, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2011 on our consideration of the Anchorage School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* and should be considered in assessing the results of our audit.

Members of the School Board
Anchorage School District

The management's discussion and analysis and the budgetary comparison schedules on pages 3-13 and 47-53, respectively, 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 combining and individual fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mikunda, Cottrell & Co.

Anchorage, Alaska
October 18, 2011

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, 2011. 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 \$645,690,538 (net assets). Of this amount, \$125,434,036 (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 \$31,514,101 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 \$161,790,313. Of this total, \$24,785,235 is not committed and available for spending at the district's discretion (unassigned fund balance).

- Of the total fund balance amounts in the governmental funds \$11,576,533 represents amounts that are non-spendable, \$31,452,054 have been restricted, \$26,934,669 is committed and \$67,041,822 is assigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$24,798,698 or 4.07 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, 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. 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 24-45 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 and accompanying notes to the required supplementary information can be found on pages 47-53 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 54-105 of this report. Detailed information on the district's Internal Service Funds can also be found on pages 107-109.

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 \$645,690,538 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	
	2010-2011	2009-2010
ASSETS		
Current and other assets	\$ 331,452,862	\$ 331,831,882
Capital assets	1,209,315,494	1,229,530,901
Total assets	1,540,768,356	1,561,362,783
LIABILITIES		
Bonds payable, net	710,727,818	758,366,481
Other liabilities	184,350,000	188,819,865
Total liabilities	895,077,818	947,186,346
NET ASSETS		
Invested in capital assets, net of related debt	506,570,859	488,771,145
Restricted	13,685,643	6,938,506
Unrestricted	125,434,036	118,466,786
Total net assets	\$ 645,690,538	\$ 614,176,437

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 \$506,570,859. 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 (2 percent) represents resources that are subject to external restrictions on how they may be used. Of the \$13,685,643, the \$2,136,337 is related to debt service and \$11,549,306 is restricted for authorized construction. The remaining balance of unrestricted net assets (\$125,434,036) may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net assets increased \$6,967,250, 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 2010-2011. 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 are mainly attributable to revenues received from the American Recovery and Reinvestment Act (ARRA) and increases in revenues received from the State of Alaska for PERS/TRS Employer Relief. The net increase in General revenues are mainly attributable to amounts received from the Alaska Public School Funding Program and the Federal Impact Aid Program. The increase to the Alaska Public School Funding Program was due to changes in the formula itself.

Table 2 – Program Revenues and Expenses

	Governmental Activities	
	2010-2011	2009-2010
Program revenues:		
Charges for services	\$ 8,682,220	\$ 6,756,203
Operating grants and contributions	197,545,476	167,633,175
Capital grants and contributions	46,117,714	47,466,227
General revenues:		
Appropriation from Municipality of Anchorage	234,759,972	232,947,582
Investment income	2,376,959	5,552,323
Public school funding program	310,300,774	295,483,681
Federal Impact Aid	23,992,347	17,952,860
Other	1,188,572	1,119,023
Total revenues	<u>\$ 824,964,034</u>	<u>\$ 774,911,074</u>
Program expenses:		
General administration	\$ 14,804,134	\$ 22,355,887
Instruction	670,615,868	627,333,164
Pupil transportation	20,304,158	20,013,352
Operation and maintenance of plant	34,814,864	31,171,887
Community service	1,042,966	987,202
Food services	18,666,353	16,914,479
Interest expense	33,201,590	35,284,867
Total expenses	<u>\$ 793,449,933</u>	<u>\$ 754,060,838</u>
Increase in net assets	31,514,101	20,850,237
Net asset beginning of year	614,176,437	593,326,200
Net assets ending	<u>\$ 645,690,538</u>	<u>\$ 614,176,437</u>

Table 3 discloses cost of services for the governmental activities. The total cost of services column contains all costs related to the governmental functions, the program revenues column represents all categories of program revenues generally derived directly from the function or from sources other than

local taxpayers, finally the net cost of services column shows how much of the total cost of service is not covered by program revenues. Succinctly put, net costs are costs that must be covered by unrestricted state revenues (e.g. Alaska Public School Funding Program) or local taxes.

Table 3 – Cost of Services

Governmental Activities	Total Cost of Services 2010-2011	Program Revenues 2010-2011	Net Cost of Services 2010-2011
General administration	\$ 14,804,134	\$ 139,091	\$ 14,665,043
Instruction	670,615,868	211,983,885	458,631,983
Pupil transportation	20,304,158	19,796,188	507,970
Operation and maintenance of plant	34,814,864	1,948,927	32,865,937
Community service	1,042,966	779,931	263,035
Food service	18,666,353	17,697,388	968,965
Interest expense	33,201,590		33,201,590
Total expenses	<u>\$ 793,449,933</u>	<u>\$ 252,345,410</u>	<u>\$ 541,104,523</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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Non-spendable, Restricted, Committed and Assigned fund balance may serve as an indication of resources allocated to future expenditures.

The overall governmental funds fund balance decreased by \$2,222,964 as of June 30, 2011. Unassigned fund balance within the General Fund was reduced by \$1,129,541 and non-spendable items within the General Fund were reduced by \$928,816 making up the majority of the reduction. Per an agreement with the Municipality of Anchorage a restriction of fund balance was made to ensure the maintenance of the municipality's bond rating. The School Board authorized an assignment of \$5,200,000 for expenditures in the fiscal year 2011–2012 budget.

General Operating Fund

The General Fund is the chief operating fund of the district. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$24,798,698, while total fund balance reached \$130,661,353. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund revenues. The district historically maintains no more than 5 percent of current year general fund expenditures in the unassigned (previously unreserved, undesignated prior to GASB 54 reclassifications) fund balance category. The district's General Fund unassigned fund balance represents 4.07 percent of total General Fund expenditures, 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 \$3,045,531 during the fiscal year 2010-2011. Significant factors are as follows:

Net revenues equal 100.8 percent of budgeted revenues. Contributing factors were:

- 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-rata based on the annual funding appropriated by Congress.
- Increase in the funds received under the state E-Rate Program.
- Higher than expected revenue from the State of Alaska for retirement systems employer relief.

On a budgetary basis, 100 percent of the final budget amount was either expended or encumbered by June 30, 2011. The district experienced lower than anticipated utility increases, lower personnel costs and lower general administration costs which allowed the district to transfer remaining funds to the Capital Projects Fund for major maintenance projects.

The General Fund expenditure budget for the year ended June 30, 2011 was \$607,911,280, an increase of \$9,444,048 over the prior year budget of \$598,467,232.

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 \$83,354,844, an increase of 24.8 percent over prior year. The increase to the State and Federal Grants Special Revenue Fund was primarily due the expenditure of ARRA funds.

Debt Service Fund

The Debt Service Fund has a total fund balance of \$2,136,337, all of which is committed for payment of debt service. There were no material differences in the budgeted revenues and expenditures in debt service for fiscal year 2011-2012.

Capital Projects Fund

The Capital Projects Fund closed the fiscal year with \$23,726,303 in expenditures. Proceeds from the May 2011 general obligation bond sale primarily financed the activity for the year, thus decreasing the total fund balance on June 30, 2011 to \$22,148,806. 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, 2011 amounts to \$1,209,315,494 (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 2 of the Financial Statements, the district has a significant number of construction projects that are currently in various stages of planning or construction. A brief summary of the major projects is as follows:

Aquarian Charter School Sprinkler Project
Service High School Turf Field Design
SAVE High School Roof Project
Kennedy Elementary School IT Move Project
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 decrease of \$20,215,407 mostly due to the depreciation expense.

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

	<u>Governmental Activities</u>	
	<u>2010-2011</u>	<u>2009-2010</u>
Land	\$ 42,357,063	\$ 42,357,063
Land improvements	15,486,930	14,282,912
Buildings, equipment and vehicles	1,149,158,477	1,148,629,704
Construction in progress	<u>2,313,024</u>	<u>24,261,222</u>
Totals	<u>\$ 1,209,315,494</u>	<u>\$ 1,229,530,901</u>

Long-Term Debt. As of June 30, 2011 the Anchorage School District had general obligation bonds outstanding totaling \$694,995,000. This entire amount of \$694,995,000 comprises debt backed by the full faith and credit of the Municipality of Anchorage. Over the fiscal year, the district paid \$52,475,000 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>2010-2011</u>	<u>2009-2010</u>	
General obligation bonds	<u>\$ 694,995,000</u>	<u>\$ 743,090,000</u>	2030

As of June 30, 2011, the Anchorage School District's available authorized but unissued general obligation school bonds amounts \$25,905,000.

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, 2010.

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

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 12, 2010 the Anchorage Assembly introduced resolution AR No. 2010-280 and on October 26, 2010 approved resolution AR No. 2010-280(S), which addresses funding for the district's 2011-2012 general and debt service funds. The resolution allowed for funding of general fund activities up to the amount of \$196,307,312 which includes an increase from the prior fiscal year of \$3,091,454. The allowable increase under the tax cap was \$5,176,821.
- 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 2011-2012 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.

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 2011-2012. In addition, changes to the state funding formula will continue to have an impact on revenues.:

- In the spring of 2011, legislation, specifically Senate Bill 84, was passed in the first session of the 27th Legislature marking a change to Alaska school district funding by changing the funding formula to increase vocational education. The significant elements of that passage to affect fiscal year 2011-2012 include the following changes to the Public School Funding Formula:

- A high school vocational and technical funding factor of 1.01 was added to the Public School Funding Formula.
- There are no additional increases to the formula for years after 2011-2012.
- While not included in the Public School Funding Formula, the governor and legislature also approved a one-time payment to help relieve high energy costs.

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 the first quarter of fiscal year 2011-2012. 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.

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 immigration, rural-urban transitioning, and immigration from other countries.

This year the district's enrollment on September 30th was 48,828 students which was only 263 fewer students than 2010-11. This preliminary enrollment data is below projected enrollment by approximately 0.75 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 volatile throughout fiscal year 2010-2011 and the financial market continues to be unpredictable. The district intends to maintain its current investment strategy to manage its risk in the current market. 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.

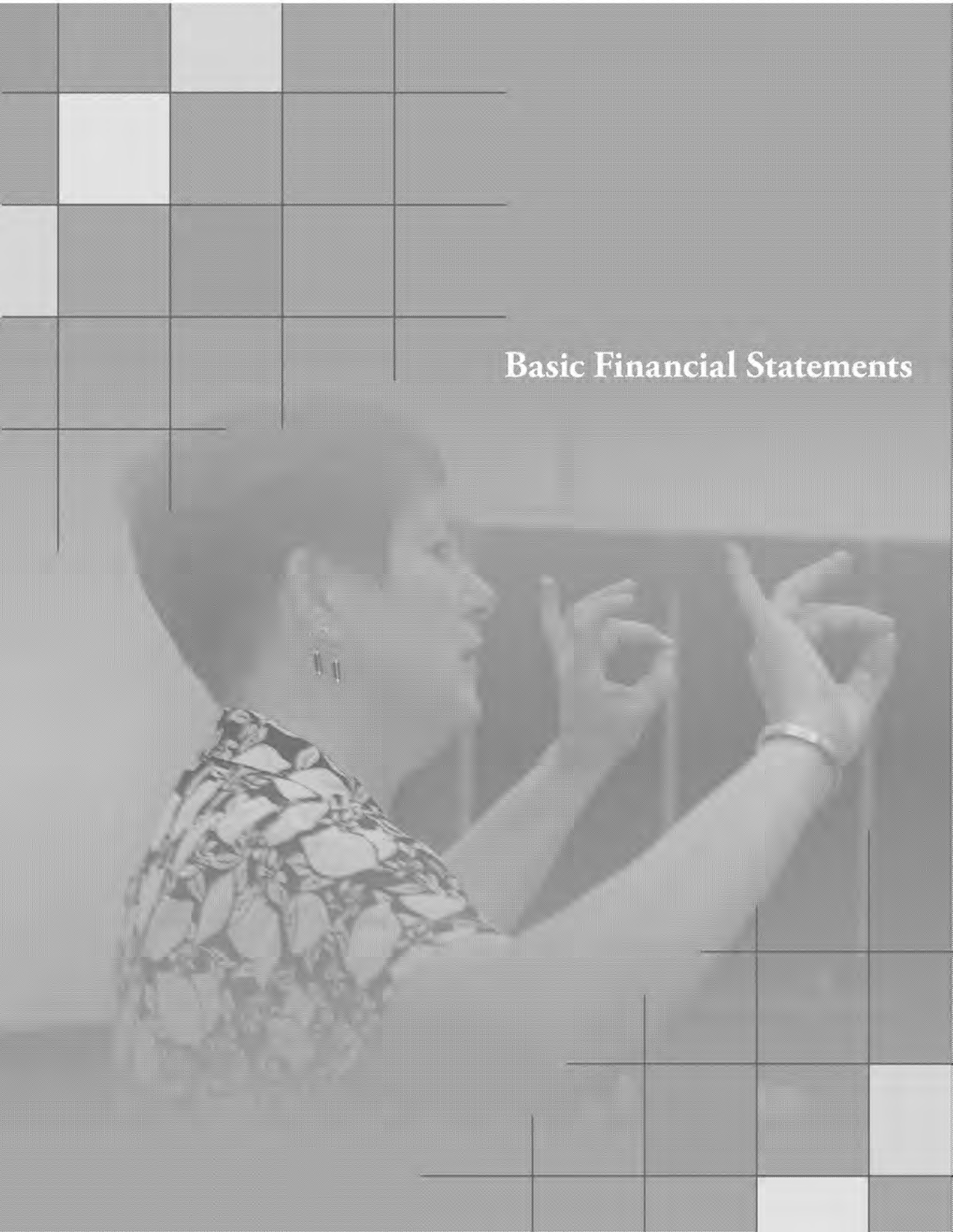
All of these factors were considered in preparing the Anchorage School district's budget for the 2011-2012 fiscal year.

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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Basic Financial Statements



June 30, 2011
With Comparative Totals for
June 30, 2010

STATEMENT OF NET ASSETS

	Governmental Activities	
	2011	2010
Assets		
Cash and investments	\$ 124,695,578	\$ 133,829,926
Cash and investments with paying agent	32,143,220	33,477,867
Accounts receivable, net of allowances	1,915,950	1,751,610
Interest receivable	21,858	67,161
Due from other governments	154,627,173	144,059,040
Prepaid items	8,583,845	9,700,620
Inventory, at weighted average cost	3,203,048	2,917,897
Deferred charges	6,262,190	6,027,761
Capital assets:		
Non-depreciable:		
Land	42,357,063	42,357,063
Construction in progress	2,313,024	24,261,222
Depreciable:		
Land improvements	52,342,890	49,873,329
Buildings and equipment	1,560,294,004	1,532,204,169
Pupil transportation equipment	9,493,410	9,695,160
Accumulated depreciation	(457,484,897)	(428,860,042)
Capital assets, net of accumulated depreciation	1,209,315,494	1,229,530,901
Total assets	1,540,768,356	1,561,362,783
Liabilities		
Accounts payable	5,745,701	3,128,617
Contracts payable	724,379	4,427,180
Medical claims payable, including IBNR	8,361,005	9,948,577
Interest payable	9,866,932	11,429,961
Accrued salaries and related items:		
Wages and salaries payable	1,321,892	3,239,505
Payroll taxes, other accrued and withheld items	11,427,349	10,162,861
Unearned revenue	119,731,969	118,062,930
Noncurrent liabilities:		
Due within one year:		
Accrued compensated absences	3,353,198	3,188,056
Workers' compensation payable	2,487,984	5,114,659
Bonds payable	54,875,000	52,475,000
Due in more than one year:		
Accrued compensated absences	6,838,087	6,877,153
Workers' compensation payable	14,491,504	13,240,366
Bonds payable, net	655,852,818	705,891,481
Total liabilities	895,077,818	947,186,346
Net Assets		
Investment in capital assets,		
net of related debt	506,570,859	488,771,145
Restricted for:		
Debt service	2,136,337	2,051,689
Authorized construction, net of		
authorized unissued bonds	11,549,306	4,886,817
Unrestricted	125,434,036	118,466,786
Total net assets	\$ 645,690,538	\$ 614,176,437

For the Year Ended June 30, 2011

STATEMENT OF ACTIVITIES

		Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
	<u>Expenses</u>				
<u>Functions/Programs</u>					
District-wide activities					
General administration	\$ (14,804,134)	\$ 4,531	\$ 134,560	\$ --	\$ (14,665,043)
Instruction	(670,615,868)	4,004,871	161,861,300	46,117,714	(458,631,983)
Pupil transportation	(20,304,158)	--	19,796,188	--	(507,970)
Operation and maintenance of plant	(34,814,864)	--	1,948,927	--	(32,865,937)
Community services	(1,042,966)	770,435	9,496	--	(263,035)
Food services	(18,666,353)	3,902,383	13,795,005	--	(968,965)
Interest expense	(33,201,590)	--	--	--	(33,201,590)
Total district-wide activities	<u>\$ (793,449,933)</u>	<u>\$ 8,682,220</u>	<u>\$ 197,545,476</u>	<u>\$ 46,117,714</u>	<u>\$ (541,104,523)</u>
General revenues:					
Unrestricted:					
Appropriation from Municipality of Anchorage					234,759,972
Investment income					2,376,959
Public School Funding Program					310,300,774
Federal Impact Aid					23,992,347
Other					<u>1,188,572</u>
Total general revenues					<u>572,618,624</u>
Change in net assets					31,514,101
Net assets at beginning of year					<u>614,176,437</u>
Net assets at end of the year					<u>\$ 645,690,538</u>

June 30, 2011
With Comparative Totals for
June 30, 2010

BALANCE SHEET - GOVERNMENTAL FUNDS

	General	State and Federal Grants Special Revenue	Debt Service	Capital Projects	Non-Major Governmental Funds	Totals	
						2011	2010
Assets							
Cash and investments	\$ 87,547,410	\$ --	\$ --	\$ 10,469,097	\$ 2,607,368	\$ 100,623,875	\$ 114,555,005
Cash with paying agent	--	--	31,828,539	314,681	--	32,143,220	33,477,867
Accounts receivable (net of any allowances for uncollectibles)	1,105,405	716,797	--	3,860	83,309	1,909,371	1,748,390
Interest receivable	--	--	--	19,035	2,819	21,854	67,161
Due from other funds	58,674,054	--	--	11,466,028	3,651,865	73,791,947	52,723,994
Due from other governments	100,400,579	30,296,178	21,097,456	2,669,693	163,267	154,627,173	144,059,040
Prepaid items	8,553,154	13,463	--	16,409	819	8,583,845	9,700,620
Inventory	2,259,796	--	--	--	943,252	3,203,048	2,917,897
Total assets	<u>\$ 258,540,398</u>	<u>\$ 31,026,438</u>	<u>\$ 52,925,995</u>	<u>\$ 24,958,803</u>	<u>\$ 7,452,699</u>	<u>\$ 374,904,333</u>	<u>\$ 359,249,974</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 2,338,129	\$ 1,326,523	\$ --	\$ 1,641	\$ 85,192	\$ 3,751,485	\$ 3,128,617
Contracts payable	--	--	--	2,639,364	--	2,639,364	4,427,180
Medical claims payable	450,383	--	--	--	--	450,383	2,468,925
Due to other funds	15,117,893	28,470,482	30,149,591	--	53,981	73,791,947	53,746,679
Accrued salaries and related items	11,818,984	686,245	--	168,992	74,650	12,748,871	13,402,366
Unearned revenue	98,153,656	543,188	20,640,067	--	395,059	119,731,970	118,062,930
Total liabilities	<u>127,879,045</u>	<u>31,026,438</u>	<u>50,789,658</u>	<u>2,809,997</u>	<u>608,882</u>	<u>213,114,020</u>	<u>195,236,697</u>
Fund balances:							
Non-spendable	10,812,950	13,463	--	16,409	733,711	11,576,533	12,522,244
Restricted	19,902,748	--	--	11,549,306	--	31,452,054	47,259,415
Committed	13,879,315	--	2,136,337	10,583,091	335,926	26,934,669	11,453,657
Assigned	61,267,642	--	--	--	5,774,180	67,041,822	66,849,722
Unassigned	24,798,698	(13,463)	--	--	--	24,785,235	25,928,239
Total fund balances	<u>130,661,353</u>	<u>--</u>	<u>2,136,337</u>	<u>22,148,806</u>	<u>6,843,817</u>	<u>161,790,313</u>	<u>164,013,277</u>
Total liabilities and fund balances	<u>\$ 258,540,398</u>	<u>\$ 31,026,438</u>	<u>\$ 52,925,995</u>	<u>\$ 24,958,803</u>	<u>\$ 7,452,699</u>	<u>\$ 374,904,333</u>	<u>\$ 359,249,974</u>

June 30, 2011
With Comparative Totals for
June 30, 2010

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

	2011	2010
Total governmental fund balances	\$ 161,790,313	\$ 164,013,277
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	1,207,216,244	1,227,521,657
Other long-term liabilities not due and payable in the current period, and therefore not reported in the funds:		
Accrued compensated absences	(10,191,285)	(10,065,209)
Workers' compensation payable	(16,979,488)	(18,355,025)
General obligation debt	(694,995,000)	(743,090,000)
Accrued interest on general obligation debt	(9,866,932)	(11,429,961)
Unamortized cost of bond issuance	3,566,058	6,027,761
Unamortized loss and cost of issuance of refunding bonds	2,696,134	--
Unamortized general obligation bond premium	(15,732,817)	(15,276,481)
Internal service fund net assets	18,187,311	14,830,418
Total reconciling items	483,900,225	450,163,160
Net assets of governmental activities	\$ 645,690,538	\$ 614,176,437

For the Year Ended June 30, 2011
With Comparative Totals
For the Year Ended June 30, 2010

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

	General	State and Federal Grants Special Revenue	Debt Service	Capital Projects	Non-Major Governmental Funds	Totals	
						2011	2010
Revenues:							
Local sources	\$ 199,695,217	\$ 1,097,096	\$ 41,544,236	\$ 139,426	\$ 11,423,191	\$ 253,899,166	\$ 256,186,939
State sources	397,265,663	6,910,805	45,738,902	2,598,684	429,450	452,943,504	428,035,882
Federal sources	24,970,516	75,346,943	287,430	1,398,315	13,376,693	115,379,897	90,054,656
Total revenues	621,931,396	83,354,844	87,570,568	4,136,425	25,229,334	822,222,567	774,277,477
Expenditures:							
Current:							
General administration	16,788,549	--	--	--	--	16,788,549	16,065,662
Instruction	536,257,016	83,354,844	--	--	7,043,929	626,655,789	590,336,062
Pupil transportation	20,239,375	--	--	--	--	20,239,375	20,137,537
Operation and maintenance of plant	30,785,534	--	--	--	--	30,785,534	27,528,957
Community services	1,033,794	--	--	--	--	1,033,794	976,725
Non-departmental	4,384,847	--	--	--	--	4,384,847	3,851,645
Food services	--	--	--	--	18,017,232	18,017,232	16,694,742
Debt service:							
Refunding bond issuance cost	--	--	159,339	--	--	159,339	--
Principal	--	--	52,475,000	--	--	52,475,000	49,520,000
Interest	--	--	35,001,212	--	--	35,001,212	36,372,658
Fiscal agent fees	--	--	9,708	--	--	9,708	11,208
Bond issuance cost	--	--	--	14,757	--	14,757	134,674
Capital outlays	--	--	--	23,711,546	--	23,711,546	52,681,236
Total expenditures	609,489,115	83,354,844	87,645,259	23,726,303	25,061,161	829,276,682	814,311,106
Excess (deficiency) of revenues over (under) expenditures	12,442,281	--	(74,691)	(19,589,878)	168,173	(7,054,115)	(40,033,629)
Other financing sources (uses):							
Proceeds from sale of property and equipment	10,360	--	--	--	--	10,360	634
Proceeds on issuance of general obligation bonds	--	--	--	4,940,000	--	4,940,000	20,025,000
Premium on issuance of general obligation bonds	--	--	--	97,062	--	97,062	136,396
Proceeds of refunding debt	--	--	28,310,000	--	--	28,310,000	--
Proceeds of refunding premium	--	--	2,305,196	--	--	2,305,196	--
Payments to refunding escrow	--	--	(30,455,857)	--	--	(30,455,857)	--
Transfers in	--	--	--	9,031,500	--	9,031,500	13,734
Transfers out	(9,407,110)	--	--	--	--	(9,407,110)	(1,723)
Total other financing sources (uses)	(9,396,750)	--	159,339	14,068,562	--	4,831,151	20,174,041
Net change in fund balances	3,045,531	--	84,648	(5,521,316)	168,173	(2,222,964)	(19,859,588)
Fund balances at beginning of year	127,615,822	--	2,051,689	27,670,122	6,675,644	164,013,277	183,872,865
Fund balances at end of year	\$ 130,661,353	\$ --	\$ 2,136,337	\$ 22,148,806	\$ 6,843,817	\$ 161,790,313	\$ 164,013,277

For the Year Ended June 30, 2011
 With Comparative Totals
 For the Year Ended June 30, 2010

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

	2011	2010
Net change in fund balances - total governmental funds (page 19)	\$ (2,222,964)	\$ (19,859,588)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital outlays	24,731,692	54,682,641
Current depreciation expense	(36,422,485)	(33,234,695)
Loss on disposal of assets	(8,526,886)	(8,652,636)
Proceeds from the sale of assets	(10,360)	(634)
Net adjustment for change in fund balance, total government funds to arrive at changes in net assets of governmental activities	(20,228,039)	12,794,676
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	(4,940,000)	(20,025,000)
Premium on issuance of general obligation bonds	(97,062)	(136,396)
Issuance of refunding general obligation bonds	(28,310,000)	--
Payment to escrow agent for refunding	30,455,857	--
Premium on issuance of refunding general obligation bonds	(2,305,196)	--
Principal payments on general obligation bonds and refunded bonds	52,475,000	49,520,000
Bond issuance costs	174,096	134,674
Amortization of bond issuance costs	(768,468)	(454,025)
Amortization of general obligation bonds premium	1,111,494	1,141,465
Accrued interest	1,563,029	411,557
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	(126,076)	(678,326)
Workers' compensation payable	1,375,537	(3,123,887)
Change in net assets - Internal Service Funds	3,356,893	1,125,087
Total reconciling items	33,737,065	40,709,825
Change in net assets of governmental activities (page 16)	\$ 31,514,101	\$ 20,850,237

June 30, 2011
With Comparative Totals for
June 30, 2010

INTERNAL SERVICE FUNDS
STATEMENT OF NET ASSETS

	Governmental Activities	
	2011	2010
Assets		
Current Assets:		
Investments	\$ 24,071,703	\$ 19,274,921
Accounts receivable	6,579	3,220
Due from other funds	--	1,022,685
Total current assets	24,078,282	20,300,826
Noncurrent assets:		
Machinery and equipment	8,886,907	8,406,864
Accumulated depreciation	(6,787,657)	(6,397,620)
Total capital assets (net of accumulated depreciation)	2,099,250	2,009,244
Total assets	26,177,532	22,310,070
Liabilities		
Current liabilities		
Medical claims and other contractual obligations payable	7,990,221	7,479,652
Net Assets		
Invested in capital assets	2,099,250	2,009,244
Unrestricted	16,088,061	12,821,174
Total net assets	\$ 18,187,311	\$ 14,830,418

See accompanying notes to basic financial statements

For the Year Ended June 30, 2011
 With Comparative Totals
 For the Year Ended June 30, 2010

INTERNAL SERVICE FUNDS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS

	Governmental Activities	
	2011	2010
Operating revenues:		
Charges for services	\$ 452,862	\$ 465,706
Charges for health insurance services	36,756,097	27,538,732
Total operating revenues	<u>37,208,959</u>	<u>28,004,438</u>
Operating expenses:		
Depreciation	452,862	465,706
Costs of services	56,250	28,424
Medical plan administration	2,900,149	2,652,462
Medical claims	31,469,121	24,857,846
Total operating expenses	<u>34,878,382</u>	<u>28,004,438</u>
Operating income	<u>2,330,577</u>	<u>--</u>
Non-operating revenues:		
Loss on sale of capital assets	(8,243)	(32,932)
Investment income	398,109	632,964
Total non-operating revenues	<u>389,866</u>	<u>600,032</u>
Total income before capital contributions and transfers	<u>2,720,443</u>	<u>600,032</u>
Capital contributions	260,840	537,066
Transfers in - General Fund	375,610	--
Transfers out - General Fund	<u>--</u>	<u>(12,011)</u>
Total capital contributions and transfers	<u>636,450</u>	<u>525,055</u>
Changes in net assets	3,356,893	1,125,087
Net assets at beginning of year	<u>14,830,418</u>	<u>13,705,331</u>
Net assets at end of year	<u>\$ 18,187,311</u>	<u>\$ 14,830,418</u>

For the Year Ended June 30, 2011
 With Comparative Totals
 For the Year Ended June 30, 2010

INTERNAL SERVICE FUNDS
 STATEMENT OF CASH FLOWS

	Governmental Activities	
	2011	2010
Cash flows from operating activities:		
Receipts from interfund activities	\$ 35,755,815	\$ 32,143,175
Payments for interfund services used	(452,862)	(465,706)
Payments for medical claims and other health insurance activity	(32,544,767)	(24,201,036)
Net cash flows provided by operating activities	2,758,186	7,476,433
Cash flows from noncapital financing activities:		
Transfers to other funds	375,610	345,599
Advances to (from) General Fund	1,477,965	(434,121)
Net cash provided (used) by non capital and related financing activities	1,853,575	(88,522)
Cash flows from investing activities:		
Acquisition of capital assets	(213,089)	--
Purchase of investments	(4,550,800)	(7,568,691)
Interest earnings received	152,128	180,780
Net cash used in investing activities	(4,611,761)	(7,387,911)
Net increase in cash	--	--
Cash at beginning of year	--	--
Cash at end of year	\$ --	\$ --
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income	\$ 2,330,577	\$ --
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense	452,862	465,706
Other revenues	(452,862)	(465,706)
Change in assets and liabilities		
Receivables, net	(3,359)	(3,219)
Accounts and other payables	430,968	7,479,652
Net cash provided by operating activities	\$ 2,758,186	\$ 7,476,433

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

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

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

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

The other governmental funds of the district are considered non-major 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 non-major and are as follows:

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

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

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. 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, 2011, the district holds equity total of \$115,330,689, about 19.9% of the total investment pool. The Anchorage Municipal Code 6.50.030 functions as the regulation oversight of the investment pool. According to AMC 6.50.030, the Municipality is authorized to purchase investments which meet the following rating and issuer requirements:

1. Obligations issued or guaranteed by the U.S. Government, U.S. agencies or U.S. government-sponsored corporations and agencies.
2. Corporate debt securities that are guaranteed by the U.S. government or the Federal Deposit Insurance Corporation (FDIC) as to principal and interest.
3. Taxable and tax-exempt municipal securities having a long term rating of at least "A-" by a nationally recognized rating agency or a taxable or tax-exempt municipal security having a short term rating of at least "A-1" by S&P, "P-1" by Moody's or "F-1" by Fitch.
4. Debt securities issued and guaranteed by the International Bank for Reconstruction and Development (IBRD) and rated "AAA" by a nationally recognized rating agency.
5. Commercial paper, excluding asset-backed commercial paper, rated at least "A-1" by S&P, "P-1" by Moody's or "F-1" by Fitch.
6. Bank debt obligations, including unsecured certificates of deposit, notes, time deposits and bankers' acceptance (with maturities of not more than 365 days), and deposits with any bank, short-term obligations of which are rated at least "A-1" by S&P, "P-1" by Moody's or "F-1" by Fitch and is either:
 - a. Incorporated under the laws of the United States of America, or any state thereof, and subject to supervision and examination by federal or state banking authorities; or
 - b. Issued through a foreign bank with a branch or agency licensed under the laws of the United States of America, or any state thereof, or under the laws of a country with a Moody's sovereign rating for bank deposits of "Aaa", or an S&P sovereign rating of "AAA", or a Fitch national rating of "AAA", and subject to supervision and examination by federal or state banking authorities.
7. Repurchase agreements secured by obligations of the U.S. government, U.S. agencies or U.S. government-sponsored corporations and agencies.
8. Dollar denominated corporate debt instruments rated "BBB-" or better by S&P's Rating Service (investment grade) or the equivalent by another nationally recognized rating agency.
9. Dollar denominated corporate debt instruments rated below "BBB-" by S&P's Rating Service or the equivalent by another nationally recognized rating agency, including emerging market.
10. 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.
11. 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.
12. Debt issued by the Tennessee Valley Authority.
13. Money market mutual funds rated "Am" or better by S&P Rating Service, or the equivalent by another nationally recognized rating agency.
14. Alaska Municipal League Investment Pool (AMLIP).

15. Mutual fund investments consisting of a diversified mutual fund, registered under the Securities Act of 1933 and Investment Company Act of 1940.
16. Interfund loans from a Municipal Cash Pool to a Municipal Fund.

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	\$ 2,077,909	\$ 2,127,045
Time deposits:		
Student Activities Special Revenue Fund	<u>321,319</u>	<u>321,319</u>
Total	<u>\$ 2,399,228</u>	<u>\$ 2,448,364</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>(11,644,310)</u>	<u>4,267</u>
Total demand deposits and time deposits	<u>\$ (9,245,082)</u>	<u>\$ 2,452,631</u>

The district's investments are not subject to custodial credit risk. A summary of the district's investments as of June 30, 2011 is as follows:

	<u>Carrying Amount</u>
District investments:	
Repurchase agreements	\$ 8,222,672
Investments through Municipality:	
Commercial paper	1,839,184
U.S. government securities	6,853,737
Investment discount	2,577
Money market	110,000
Banker's acceptance	349,801
Certificates of deposit	1,232,000
Municipal Investment Pool	115,330,689
Cash with paying agent:	
U.S. government securities	<u>32,143,220</u>
	<u>\$ 166,083,880</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, 2011. 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	06/30/11	0.2500%	07/01/11	\$ 8,222,500
Repurchase Agreement	06/30/11	0.2500	07/01/11	<u>172</u>
				8,222,672
Municipal Investment Pool				<u>90,969,048</u>
Total General Fund				<u>\$ 99,191,720</u>

	<u>Date Acquired</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Carrying Amount</u>
<u>Capital Projects Fund:</u>				
Commercial Paper				
Royal Bank of Canada	02/24/11	0.2402%	07/22/11	\$ 1,839,184
Total Commercial Paper				<u>1,839,184</u>
Banker's Acceptance				
Bank of America, N.A.	06/15/11	0.2201%	09/16/11	<u>349,801</u>
Total Commercial Paper				<u>349,801</u>
Certificates of Deposit				
Bank of Nova Scotia	06/01/11	0.1900%	09/01/11	146,000
Bank of Nova Scotia	06/01/11	0.1900	09/01/11	<u>1,086,000</u>
Total Commercial Paper				<u>1,232,000</u>
United States Agency				
FAMCA Discount Note	04/06/11	5.5000%	07/15/11	180,000
FAMCA Discount Note	04/06/11	5.5000	07/15/11	1,103,000
FAMCA Discount Note	04/06/11	5.5000	07/15/11	21,000
Freddie Mac Discount Note	05/06/11	0.0700	09/06/11	1,099,737
FHLB Discount Note	06/15/11	0.1000	11/23/11	<u>4,350,000</u>
Total United States Agency				<u>6,753,737</u>
Investment Discount				4,437
Municipal Investment Pool				<u>289,938</u>
Total Capital Projects Fund				<u>\$ 10,469,097</u>
<u>Internal Service Fund:</u>				
Municipal Investment Pool				
Health Insurance Fund				\$ 15,273,530
Equipment Replacement				<u>8,798,173</u>
Total Internal Service Fund				<u>\$ 24,071,703</u>
<u>Special Revenue Fund:</u>				
United States Agency				
Federal Home Loan Bank	03/22/11	1.5500%	11/18/15	\$ 100,000
Total United States Agency				<u>100,000</u>
Money Market				
Municipality of Anchorage	06/01/11	0.2500%	07/07/11	10,000
Municipality of Anchorage	06/11/11	0.2500	07/28/11	<u>100,000</u>
Total United States Agency				<u>110,000</u>
Investment Premium				(1,860)
Total Special Revenue Fund				<u>\$ 208,140</u>

Cash with Paying Agent

The total amount of cash with the paying agent at June 30 is \$32,143,220, 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 \$98,153,656 and \$20,640,067, respectively. The amounts due from the United States Government recorded in the General Fund include \$2,246,923 for Federal Impact Aid. The amounts due from the State of Alaska in the Special Revenue Funds include \$196,865 for 2011 reimbursements under cost reimbursable grants and \$163,267 for the final 2011 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 \$457,389 for 2011 reimbursements under the Aid for School Construction Program. The amounts due from the United States Government in the Special Revenue Funds includes \$29,805,736 for 2011 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 2011 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 2011, 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 2011 Contribution from Real and Personal Property Taxes

Amount required by the district to fund the second half of the fiscal year 2010-2011 budget:

January 1, 2011 through June 30, 2011	\$234,759,972 x 50%	=	\$ 117,379,986
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Amount required by the district to fund the first half of the fiscal year 2011-2012 budget:

July 1, 2011 through December 31, 2011	\$237,587,445 x 50%	=	<u>118,793,723</u>
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Total amount required by the district for calendar year 2011			<u>\$ 236,173,709</u>
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Based on an assessed valuation of \$31,237,082,124, the mill rate assessment for schools during calendar year 2011 is 7.56 mills.

The district has accrued the taxes of \$98,153,656 and \$20,640,067 for funding of the first half of the fiscal year 2011-2012 budget as of June 30, 2011 in the General Fund and Debt Service Fund, respectively. The corresponding unearned revenue has been established.

Prepaid Items

Prepaid items primarily represent utilities and supplies paid for in advance of the period to which they apply. The district prepays utility costs in order to be able to take advantage of reduced costs and an interest earning agreement with the utility. Supplies are prepaid due to the time required for transportation, as it is necessary to order certain supplies in advance in order to 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 non-spendable 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 \$1,701,438 and is equally offset as non-spendable fund balance.

Inventories for miscellaneous supplies are maintained under the consumption method of inventory and are recorded as inventory initially and charged as expenditures when used. The value of the consumption method of inventory at June 30 in the General Fund and Food Service Special Revenue Fund is \$558,358 and \$732,892, respectively, and are equally offset as non-spendable fund balance. \$210,360 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 non-spendable fund balance for inventory in the General Fund is \$2,259,796.

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>	<u>Governmental Activities 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 and refunding gains or losses. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Fund Balance Classifications

The fund balance amounts for governmental funds have been reclassified in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The statement requires amounts previously reported as reserved and unreserved to be reported as non-spendable, restricted, committed, assigned or unassigned.

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

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

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

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

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

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

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

The following shows the composition of fund balance of the governmental funds for the fiscal year ended June 30, 2011:

	General Fund	Local State and Federal Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Totals
Non-spendable						
Inventory	\$ 2,259,796	\$ --	\$ --	\$ --	\$ 732,892	\$ 2,992,688
Prepaid items	8,553,154	13,463	--	16,409	819	8,583,845
Total non-spendable	10,812,950	13,463	--	16,409	733,711	11,576,533
Restricted						
Bond rating	19,484,331	--	--	--	--	19,484,331
Federal Impact Aid - 8003(d)	418,417	--	--	--	--	418,417
Authorized construction, net of authorized unissued bonds	--	--	--	11,549,306	--	11,549,306
Total restricted	19,902,748	--	--	11,549,306	--	31,452,054
Committed						
Debt service	--	--	2,136,337	--	--	2,136,337
Accrued compensated absences	8,997,702	--	--	132,720	335,926	9,466,348
Services [1]	993,138	--	--	--	--	993,138
Supplies [1]	610,090	--	--	--	--	610,090
Equipment [1]	3,278,385	--	--	--	--	3,278,385
Authorized construction - other	--	--	--	10,450,371	--	10,450,371
Total committed	13,879,315	--	2,136,337	10,583,091	335,926	26,934,669
Assigned						
Federal Impact Aid - 8003(b)	22,593,354	--	--	--	--	22,593,354
Self-insurance	21,969,864	--	--	--	--	21,969,864
Subsequent year's expenditure	5,200,000	--	--	--	--	5,200,000
Services [1]	7,394,890	--	--	--	500	7,395,390
Supplies [1]	2,050,897	--	--	--	2,079	2,052,976
Equipment [1]	2,058,637	--	--	--	--	2,058,637
Student activities	--	--	--	--	4,143,055	4,143,055
Food services	--	--	--	--	1,628,546	1,628,546
Total assigned	61,267,642	--	--	--	5,774,180	67,041,822
Unassigned	24,798,698	(13,463)	--	--	--	24,785,235
Total fund balance	\$ 130,661,353	\$ --	\$ 2,136,337	\$ 22,148,806	\$ 6,843,817	\$ 161,790,313

[1] All items in these categories have been encumbered as of June 30, 2011.

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, 2011 is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major funds:		
General Fund	\$ 58,674,054	\$ 15,117,893
State and Federal Grants		
Special Revenue Fund	--	28,470,482
Debt Service Fund	--	30,149,591
Capital Projects Fund	11,466,028	--
Non-major funds	<u>3,651,865</u>	<u>53,981</u>
	<u>\$ 73,791,947</u>	<u>\$ 73,791,947</u>

A summary of interfund transfers is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
General Fund	\$ --	\$ 9,407,110
Capital Projects Fund	9,031,500	--
Internal service funds:		
Health insurance fund	<u>375,610</u>	<u>--</u>
	<u>\$ 9,407,110</u>	<u>\$ 9,407,110</u>

The district transferred \$9,031,500 from the General Fund to the Capital Projects Fund. The amount transferred includes funds allocated from the General Fund for costs associated with moving the Information Technology department to a new building as well as funds to be used for urgent major maintenance projects. In addition, the district transferred \$375,610 from the General Fund to the Health Insurance Fund for excess medical claims.

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, 2011 are as follows:

	Balance July 1, 2010	Additions/ Transfers	Deductions/ Transfers	Balance June 30, 2011
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 42,357,063	\$ --	\$ --	\$ 42,357,063
Construction in progress	24,261,222	23,711,542	45,659,740	2,313,024
Total capital assets not being depreciated	66,618,285	23,711,542	45,659,740	44,670,087
Capital assets being depreciated:				
Land improvements	49,873,329	2,469,561	--	52,342,890
Buildings and equipment	1,532,204,169	44,673,706	16,583,871	1,560,294,004
Pupil transportation equipment	9,695,160	--	201,750	9,493,410
Total capital assets being depreciated	1,591,772,658	47,143,267	16,785,621	1,622,130,304
Less accumulated depreciation for:				
Land improvements	(35,590,417)	(1,265,543)	--	(36,855,960)
Buildings and equipment	(384,571,821)	(35,314,439)	(7,880,281)	(412,005,979)
Pupil transportation equipment	(8,697,804)	(295,365)	(370,211)	(8,622,958)
Total accumulated depreciation	(428,860,042)	(36,875,347)	(8,250,492)	(457,484,897)
Total capital assets, being depreciated, net	1,162,912,616	10,267,920	8,535,129	1,164,645,407
Governmental activities capital assets, net	\$ 1,229,530,901	\$ 33,979,462	\$ 54,194,869	\$ 1,209,315,494

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

Governmental activities:	Amount
General administration	\$ 460,396
Instruction	35,287,411
Pupil transportation	317,276
Operation and maintenance of plant	559,227
Community services	1,018
Non-departmental	3,862
Food services	246,157
Total depreciation expense, governmental activities	\$ 36,875,347

Construction in progress, less projects completed in 2011 is composed of the following:

	Project Authorization	Expended to June 30, 2011	Committed
Secondary schools:			
Bartlett High School Fire Door	\$ 94,936	\$ 8,246	\$ --
Central Middle School Emergency Generator	102,840	11,363	1,670
Chugiak High School Roof	729,656	39,431	657,051
Dimond High School Security Upgrades	216,369	7,535	--
Eagle River High School Construction	91,077	11,866	--
East High School Security Upgrades	424,441	19,371	--
East High School CTVE	3,740,000	20,944	--
East High School Phase 4A Renovation	126,628	23,480	10,000
East High School Fire Alarm	312,559	59,607	--
Goldenview Middle School Security Upgrades	185,000	62,778	--
Goldenview Middle School Security System	45,524	3,642	--
Gruening Middle School Security Upgrades	179,913	1,741	--
Hanshew Middle School CTVE	400,000	3,200	--
Mears Middle School Security Upgrades	160,000	66,066	--
Mears Middle School Locker Replacement	519,999	23,326	--
Mears Middle School MPR Lighting	57,001	14,009	32,359
Mirror Lake Middle School BDA	160,000	32,827	10,000
Romig Middle School Elevator	100,000	8,000	--

(Continued)

	Project Authorization	Expended to June 30, 2011	Committed
Secondary schools: (continued)			
Romig Middle School Kitchen	\$ 125,000	\$ 10,000	\$ --
Save High School Roof	704,867	181,111	--
Service High School Emergency Preparedness	190,000	12,956	--
Service High School Turf Field Design	500,000	94,400	17,090
South Anchorage High School Auditoria Bleachers	150,000	15,479	--
Wendler Middle School Security System	35,000	12,702	1,465
West High School HVAC	770,406	41,149	13,407
Other secondary schools	20,174,847	258,675	888,614
Total secondary schools	30,296,063	1,043,904	1,631,656
Elementary schools:			
Aquarian Charter School Sprinkler	271,407	31,906	8,887
Bayshore Elementary School Interactive Whiteboards	60,990	47,163	4,997
Bear Valley Elementary School Gym	80,000	6,468	--
College Gate Elementary School Lighting	127,862	7,541	118
Gladys Wood Elementary School Intercom	135,000	20,996	81,334
Huffman Elementary School Site Improvements	32,006	14,000	--
Kasuun Elementary School Intercom	97,999	17,715	52,088
Kennedy Elementary School IT Move	1,231,464	14,990	80,000
Lake Otis Elementary School Security System	75,000	11,057	47,983
Mt. Iliamna Elementary School Gym Floor	264,910	123,959	113,087
Mountain View Elementary School CCTV	78,501	18,382	56,647
North Star Elementary School HVAC Upgrade	200,000	24,007	142,453
Nunaka Valley Elementary School Security System	75,001	10,244	47,704
Ptarmigan Elementary School Security System	130,000	43,113	64,271
Trailside Elementary School Security System	120,998	46,976	70,569
Williwaw Elementary School Facility Upgrade	195,000	24,174	92,714
Williwaw Elementary School Intercom/Clock	115,000	25,428	76,906
Wonder Park Elementary School Intercom/PA	140,002	19,542	81,334
Other elementary schools	11,096,561	147,491	1,653,677
Total elementary schools	14,527,701	655,152	2,674,769
Other capital projects:			
Districtwide Asbestos	326,502	54,524	77,178
Districtwide Electrical	405,168	17,504	--
Districtwide Facility Assessments	500,000	13,678	332,349
Districtwide Information Technology	355,000	28,400	--
Districtwide Lockdown Hardware	430,451	8,220	84,724
Districtwide Mechanical Upgrades	1,318,764	93,037	--
Districtwide Roofs	101,038	16,525	--
Other capital projects	8,107,361	382,414	223,976
Total other capital projects	11,544,284	614,302	718,227
Total construction in progress	\$ 56,368,048	\$ 2,313,358	\$ 5,024,652

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, 2011 (in thousands):

	Balance			Balance	
	July 1, 2010	Additions	Reductions	June 30, 2011	
General obligation bonds	\$ 743,090	\$ 33,250	\$ 81,345	\$ 694,995	
Unamortized premium/discount on bonds	15,276	2,402	1,945	15,733	
Unamortized loss and cost of issuance of refunding bonds	--	3,482	786	2,696	
	<u>\$ 758,366</u>	<u>\$ 39,134</u>	<u>\$ 84,076</u>	<u>\$ 713,424</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, 2011 the amount of general obligation bonds considered defeased was \$234,655,000.

Bonds payable at June 30, 2011 are comprised of the following individual issues (in thousands):

General Obligation Bonds	Amount	Due within One Year
\$60,000,000 1995 series A school construction serial bonds due in annual installments of \$4,710,000 to \$5,030,000 through October 2015; interest at 5.0 percent to 6.0 percent	\$ 9,740	\$ --
\$20,735,000 1998 series A school construction refunding bonds due in annual installments of \$4,430,000 to \$5,120,000 through July 2014; interest at 5.0 percent	19,080	4,430
\$35,000,000 2000 series A school construction serial bonds due in annual installments of \$1,715,000 through December 2011; interest at 5.0 percent	1,715	1,715
\$51,805,000 2001 school construction refunding bonds due in annual installments of \$9,085,000 through July 2011; interest at 5.5 percent	9,085	9,085
\$131,800,000 2002 series B school construction serial bonds due in annual installments of \$5,725,000 to \$6,350,000 through July 2013; interest at 4.125 percent to 5.5 percent	18,085	5,725
\$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	33,940	9,120
\$126,770,000 2003 series B school construction serial bonds due in annual installments of \$5,395,000 to \$6,080,000 through September 2014; interest at 4.0 percent to 4.25 percent	22,920	5,395
\$80,735,000 2004 series B school construction refunding bonds due in annual installments of \$80,000 to \$27,390,000 through December 2017; interest at 3.5 percent to 5.25 percent	80,330	80
\$86,240,000 2004 series D school construction serial bonds due in annual installments of \$3,455,000 to \$4,170,000 through December 2015; interest at 5.0 percent	18,945	3,445
\$63,850,000 2005 series A school construction serial bonds due in annual installments of \$2,625,000 to \$3,050,000 through March 2016; interest at 3.6 percent to 5.0 percent	14,150	2,625
\$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 3.75 percent to 5.0 percent	28,885	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	--

General Obligation Bonds (continued)	Amount	Due within One Year
\$48,495,000 2006 series A school construction serial bonds due in annual installments of \$1,845,000 to \$3,640,000 through October 2026; interest at 4.0 percent to 5.0 percent	\$ 41,780	\$ 1,845
\$28,885,000 2006 series B school construction refunding bonds due in annual installments of \$3,405,000 to \$7,075,000 through October 2020; interest at 5.0 percent	22,555	7,075
\$51,705,000 2006 series C school construction refunding bonds due in annual installments of \$65,000 to \$9,770,000 through July 2021; interest at 4.0 percent to 5.0 percent	51,035	180
\$171,155,000 2007 series B school construction refunding bonds due in annual installments of \$55,000 to \$29,530,000 through September 2024; interest at 4.0 percent to 5.0 percent	169,905	55
\$63,790,000 2007 series D school construction serial bonds due in annual installments of \$2,250,000 to \$4,885,000 through August 2027; interest at 4.0 percent to 5.0 percent	57,550	2,250
\$29,840,000 2008 series B school construction serial bonds due in annual installments of \$1,015,000 to \$2,285,000 through August 2028; interest at 3.5 percent to 5.25 percent	27,910	1,015
\$20,025,000 2010 series B school construction serial bonds due in annual installments of \$790,000 to \$1,345,000 through April 2030; interest at 2.0 percent to 5.91 percent	19,345	790
\$4,940,000 2011 series B school construction serial bonds due in annual installments of \$450,000 to \$550,000 through August 2021; interest at 2.0 percent to 3.0 percent	4,940	--
\$28,310,000 2011 series C school construction refunding bonds due in annual installments of \$1,285,000 to \$10,050,000 through August 2020; interest at 3.0 percent to 5.0 percent	28,310	--
	<u>\$ 694,995</u>	<u>\$ 54,875</u>

The annual requirements to amortize all general obligation debt outstanding as of June 30, 2011, including interest payments in the amount of \$226,949,241 are as follows (in thousands):

	Principal	Interest	Total
2012	\$ 54,875	\$ 31,722	\$ 86,597
2013	55,425	29,755	85,180
2014	56,500	27,234	83,734
2015	58,280	24,533	82,813
2016	55,785	21,795	77,580
2017-2021	249,805	70,234	320,039
2022-2026	139,535	19,826	159,361
2027-2031	24,790	1,850	26,640
	<u>\$ 694,995</u>	<u>\$ 226,949</u>	<u>\$ 921,944</u>

Bonds Authorized But Unissued

There are \$25,905,000 authorized but unissued general obligation school bonds of the Municipality of Anchorage at June 30, 2011 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
Construction/renovation/ replacement/major maintenance	April 01, 2011	none	17,000	4,940	12,060
			<u>\$ 145,710</u>	<u>\$ 119,805</u>	<u>\$ 25,905</u>

Refunded Bond Issues

In the fiscal year ended June 30, 2011, the Municipality of Anchorage issued \$28,310,000 general obligation refunding school bonds to refund \$28,870,000 of general obligation school bonds, resulting in a decrease of \$1,947,120 in total debt service. The economic gain of this refunding is \$1,832,934. The bonds refunded are as follows (in thousands):

	Total Issue	Refunded Principal
2001 General Obligation Refunding School Bonds, Series B	\$ 51,805	\$ 19,980
2003 General Obligation School Bonds, Series B	126,770	4,505
2004 General Obligation School Bonds, Series D	86,240	4,385
	<u>\$ 264,815</u>	<u>\$ 28,870</u>

Compensated Absences

General Fund, State and Federal Grants Special Revenue Fund, Food Service Special Revenue Fund and Capital Projects Fund will liquidate the liability of compensated absences. The balance changes of compensated absences in the fiscal year ended June 30, 2011 are disclosed as the following:

Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
\$ 10,065,209	\$ 3,417,481	\$ 3,291,405	\$ 10,191,285	\$ 3,353,198

Workers' Compensation Payable

General Fund, State and Federal Grants Special Revenue Fund, Food Service Special Revenue Fund and Capital Projects Fund will liquidate the liability of workers' compensation. The balance changes of workers' compensation in the fiscal year ended June 30, 2011 are disclosed as the following:

Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
\$ 18,355,025	\$ 3,347,279	\$ 4,722,816	\$ 16,979,488	\$ 2,487,984

NOTE 4 - RETIREMENT PLANS

As of June 30, 2011, substantially all employees of the district are either members of the Alaska Public Employees' Retirement System (PERS) or the Alaska Teachers' Retirement System (TRS). Both plans are either defined benefit or defined contribution pension plans, dependent on the date of membership. The TRS is a cost-sharing multiple employer plan which covers teachers and other eligible participants. The PERS was originally established as an agent multiple employer plan, but was converted by legislation to a cost-sharing plan, effective July 1, 2008. PERS covers eligible state and local government employees, other than teachers. Both plans were established and are administered by the State of Alaska to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by state law and may be amended only by the state legislature. In addition to PERS, the Alaska Teamster-Employer Pension Trust Fund also covers bus drivers and attendants. The Alaska Teamster-Employer Pension Trust Fund Plan is a multi-employer cost-sharing defined benefit plan created and administered by Teamster Local 959.

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

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

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, 2011 was \$254,836,092 which compares to the district's total payroll of \$371,619,528.

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 (2.41% for pension and 4.34% for healthcare) for PERS and 8.65% (4.59% for pension and 4.06% 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 2011 were determined as part of the June 30, 2008 actuarial valuation and are as follows:

	Contractual Rate	ARM Board Adopted Rate	GASB 45* Rate
<u>PERS</u>			
Pension	7.85%	9.98%	13.49%
Postemployment healthcare	<u>14.15</u>	<u>17.98</u>	<u>55.87</u>
Total contribution rate	<u>22.00%</u>	<u>27.96%</u>	<u>69.36%</u>

<u>TRS</u>	Contractual <u>Rate</u>	ARM Board Adopted <u>Rate</u>	GASB 45* <u>Rate</u>
Pension	6.62%	20.32%	26.89%
Postemployment healthcare	<u>5.94</u>	<u>18.24</u>	<u>52.20</u>
Total contribution rate	<u>12.56%</u>	<u>38.56%</u>	<u>79.09%</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 8.25% (2.29 percentage points higher than the required 5.96%) 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 \$8,020,252 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, 2011, 2010, and 2009, respectively, were equal to the contractually agreed upon rate for each year.

<u>Year Ended June 30</u>	<u>Annual Pension Cost</u>	<u>Annual OPEB Cost</u>	<u>Total Benefit Cost (TBC)</u>	<u>District Contri- butions</u>	<u>Percent of TBC Contributed</u>
2011	\$7,524,644	\$13,556,450	\$21,081,094	\$21,081,094	100%
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 26.00% 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 \$64,432,464 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, 2011, 2010, and 2009, respectively, were equal to the contractually agreed upon rate for each year.

<u>Year Ended June 30</u>	<u>Annual Pension Cost</u>	<u>Annual OPEB Cost</u>	<u>Benefit Cost (TBC)</u>	<u>District Contri- butions</u>	<u>Percent of TBC Contributed</u>
2011	\$16,856,880	\$15,131,369	\$31,988,249	\$31,988,249	100%
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

Defined Contribution Pension Plan

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

	<u>PERS</u> <u>TIER IV</u>	<u>TRS</u> <u>TIER III</u>
Individual account	5.00 %	7.00 %
Health reimbursement arrangement *	3.00	3.00
Retiree medical plan	0.56	0.68
Occupational death and disability benefits	<u>0.31</u>	<u>0.28</u>
	<u>8.87 %</u>	<u>10.96 %</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, 2011 were \$15,457,498 and \$5,137,640 respectively. The district and employee contributions to TRS for the year ended June 30, 2011 were \$25,138,995 and \$17,313,104, 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 \$224,444 in 2011, \$218,867 in 2010, and \$213,887 in 2009 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, 2011 was \$2,687,604, which compares to the district's total of \$371,619,528. 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 66 as of June 30, 2011. 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, 2011 is \$1,010,310.

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 \$21,969,864. 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, 2011 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 2011, 2010 and 2009 are as follow:

		Liability Balance July 1	Current Year Claims and Changes in Estimates	Claims Payment	Liability Balance June 30
2011	Health	\$ 9,948,577	\$ 29,881,548	\$ 31,469,121	\$ 8,361,004
	Unemployment	128,344	456,560	467,271	117,633
	Workers' Comp	18,355,025	3,347,279	4,722,816	16,979,488
		<u>\$ 28,431,946</u>	<u>\$ 33,685,387</u>	<u>\$ 36,659,208</u>	<u>\$ 25,458,125</u>
2010	Health	\$ 5,623,423	\$ 31,740,679	\$ 27,415,525	\$ 9,948,577
	Unemployment	70,462	525,153	467,271	128,344
	Workers' Comp	15,231,138	7,597,475	4,473,588	18,355,025
		<u>\$ 20,925,023</u>	<u>\$ 39,863,307</u>	<u>\$ 32,356,384</u>	<u>\$ 28,431,946</u>
2009	Health	\$ 5,468,253	\$ 20,601,215	\$ 20,446,045	\$ 5,623,423
	Unemployment	66,970	295,394	291,902	70,462
	Workers' Comp	16,734,430	3,309,342	4,812,634	15,231,138
		<u>\$ 22,269,653</u>	<u>\$ 24,205,951</u>	<u>\$ 25,550,581</u>	<u>\$ 20,925,023</u>

NOTE 7 - COMMITMENTS

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

2011	<u>\$ 2,706,692</u>
------	---------------------

Rent expenditures for the year ending June 30, 2011 were \$5,989,692

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, 2011 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	\$	193,215,858
Debt Service Fund	\$	41,544,114
Grant revenues received from the Municipality of Anchorage		
State and Federal Grants Special Revenue Fund	\$	89,720
Charges for services:		
Operations of swimming pools	\$	606,735
School resource officers	\$	1,214,575
Joint property and liability insurance:		
Purchase of a single property and liability policy, which covers both the municipality and district	\$	1,727,468

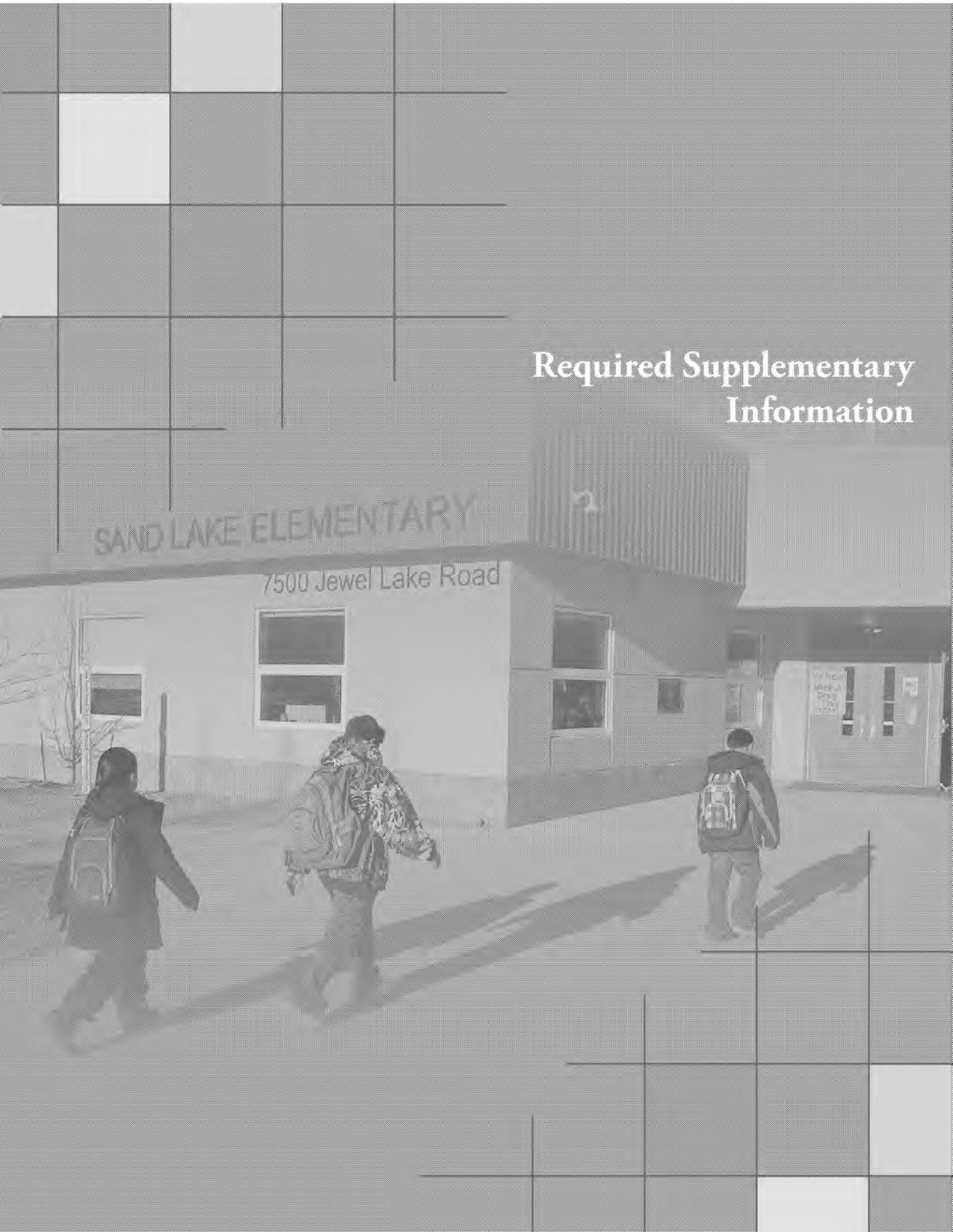
The Anchorage School District, under Alaska law, cannot legally hold title to real property nor incur long-term debt. However, the Municipality of Anchorage has delegated the district, the construction management of school projects. In order to reflect all the capital assets used for school purposes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

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Required Supplementary Information

SAND LAKE ELEMENTARY

7500 Jewel Lake Road



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

For the Year Ended June 30, 2011

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
Revenues from local sources:						
Appropriation from Municipality of Anchorage	\$ 193,215,858	\$ --	\$ 193,215,858	\$ 193,215,858	\$ 193,215,858	\$ --
Reimbursement for school facilities rental	770,435	--	770,435	650,000	650,000	120,435
Nonresident tuition	56,262	--	56,262	15,000	15,000	41,262
Investment income	1,930,596	--	1,930,596	2,600,000	2,600,000	(669,404)
E-Rate	1,631,940	--	1,631,940	1,000,000	1,000,000	631,940
Other revenues	2,090,126	--	2,090,386	3,884,000	3,884,000	(1,793,614)
Total revenues from local sources	199,695,217	--	199,695,217	201,364,858	201,364,858	(1,669,641)
Revenues from state sources:						
Public school funding program	310,300,774	--	310,300,774	312,428,682	312,428,682	(2,127,908)
Transportation	19,611,320	--	19,611,320	20,059,326	20,059,326	(448,006)
Retirement systems employer relief	66,945,085	--	66,945,085	65,968,650	65,968,650	976,435
On-Base tuition	408,484	--	408,484	408,484	408,484	--
Total revenues from state sources	397,265,663	--	397,265,663	398,865,142	398,865,142	(1,599,479)
Revenues from federal sources:						
Reserve Officers Training Corps	764,192	--	764,192	780,000	780,000	(15,808)
Federal Impact Aid	23,985,834	--	23,985,834	15,000,000	15,000,000	8,985,834
Medicaid reimbursement	220,490	--	220,490	1,000,000	1,000,000	(779,510)
Total revenues from federal sources	24,970,516	--	24,970,516	16,780,000	16,780,000	8,190,516
Total revenues	621,931,396	--	621,931,396	617,010,000	617,010,000	4,921,396
Expenditures:						
Current:						
General administration	16,788,549	305,289	17,093,838	16,732,547	17,241,854	148,016
Instruction	536,257,016	214,583	536,471,599	546,396,627	539,446,595	2,974,996
Pupil transportation	20,239,375	571,925	20,811,300	20,686,784	20,853,384	42,084
Operation and maintenance of plant	30,785,534	(2,631,723)	28,153,811	28,774,235	28,902,470	748,659
Community services	1,033,794	361	1,034,155	939,896	998,497	(35,658)
Non-departmental	4,384,847	(39,777)	4,345,070	3,479,911	468,480	(3,876,590)
Total expenditures	609,489,115	(1,579,342)	607,909,773	617,010,000	607,911,280	1,507
Excess of revenues over expenditures	12,442,281	1,579,342	14,021,623	--	9,098,720	4,922,903

For the Year Ended June 30, 2011

**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	\$ 10,360	\$ --	\$ 10,360	\$ --	\$ 10,360	\$ --
Transfers out - Health Insurance Fund	(375,610)	--	(375,610)	--	(375,610)	--
Transfers out - Capital Projects Fund	(9,031,500)	--	(9,031,500)	--	(9,031,500)	--
Total other financing sources and (uses)	(9,396,750)	--	(9,396,750)	--	(9,396,750)	--
Excess (deficiency) of revenues and other financing sources						
over expenditures and other financing uses	3,045,531	\$ 1,579,342	\$ 4,624,873	\$ --	\$ (298,030)	\$ 4,922,903
Fund balance at beginning of year	127,615,822					
Fund balance at end of year	<u>\$ 130,661,353</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		\$ 621,931,396
Expenditures reported on the basis of GAAP		609,489,115
Add current year encumbrances	\$ 7,028,370	
Deduct expenditures on prior year's encumbrances	(8,607,712)	
		(1,579,342)
Expenditures and encumbrances reported on the basis of budgeting		607,909,773
Excess of revenues over expenditures on the basis of budgeting		<u>\$ 14,021,623</u>

For the Year Ended June 30, 2011

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Original and Final Budget	Variance Positive (Negative)
Revenues:					
Revenues from local grants:					
Alaska Railroad Summer Youth Program	\$ 14,721	\$ --	\$ 14,721	\$ 16,000	\$ (1,279)
Donations From Local Agencies	864,932	3,717	868,649	1,245,411	(376,762)
Reading is Fundamental	10,844	--	10,844	10,844	--
Barbara Bush Literacy	5,799	198	5,997	--	5,997
MOA Recycling	87,720	--	87,720	188,250	(100,530)
State Farm - Raise Your Voice	37,786	17,571	55,357	--	55,357
Clark Community Health Center	34,392	--	34,392	25,000	9,392
Community Partners Diversity Project	3,800	--	3,800	800	3,000
NoVo Foundation Social and Emotional Learning	37,102	1,101	38,203	125,000	(86,797)
Contingency	--	--	--	8,895,125	(8,895,125)
Total revenues from local grants	1,097,096	22,587	1,119,683	10,506,430	(9,386,747)
Revenues from state grants:					
Designated Legislative Grants					
Senate Bill 46	(45)	--	(45)	--	(45)
Senate Bill 53	26,268	(1,672)	24,596	--	24,596
Senate Bill 221	53,870	294	54,164	--	54,164
Senate Bill 230	878,195	(26,029)	852,166	1,496,250	(644,084)
Senate Bill 231	26,340	285	26,625	--	26,625
Total Designated Legislative Grants	984,628	(27,122)	957,506	1,496,250	(538,744)
Contract Schools - Memorandum of					
Agreement - Alaska State School for Deaf	303,847	--	303,847	319,000	(15,153)
Safe Routes to the School	33,321	--	33,321	80,000	(46,679)
Creating Successful Futures	694	--	694	--	694
Pre-school Kindergarten Program	170,648	--	170,648	167,684	2,964
Health Career Pathways	8,558	--	8,558	--	8,558
Providence Heights	136,160	--	136,160	145,000	(8,840)
McLaughlin Equipment and Supplies Funds	8,020	(4,113)	3,907	--	3,907
Youth in Detention	362,235	--	362,235	371,974	(9,739)
Retirement Systems Employer Relief	4,900,694	--	4,900,694	3,757,160	1,143,534
Alaska Network on Domestic Violence	2,000	--	2,000	2,000	--
Total revenues from state grants	6,910,805	(31,235)	6,879,570	6,339,068	540,502
Revenues from federal grants:					
Title I -No Child Left Behind Act					
District-wide	8,295,723	(16,190)	8,279,533	10,452,575	(2,173,042)
McLaughlin Youth Center	138,164	--	138,164	140,732	(2,568)
Delinquent and At-Risk Youth Program	199,641	--	199,641	220,052	(20,411)
Highly Qualified Program	6,592	--	6,592	590,000	(583,408)
Professional Development	557,184	(119)	557,065	1,715,953	(1,158,888)
Parent Involvement Program	48,500	--	48,500	171,810	(123,310)
Supplemental Education Services Program	1,277,686	(788)	1,276,898	1,888,000	(611,102)
School Improvement Program	241,408	--	241,408	404,460	(163,052)
Total Title I - No Child Left Behind	10,764,898	(17,097)	10,747,801	15,583,582	(4,835,781)
Title I -Migrant Education					
District-wide	1,086,427	--	1,086,427	1,136,139	(49,712)
Summer Program	616,546	31,040	647,586	1,030,506	(382,920)
Book Program	5,385	--	5,385	5,385	--
Parent Involvement	2,799	--	2,799	5,000	(2,201)
Total Title I -Migrant Education	1,711,157	31,040	1,742,197	2,177,030	(434,833)
Title II-A - Professional Development Program	3,913,011	--	3,913,011	4,616,298	(703,287)
Title II-D - Enhancing Education Through Technology	64,149	--	64,149	211,682	(147,533)
Title III - English Language Acquisition	422,556	--	422,556	553,933	(131,377)

See accompanying notes to required supplementary information
(Continued)

For the Year Ended June 30, 2011

**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	Original and Final Budget	Variance Positive (Negative)
Title IV-A - Safe and Drug Free Schools	\$ 192,752	\$ --	\$ 192,752	\$ 192,733	\$ 19
Title VI-B - Education of All Handicapped Children Act	11,595,025	--	11,595,025	14,304,308	(2,709,283)
Title VII - Indian, Native Hawaiian, and Alaska Native Education	2,603,285	1,055	2,604,340	2,688,479	(84,139)
Pre-School Handicapped	492,671	--	492,671	656,642	(163,971)
Reading is Fundamental	31,855	--	31,855	33,293	(1,438)
Alaska State School for Deaf Program	72,335	(3,573)	68,762	82,998	(14,236)
Carl Perkins Vocational Education Basic	974,439	--	974,439	1,167,211	(192,772)
Access to Education for Homeless Children Program	58,891	(4,444)	54,447	58,950	(4,503)
Community Action Prevention and Intervention Program	192,383	4,160	196,543	193,747	2,796
Charter Schools	8,568	--	8,568	8,000	568
Work Investment Act School Youth Program	42,787	--	42,787	52,790	(10,003)
Foreign Language Assistance Program	236,210	(9,806)	226,404	297,620	(71,216)
Teaching American History Program	430,728	(58,355)	372,373	--	372,373
Community Centers Learning Program	1,969,874	--	1,969,874	2,228,182	(258,308)
Alaska Family Directory Website	25,674	--	25,674	32,000	(6,326)
Alaska Educational Innovations Network Program	10,326	870	11,196	12,610	(1,414)
Excellence in Economic Education Program	3,227	--	3,227	24,587	(21,360)
Alaska Parent Information & Resource Center	144,451	--	144,451	151,045	(6,594)
Alaska Mentorship Project	283,285	--	283,285	283,285	--
Cultural Collaboration Project	10,381	(3,951)	6,430	7,356	(926)
Alternative Schools Health and Wellness	43,432	--	43,432	46,004	(2,572)
National Writing Project	11,073	--	11,073	12,500	(1,427)
Learn and Serve Begich - Community Services	11,266	1,058	12,324	15,176	(2,852)
Project Ki'l	336,569	16,827	353,396	348,851	4,545
Teaching With Primary Sources Program	8,961	--	8,961	14,936	(5,975)
USDA Fruit and Vegetables	360,027	--	360,027	427,543	(67,516)
Universal Design Learning	455	(455)	--	--	--
Project Puqigtut	651,830	17,697	669,527	694,723	(25,196)
School Health Program	29,522	--	29,522	31,000	(1,478)
Second Order Prevention Project	553,439	60,209	613,648	780,000	(166,352)
Project Impact	351,504	10,869	362,373	377,681	(15,308)
Alaska/Russian Climate	32,128	--	32,128	32,128	--
Artist in Schools	8,317	--	8,317	9,290	(973)
Military Impacted Students	355,360	115,290	470,650	1,489,664	(1,019,014)
Refugee Support Services	35,323	--	35,323	55,000	(19,677)
StarTalk - Chinese Language Culture Summer Camp	44,204	2,500	46,704	99,890	(53,186)
Salmon in the Classroom	--	--	--	235,250	(235,250)
American Recovery and Reinvestment Act					
State Fiscal Stabilization Fund	22,798,964	(11,526,212)	11,272,752	--	11,272,752
Title I - No Child Left Behind	6,802,507	(25,748)	6,776,759	--	6,776,759
Title II-D - Enhancing Education Through Technology	184,827	(7,993)	176,834	56,358	120,476
Title VI-B - Education of All Handicapped Children Act	6,392,968	147,351	6,540,319	--	6,540,319
McKinney Vento	69,202	--	69,202	--	69,202
Workforce Investment Act - Youth Program	10,147	--	10,147	10,147	--
Total American Recovery and Reinvestment Act	36,258,615	(11,412,602)	24,846,013	66,505	24,779,508
Total revenues from federal grants	75,346,943	(11,248,708)	64,098,235	50,354,502	13,743,733
Total revenues	83,354,844	(11,257,356)	72,097,488	67,200,000	4,897,488

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

For the Year Ended June 30, 2011

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Original and Final Budget	Variance Positive (Negative)
Expenditures:					
Current:					
Instruction:					
Local grants	\$ 1,097,096	\$ 22,587	\$ 1,119,683	\$ 10,506,430	\$ 9,386,747
State grants	6,910,805	(31,235)	6,879,570	6,339,068	(540,502)
Federal grants	75,346,943	(11,248,708)	64,098,235	50,354,502	(13,743,733)
Total expenditures	83,354,844	(11,257,356)	72,097,488	67,200,000	(4,897,488)
Excess of revenues over expenditures	--	--	--	--	--
Fund balance at beginning of year	--	--	--	--	--
Fund balance at end of year	\$ --	\$ --	\$ --	\$ --	\$ --

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

Revenues reported on the basis of GAAP		\$ 83,354,844
Add revenues from current year encumbrances	\$ 2,117,624	
Deduct revenues on prior year encumbrances	(13,374,980)	
		(11,257,356)
Revenues reported on the basis of budgeting		72,097,488
Expenditures reported on the basis GAAP		\$ 83,354,844
Add current year encumbrances	\$ 2,117,624	
Deduct expenditures on prior year encumbrances	(13,374,980)	
		(11,257,356)
Expenditures and encumbrances reported on the basis of budgeting		72,097,488
Excess of revenue over expenditures on the basis of budgeting		\$ --

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 23, 2010, the Assembly approved Assembly Ordinance AO 2010-19 determining and approving the district's combined budget of \$789,443,892 with \$234,759,972 in local tax appropriation for the following funds: General Fund, State and Federal Grants Special Revenue Fund, Food Service Special Revenue Fund and Debt Service Fund.

On April 18, 2011 the School Board approved ASD Memorandum No. 301 to transfer within the upper limit spending authority approved by the Assembly an amount of \$2,081,500 to the Capital Projects Fund for facilities management. The School Board also approved ASD Memorandum No. 327 which provided an additional transfer from the General Fund of \$7,000,000 to the Capital Projects Fund to fund necessary maintenance projects, in addition Memorandum No. 327 also provided additional spending authority of \$67,220 from the General Fund to the Debt Service Fund for increased principal and interest amounts incurred during the fiscal year. These actions resulted in a net reduction of the total budget to \$780,362,392.

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.

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Combining and Individual Fund Statements and Schedules





General Fund

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

June 30, 2011
With Comparative Totals for
June 30, 2010

BALANCE SHEET

	2011	2010
Assets		
Cash and investments	\$ 87,547,410	\$ 92,567,761
Accounts receivable (net of any allowances for uncollectibles)	1,105,405	995,044
Due from other funds:		
State and Federal Grants Special Revenue Fund	28,470,482	23,374,600
Student Activity Special Revenue Fund	53,981	57,483
Debt Service Fund	30,149,591	22,884,800
Due from other governments:		
Municipality of Anchorage	98,153,656	96,607,929
State of Alaska	--	180,000
United States Government	2,246,923	--
Prepaid items	8,553,154	9,641,977
Inventory, at weighted average cost	2,259,796	2,099,789
Total assets	<u>\$ 258,540,398</u>	<u>\$ 248,409,383</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 2,338,129	\$ 2,814,485
Medical claims payable	450,383	2,468,925
Due to other funds:		
Equipment Replacement Fund	--	1,022,685
Food Service Special Revenue Fund	2,018,786	2,275,584
Student Activity Special Revenue Fund	1,633,079	1,493,354
Capital Projects Fund	11,466,028	2,638,173
Accrued salaries and related items:		
Wages and salaries payable	1,045,624	2,138,241
Payroll taxes, other accrued and withheld items	10,773,360	9,334,185
Unearned revenue	98,153,656	96,607,929
Total liabilities	<u>127,879,045</u>	<u>120,793,561</u>
Fund balance:		
Non-spendable	10,812,950	11,741,766
Restricted	19,902,748	19,833,195
Committed	13,879,315	8,878,554
Assigned	61,267,642	61,234,068
Unassigned	24,798,698	25,928,239
Total fund balance	<u>130,661,353</u>	<u>127,615,822</u>
Total liabilities and fund balance	<u>\$ 258,540,398</u>	<u>\$ 248,409,383</u>

For the Year Ended June 30, 2011
 With Comparative Totals
 For the Year Ended June 30, 2010

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

	2011	2010
Revenues:		
Revenues from local sources:		
Appropriation from Municipality of Anchorage	\$ 193,215,858	\$ 191,913,748
Reimbursement for school facilities rental	770,435	658,036
Nonresident tuition	56,262	32,904
Investment income	1,930,596	4,702,877
E-Rate	1,631,940	1,634,729
Other revenues	2,090,126	1,701,474
Total revenues from local sources	199,695,217	200,643,768
Revenues from state sources:		
Public school funding program	310,300,774	295,483,681
Transportation	19,611,320	19,530,379
Retirement systems employer relief	66,945,085	58,606,858
On-Base tuition	408,484	408,484
Total revenues from state sources	397,265,663	374,029,402
Revenues from federal sources:		
Reserve Officers Training Corps	764,192	678,151
Federal Impact Aid	23,985,834	17,492,274
Medicaid reimbursement	220,490	234,978
Total revenues from federal sources	24,970,516	18,405,403
Total revenues	621,931,396	593,078,573
Expenditures:		
Current:		
General administration	16,788,549	16,065,662
Instruction	536,257,016	516,155,997
Pupil transportation	20,239,375	20,137,537
Operation and maintenance of plant	30,785,534	27,528,957
Community services	1,033,794	976,725
Non-departmental	4,384,847	3,851,645
Total expenditures	609,489,115	584,716,523
Excess of revenues over expenditures	12,442,281	8,362,050

For the Year Ended June 30, 2011
 With Comparative Totals
 For the Year Ended June 30, 2010

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

	2011	2010
Other financing sources (uses):		
Proceeds from sale of property and equipment	\$ 10,360	\$ 634
Transfers out - Health Insurance Fund	(375,610)	--
Transfers in - Internal Service Fund	--	12,011
Transfers out - Capital Projects Fund	(9,031,500)	--
Total other financing sources and (uses)	(9,396,750)	12,645
Excess of revenues and other financing sources over expenditures and other financing uses	3,045,531	8,374,695
Fund balance at beginning of year	127,615,822	119,241,127
Fund balance at end of year	<u>\$ 130,661,353</u>	<u>\$ 127,615,822</u>

For the Year Ended June 30, 2011
 With Comparative Totals
 For the Year Ended June 30, 2010

SCHEDULE OF EXPENDITURES GAAP BASIS

	2011	2010
Current:		
General administration:		
Anchorage School Board	\$ 523,913	\$ 552,573
Superintendent	1,933,500	1,392,493
Instruction	2,561,450	2,856,666
Support services	4,553,127	4,301,204
Planning, communications and development	1,047,195	1,011,829
Business management	3,121,423	2,974,453
Employee relations	3,047,941	2,976,444
Total general administration	16,788,549	16,065,662
Instruction:		
Instructional support:		
Curriculum and staff development	10,898,037	11,337,683
Instructional media	3,045,752	3,145,418
Assessment and evaluation	1,026,030	1,002,356
Technology/management information systems	12,617,744	14,470,437
Total instructional support	27,587,563	29,955,894
Elementary education	177,668,848	170,656,843
Charter schools	18,178,849	17,621,340
Middle school education	63,340,671	60,781,147
High school education	117,320,995	113,788,890
Special education services:		
Special services	31,557,075	30,052,478
Special education	79,784,830	74,535,951
Total special education services	111,341,905	104,588,429
English language learners	13,596,282	12,211,484
Gifted education	6,656,256	6,064,553
Native education	565,647	487,417
Total instruction	536,257,016	516,155,997
Pupil transportation	20,239,375	20,137,537
Operation and maintenance of plant:		
Custodial services	3,360,493	3,331,519
Facilities	25,968,175	22,889,848
Vehicle maintenance	1,456,866	1,307,590
Total operation and maintenance of plant	30,785,534	27,528,957

For the Year Ended June 30, 2011
 With Comparative Totals
 For the Year Ended June 30, 2010

SCHEDULE OF EXPENDITURES GAAP BASIS (Continued)

	<u>2011</u>	<u>2010</u>
Community services	\$ 1,033,794	\$ 976,725
Non-departmental:		
Employee benefits:		
Association benefits	222,499	209,506
Employee assistance	65,134	74,086
Medical insurance - retirees	1,010,310	1,003,075
Sick leave bank	<u>248,480</u>	<u>278,836</u>
Total employee benefits	1,546,423	1,565,503
Insurance	1,617,629	2,051,323
Rental land and buildings	3,021,799	1,851,678
Utilities	335,414	307,178
Other non-departmental	<u>(2,136,418)</u>	<u>(1,924,037)</u>
Total non-departmental	<u>4,384,847</u>	<u>3,851,645</u>
Total expenditures	<u><u>\$ 609,489,115</u></u>	<u><u>\$ 584,716,523</u></u>

For the Year Ended June 30, 2011

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Current:						
General administration:						
Anchorage School Board:						
Personnel services	\$ 217,583	\$ --	\$ 217,583	\$ 216,579	\$ 218,083	\$ 500
Employee benefits	92,195	--	92,195	84,864	85,323	(6,872)
Purchased services	209,393	174,246	383,639	225,650	434,050	50,411
Supplies and materials	3,820	(555)	3,265	3,400	5,000	1,735
Capital outlay	922	(922)	--	--	--	--
Total Anchorage School Board	523,913	172,769	696,682	530,493	742,456	45,774
Superintendent:						
Personnel services	249,637	--	249,637	254,784	256,784	7,147
Employee benefits	144,886	--	144,886	131,886	132,056	(12,830)
Purchased services	1,527,164	(27,241)	1,499,923	1,436,000	1,472,392	(27,531)
Supplies and materials	9,493	(2,911)	6,582	6,575	7,093	511
Capital outlay	2,320	(2,320)	--	--	--	--
Total superintendent	1,933,500	(32,472)	1,901,028	1,829,245	1,868,325	(32,703)
Instruction:						
Personnel services	1,426,896	--	1,426,896	1,382,181	1,409,389	(17,507)
Employee benefits	915,921	--	915,921	835,701	838,628	(77,293)
Purchased services	126,141	27,930	154,071	60,150	159,201	5,130
Supplies and materials	76,570	32,199	108,769	17,007	116,034	7,265
Capital outlay	15,922	67,500	83,422	--	84,158	736
Total instruction	2,561,450	127,629	2,689,079	2,295,039	2,607,410	(81,669)
Support services:						
Personnel services	2,724,349	--	2,724,349	2,727,313	2,610,179	(114,170)
Employee benefits	1,687,133	--	1,687,133	1,658,993	1,634,636	(52,497)
Purchased services	65,125	105,970	171,095	84,399	197,434	26,339
Supplies and materials	50,177	(14,568)	35,609	45,872	45,720	10,111
Capital outlay	26,343	(41,538)	(15,195)	14,605	19,713	34,908
Total support services	4,553,127	49,864	4,602,991	4,531,182	4,507,682	(95,309)
Planning, communications and development:						
Personnel services	552,427	--	552,427	554,880	557,280	4,853
Employee benefits	341,873	--	341,873	337,837	338,041	(3,832)
Purchased services	133,236	(14,702)	118,534	133,715	128,697	10,163
Supplies and materials	17,935	7,571	25,506	35,343	34,632	9,126
Capital outlay	1,724	670	2,394	2,171	3,682	1,288
Total planning, communications and development	1,047,195	(6,461)	1,040,734	1,063,946	1,062,332	21,598
Business management:						
Personnel services	1,899,533	--	1,899,533	2,017,894	1,956,894	57,361
Employee benefits	1,178,292	--	1,178,292	1,197,181	1,169,821	(8,471)
Purchased services	17,065	43,080	60,145	12,718	63,998	3,853
Supplies and materials	20,441	808	21,249	21,524	21,552	303
Capital outlay	6,092	(358)	5,734	--	8,059	2,325
Total business management	3,121,423	43,530	3,164,953	3,249,317	3,220,324	55,371

(Continued)

For the Year Ended June 30, 2011

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Employee relations:						
Personnel services	\$ 1,816,023	\$ --	\$ 1,816,023	\$ 1,942,462	\$ 1,947,662	\$ 131,639
Employee benefits	1,126,699	--	1,126,699	1,091,213	1,092,610	(34,089)
Purchased services	84,481	(40,923)	43,558	184,400	177,943	134,385
Supplies and materials	15,655	(4,077)	11,578	15,250	14,563	2,985
Capital outlay	5,083	(4,570)	513	--	547	34
Total employee relations	3,047,941	(49,570)	2,998,371	3,233,325	3,233,325	234,954
Total general administration	16,788,549	305,289	17,093,838	16,732,547	17,241,854	148,016
Instruction:						
Instructional support:						
Curriculum and staff development:						
Personnel services	6,102,973	--	6,102,973	6,502,090	6,285,415	182,442
Employee benefits	3,506,438	--	3,506,438	3,541,447	3,519,538	13,100
Purchased services	151,564	14,272	165,836	233,603	217,790	51,954
Supplies and materials	881,592	(438,832)	442,760	280,658	501,000	58,240
Capital outlay	255,470	54,705	310,175	316,800	336,093	25,918
Total curriculum and staff development	10,898,037	(369,855)	10,528,182	10,874,598	10,859,836	331,654
Instructional media:						
Personnel services	1,425,174	--	1,425,174	1,481,397	1,457,849	32,675
Employee benefits	938,110	--	938,110	917,285	901,560	(36,550)
Purchased services	292,627	(37,887)	254,740	323,920	324,570	69,830
Supplies and materials	352,887	31,795	384,682	487,890	488,971	104,289
Capital outlay	36,954	4,080	41,034	15,890	42,811	1,777
Total instructional media	3,045,752	(2,012)	3,043,740	3,226,382	3,215,761	172,021
Assessment and evaluation:						
Personnel services	593,760	--	593,760	620,853	620,853	27,093
Employee benefits	340,383	--	340,383	340,097	340,097	(286)
Purchased services	61,449	(403)	61,046	99,350	99,950	38,904
Supplies and materials	16,596	8,725	25,321	32,000	32,000	6,679
Capital outlay	13,842	(9,830)	4,012	6,198	5,598	1,586
Total assessment and evaluation	1,026,030	(1,508)	1,024,522	1,098,498	1,098,498	73,976
Technology/management information systems:						
Personnel services	4,359,547	--	4,359,547	4,984,943	4,682,909	323,362
Employee benefits	2,570,413	--	2,570,413	2,828,280	2,725,841	155,428
Purchased services	2,365,598	(441,088)	1,924,510	1,678,719	1,908,566	(15,944)
Supplies and materials	136,819	180,257	317,076	193,836	349,086	32,010
Capital outlay	3,185,367	1,372,371	4,557,738	3,067,568	4,506,130	(51,608)
Total technology/management information systems	12,617,744	1,111,540	13,729,284	12,753,346	14,172,532	443,248
Total instructional support	27,587,563	738,165	28,325,728	27,952,824	29,346,627	1,020,899
Elementary education:						
Personnel services	104,065,808	--	104,065,808	107,474,391	104,770,015	704,207
Employee benefits	63,375,444	--	63,375,444	65,054,856	64,049,328	673,884
Purchased services	7,755,182	(66,894)	7,688,288	9,461,890	7,914,021	225,733
Supplies and materials	2,268,971	(3,442)	2,265,529	2,478,131	2,462,687	197,158
Capital outlay	203,443	22,215	225,658	202,958	249,421	23,763
Total elementary education	177,668,848	(48,121)	177,620,727	184,672,226	179,445,472	1,824,745

(Continued)

For the Year Ended June 30, 2011

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Charter schools:						
Personnel services	\$ 8,340,987	\$ --	\$ 8,340,987	\$ 8,296,132	\$ 8,299,955	\$ (41,032)
Employee benefits	4,865,523	--	4,865,523	5,230,652	5,198,660	333,137
Purchased services	4,151,820	(424,426)	3,727,394	3,835,831	3,960,455	233,061
Supplies and materials	674,347	230,231	904,578	789,409	790,433	(114,145)
Capital outlay	70,942	(1,803)	69,139	130,500	57,042	(12,097)
Other	75,230	(672)	74,558	95,257	74,561	3
Total charter schools	18,178,849	(196,670)	17,982,179	18,377,781	18,381,106	398,927
Middle school education:						
Personnel services	36,338,377	--	36,338,377	37,366,449	37,459,106	1,120,729
Employee benefits	22,665,658	--	22,665,658	22,993,594	22,983,252	317,594
Purchased services	3,114,524	(33,976)	3,080,548	3,873,429	3,168,211	87,663
Supplies and materials	913,494	(137,621)	775,873	794,494	804,815	28,942
Capital outlay	308,618	17,136	325,754	197,805	333,889	8,135
Total middle school education	63,340,671	(154,461)	63,186,210	65,225,771	64,749,273	1,563,063
High school education:						
Personnel services	65,799,696	--	65,799,696	64,600,099	65,143,087	(656,609)
Employee benefits	40,823,157	--	40,823,157	39,019,352	39,047,143	(1,776,014)
Purchased services	8,383,944	67,008	8,450,952	10,313,217	8,905,567	454,615
Supplies and materials	1,712,928	28,015	1,740,943	2,287,168	1,903,142	162,199
Capital outlay	464,282	(35,807)	428,475	335,166	444,377	15,902
Other	136,988	--	136,988	135,005	136,988	--
Total high school education	117,320,995	59,216	117,380,211	116,690,007	115,580,304	(1,799,907)
Special education services:						
Special services:						
Personnel services	18,871,243	--	18,871,243	18,587,565	18,296,906	(574,337)
Employee benefits	11,758,146	--	11,758,146	11,890,972	11,807,541	49,395
Purchased services	703,493	(14,971)	688,522	772,070	732,762	44,240
Supplies and materials	184,710	(15,654)	169,056	167,210	170,834	1,778
Capital outlay	39,483	(1,536)	37,947	40,246	38,851	904
Total special services	31,557,075	(32,161)	31,524,914	31,458,063	31,046,894	(478,020)
Special education:						
Personnel services	46,341,025	--	46,341,025	47,293,297	46,569,511	228,486
Employee benefits	32,026,756	--	32,026,756	32,992,459	32,504,426	477,670
Purchased services	996,511	(54,950)	941,561	885,060	988,675	47,114
Supplies and materials	327,166	(49,772)	277,394	343,537	354,188	76,794
Capital outlay	93,372	(29,097)	64,275	85,209	70,086	5,811
Total special education	79,784,830	(133,819)	79,651,011	81,599,562	80,486,886	835,875
Total special education services	111,341,905	(165,980)	111,175,925	113,057,625	111,533,780	357,855
English language learners:						
Personnel services	7,667,427	--	7,667,427	7,778,579	7,747,079	79,652
Employee benefits	5,834,443	--	5,834,443	5,698,265	5,690,464	(143,979)
Purchased services	57,313	(2,864)	54,449	46,750	57,055	2,606
Supplies and materials	35,166	(1,327)	33,839	26,631	33,919	80
Capital outlay	1,933	10,000	11,933	--	11,997	64
Total english language learners	13,596,282	5,809	13,602,091	13,550,225	13,540,514	(61,577)
Gifted education:						
Personnel services	3,941,110	--	3,941,110	3,846,794	3,861,810	(79,300)
Employee benefits	2,641,647	--	2,641,647	2,368,424	2,372,998	(268,649)
Purchased services	18,095	(60)	18,035	18,250	20,750	2,715
Supplies and materials	49,704	(20,787)	28,917	62,452	39,813	10,896
Capital outlay	5,700	(2,528)	3,172	4,327	4,227	1,055
Total gifted education	6,656,256	(23,375)	6,632,881	6,300,247	6,299,598	(333,283)

(Continued)

For the Year Ended June 30, 2011

**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	
Native education:						
Personnel services	\$ 289,756	\$ --	\$ 289,756	\$ 293,857	\$ 293,857	\$ 4,101
Employee benefits	275,431	--	275,431	276,064	276,064	633
Purchased services	460	--	460	--	--	(460)
Total native education	565,647	--	565,647	569,921	569,921	4,274
Total instruction	536,257,016	214,583	536,471,599	546,396,627	539,446,595	2,974,996
Pupil transportation:						
Personnel services	4,520,958	--	4,520,958	4,530,672	4,539,748	18,790
Employee benefits	3,641,534	--	3,641,534	3,505,735	3,508,503	(133,031)
Purchased services	10,973,770	9,025	10,982,795	11,556,738	11,132,550	149,755
Supplies and materials	1,018,747	(3,697)	1,015,050	1,012,530	1,016,474	1,424
Capital outlay	39,321	566,597	605,918	36,109	611,109	5,191
Other	45,045	--	45,045	45,000	45,000	(45)
Total pupil transportation	20,239,375	571,925	20,811,300	20,686,784	20,853,384	42,084
Operation and maintenance of plant:						
Custodial services:						
Personnel services	1,456,167	--	1,456,167	1,532,571	1,704,912	248,745
Employee benefits	822,157	--	822,157	949,510	911,389	89,232
Purchased services	152,401	8,455	160,856	199,410	162,550	1,694
Supplies and materials	807,888	(105,089)	702,799	675,600	698,460	(4,339)
Capital outlay	121,880	(5,391)	116,489	49,921	131,421	14,932
Total custodial services	3,360,493	(102,025)	3,258,468	3,407,012	3,608,732	350,264
Facilities:						
Personnel services	10,446,436	--	10,446,436	10,710,892	10,721,938	275,502
Employee benefits	6,925,810	--	6,925,810	6,603,794	6,594,057	(331,753)
Purchased services	5,146,762	(1,464,205)	3,682,557	3,980,630	3,855,601	173,044
Supplies and materials	2,539,323	(452,299)	2,087,024	2,301,810	2,318,651	231,627
Capital outlay	909,844	(549,203)	360,641	357,987	390,981	30,340
Total facilities	25,968,175	(2,465,707)	23,502,468	23,955,113	23,881,228	378,760
Vehicle maintenance:						
Personnel services	502,515	--	502,515	499,377	499,377	(3,138)
Employee benefits	315,162	--	315,162	316,020	316,020	858
Purchased services	97,532	(21,248)	76,284	86,803	87,203	10,919
Supplies and materials	444,488	(5,334)	439,154	446,640	446,640	7,486
Capital outlay	97,169	(37,409)	59,760	63,270	63,270	3,510
Total vehicle maintenance	1,456,866	(63,991)	1,392,875	1,412,110	1,412,510	19,635
Total operation and maintenance of plant	30,785,534	(2,631,723)	28,153,811	28,774,235	28,902,470	748,659
Community services:						
Personnel services	577,280	--	577,280	564,360	564,360	(12,920)
Employee benefits	367,699	--	367,699	341,418	341,418	(26,281)
Purchased services	4,413	15,000	19,413	7,750	22,091	2,678
Supplies and materials	9,257	(1,336)	7,921	8,300	7,995	74
Capital outlay	75,145	(13,303)	61,842	18,068	62,633	791
Total community services	1,033,794	361	1,034,155	939,896	998,497	(35,658)
Non-departmental:						
Personnel services	347,763	--	347,763	1,947,122	(1,290,066)	(1,637,829)
Employee benefits	1,202,435	28,907	1,231,342	47,483	47,483	(1,183,859)
Purchased services	(124,545)	(60,444)	(184,989)	(1,395,646)	(1,268,978)	(1,083,989)
Supplies and materials	8,240	(8,240)	--	125,500	125,500	125,500
Capital outlay	3,862	--	3,862	50,000	50,000	46,138
Other	2,947,092	--	2,947,092	2,705,452	2,804,541	(142,551)
Total non-departmental	4,384,847	(39,777)	4,345,070	3,479,911	468,480	(3,876,590)
Total current	\$ 609,489,115	\$ (1,579,342)	\$ 607,909,773	\$ 617,010,000	\$ 607,911,280	\$ 1,507

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

For the Year Ended June 30, 2011

	Personnel Services	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other	Total
Current:							
General administration:							
Anchorage School Board	\$ 217,583	\$ 92,195	\$ 209,393	\$ 3,820	\$ 922	\$ --	\$ 523,913
Superintendent	249,637	144,886	1,527,164	9,493	2,320	--	1,933,500
Instruction	1,426,896	915,921	126,141	76,570	15,922	--	2,561,450
Support services	2,724,349	1,687,133	65,125	50,177	26,343	--	4,553,127
Planning, communications and development	552,427	341,873	133,236	17,935	1,724	--	1,047,195
Business management	1,899,533	1,178,292	17,065	20,441	6,092	--	3,121,423
Employee relations	1,816,023	1,126,699	84,481	15,655	5,083	--	3,047,941
Total general administration	8,886,448	5,486,999	2,162,605	194,091	58,406	--	16,788,549
Instruction:							
Instructional support:							
Curriculum and staff development	6,102,973	3,506,438	151,564	881,592	255,470	--	10,898,037
Instructional media	1,425,174	938,110	292,627	352,887	36,954	--	3,045,752
Assessment and evaluation	593,760	340,383	61,449	16,596	13,842	--	1,026,030
Technology/management information systems	4,359,547	2,570,413	2,365,598	136,819	3,185,367	--	12,617,744
Total instructional support	12,481,454	7,355,344	2,871,238	1,387,894	3,491,633	--	27,587,563
Elementary education	104,065,808	63,375,444	7,755,182	2,268,971	203,443	--	177,668,848
Charter schools	8,340,987	4,865,523	4,151,820	674,347	70,942	75,230	18,178,849
Middle school education	36,338,377	22,665,658	3,114,524	913,494	308,618	--	63,340,671
High school education	65,799,696	40,823,157	8,383,944	1,712,928	464,282	136,988	117,320,995
Special education services:							
Special services	18,871,243	11,758,146	703,493	184,710	39,483	--	31,557,075
Special education	46,341,025	32,026,756	996,511	327,166	93,372	--	79,784,830
Total special education services	65,212,268	43,784,902	1,700,004	511,876	132,855	--	111,341,905
English language learners	7,667,427	5,834,443	57,313	35,166	1,933	--	13,596,282
Gifted education	3,941,110	2,641,647	18,095	49,704	5,700	--	6,656,256
Native education	289,756	275,431	460	--	--	--	565,647
Total instruction	304,136,883	191,621,549	28,052,580	7,554,380	4,679,406	212,218	536,257,016
Pupil transportation	4,520,958	3,641,534	10,973,770	1,018,747	39,321	45,045	20,239,375
Operation and maintenance of plant:							
Custodial services	1,456,167	822,157	152,401	807,888	121,880	--	3,360,493
Facilities	10,446,436	6,925,810	5,146,762	2,539,323	909,844	--	25,968,175
Vehicle maintenance	502,515	315,162	97,532	444,488	97,169	--	1,456,866
Total operation and maintenance of plant	12,405,118	8,063,129	5,396,695	3,791,699	1,128,893	--	30,785,534

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

For the Year Ended June 30, 2011

	Personnel Services	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other	Total
Community services	\$ 577,280	\$ 367,699	\$ 4,413	\$ 9,257	\$ 75,145	\$ --	\$ 1,033,794
Non-departmental:							
Employee benefits:							
Association benefits	116,593	105,906	--	--	--	--	222,499
Employee assistance	--	65,134	--	--	--	--	65,134
Medical insurance - retirees	--	1,010,310	--	--	--	--	1,010,310
Sick leave bank	229,044	19,436	--	--	--	--	248,480
Total employee benefits	345,637	1,200,786	--	--	--	--	1,546,423
Insurance	--	--	--	--	--	1,617,629	1,617,629
Rental land and buildings	--	--	3,021,799	--	--	--	3,021,799
Utilities	--	--	335,414	--	--	--	335,414
Other non-departmental	2,125	1,651	(3,481,758)	8,240	3,862	1,329,462	(2,136,418)
Total non-departmental	347,762	1,202,437	(124,545)	8,240	3,862	2,947,091	4,384,847
Total current	\$ 330,874,449	\$ 210,383,347	\$ 46,465,518	\$ 12,576,414	\$ 5,985,033	\$ 3,204,354	\$ 609,489,115

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Special Revenue Funds

State and Federal Grants Fund

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

Food Service Fund

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

Student Activities Fund

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

June 30, 2011
With Comparative Totals for
June 30, 2010

BALANCE SHEET

	<u>2011</u>	<u>2010</u>
Assets		
Accounts receivable	\$ 716,797	\$ 686,486
Due from other governments:		
Municipality of Anchorage	293,577	84,414
State of Alaska	196,865	23,637,793
United States Government	29,805,736	1,406,399
Prepaid items	13,463	20,500
Total assets	<u>\$ 31,026,438</u>	<u>\$ 25,835,592</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 1,326,523	\$ 280,055
Due to General Fund	28,470,482	23,374,600
Accrued salaries and related items:		
Wages and salaries payable	195,786	1,018,257
Payroll taxes, other accrued and withheld items	490,459	763,814
Unearned revenue:		
Unearned revenue - local grants	460,564	307,258
Unearned revenue - state grants	6,635	89,266
Unearned revenue - federal grants	75,989	2,342
Total liabilities	<u>31,026,438</u>	<u>25,835,592</u>
Fund balance:		
Non-spendable	13,463	20,500
Unassigned	(13,463)	(20,500)
Total fund balance	<u>--</u>	<u>--</u>
Total liabilities and fund balance	<u>\$ 31,026,438</u>	<u>\$ 25,835,592</u>

For the Year Ended June 30, 2011
With Comparative Totals
For the Year Ended June 30, 2010

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

	2011	2010
Revenues:		
Revenues from local grants:		
Alaska Railroad Summer Youth Program	\$ 14,721	\$ --
Donations From Local Agencies	864,932	818,166
Reading is Fundamental	10,844	10,800
Partners in Homeless Education	--	339
Barbara Bush Literacy	5,799	20,389
MOA Recycling	87,720	85,497
State Farm - Raise Your Voice	37,786	19,068
AT&T Graduation Connection	--	37,268
Cities Readiness H1N1	--	46,488
Clark Community Health Center	34,392	15,481
Community Partners Diversity	3,800	3,676
NoVo Foundation Social and Emotional Learning	37,102	--
Total revenues from local grants	1,097,096	1,057,172
Revenues from state grants:		
Designated Legislative Grants		
Senate Bill 46	(45)	12,865
Senate Bill 53	26,268	25,652
Senate Bill 221	53,870	181,788
Senate Bill 230	878,195	--
Senate Bill 231	26,340	48,961
Senate Bill 283	--	2,452
Total Designated Legislative Grants	984,628	271,718
Contract Schools - Memorandum of Agreement		
Alaska State School for Deaf	303,847	316,101
Safe Routes to the School	33,321	44,985
Creating Successful Futures	694	489
Pre-School Kindergarten Program	170,648	142,936
Health Career Pathways	8,558	28,434
Providence Heights	136,160	130,352
McLaughlin Equipment and Supplies Funds	8,020	6,492
Youth in Detention	362,235	353,743
Retirement Systems Employer Relief	4,900,694	5,264,261
Alaska Network on Domestic Violence	2,000	--
Total revenues from state grants	6,910,805	6,559,511
Revenues from federal grants:		
Title I - No Child Left Behind Act		
District-wide	8,295,723	9,388,632
Summer School Program	--	692,125
McLaughlin Youth Center	138,164	115,519
Delinquent and At-Risk Youth Program	199,641	178,023
Highly Qualified Program	6,592	9,699
Professional Development	557,184	1,003,141
Parent Involvement Program	48,500	76,566
Supplemental Education Services Program	1,277,686	1,163,103
School Improvement Program	241,408	309,722
Total Title I - No Child Left Behind Act	10,764,898	12,936,530

For the Year Ended June 30, 2011
With Comparative Totals
For the Year Ended June 30, 2010

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

	2011	2010
Title I - Migrant Education		
District-wide	\$ 1,086,427	\$ 836,573
Summer Program	616,546	498,961
Book Program	5,385	1,930
Parent Involvement Program	2,799	2,451
Total Title I - Migrant Education	1,711,157	1,339,915
Title II-A - Professional Development Program	3,913,011	4,187,528
Title II-D - Enhancing Education Through Technology	64,149	223,014
Title III - English Language Acquisition	422,556	377,708
Title IV-A - Safe and Drug Free Schools	192,752	392,467
Title V - Innovative Program	--	6,839
Title VI-B - Education of All Handicapped Children Act	11,595,025	15,706,550
Title VII - Indian, Native Hawaiian, and Alaska Native Education	2,603,285	2,349,840
Pre-School Handicapped	492,671	277,423
Reading is Fundamental	31,855	32,058
Alaska State School for Deaf Program	72,335	83,710
Carl Perkins Vocational Education Basic	974,439	1,145,074
Access to Education for Homeless Children Program	58,891	33,803
Community Action Prevention and Intervention Program	192,383	182,407
Charter Schools	8,568	14,896
Reading First	--	335,291
Work Investment Act School Youth Program	42,787	61,336
Foreign Language Assistance Program	236,210	293,186
Teaching American History Program	430,728	471,958
Community Centers Learning Program	1,969,874	1,653,063
Alaska Family Directory Website	25,674	25,585
Youth in Detention	--	4,933
Advanced Placement for Every Able Learner	--	26,038
Alaska Educational Innovations Network Program	10,326	49,907
Excellence in Economic Education Program	3,227	(647)
Alaska Parent Information and Resource Center	144,451	127,611
Emergency Response and Crisis Management	--	105,901
Alaska Mentorship Project	283,285	314,985
Cultural Collaboration Project	10,381	11,315
Alternative Schools Health and Wellness	43,432	76,814
National Writing Project	11,073	10,979
Presidential Award Program	--	274
Learn and Serve Begich - Community Services	11,266	1,535
Project Ki'l	336,569	308,635
Teaching With Primary sources Program	8,961	25,382
Project Soar	--	98,428
USDA - Fresh Fruit and Vegetable Program	360,027	171,400
Universal Design Learning	455	13,244
Project Puqigtut	651,830	339,075
School Health Program	29,522	--
Second Order Prevention Project	553,439	459,212
Project Impact	351,504	--
Alaska/Russian Climate	32,128	--
Artist in School	8,317	--
Military Impacted Students	355,360	--
Refugee Support Services	35,323	--
StarTalk - Language Culture Summer Camp	44,204	--

(Continued)

For the Year Ended June 30, 2011
With Comparative Totals
For the Year Ended June 30, 2010

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

	2011	2010
American Recovery and Reinvestment Act		
State Fiscal Stabilization Fund	\$ 22,798,964	\$ 5,360,928
Title I - No Child Left Behind Act	6,802,507	4,125,788
Title II-D - Enhancing Education Through Technology	184,827	467,718
Title VI-B - Education of All Handicapped Children Act	6,392,968	4,885,024
McKinney Vento	69,202	30,972
National School Lunch Program	--	7,210
Workforce Investment Act - Youth Program	10,147	--
Total American Recovery and Reinvestment Act	36,258,615	14,877,640
Total revenues from federal grants	75,346,943	59,152,842
Total revenues	83,354,844	66,769,525
Expenditures:		
Current:		
Instruction:		
Local grants	1,097,096	1,057,172
State grants	6,910,805	6,559,511
Federal grants	75,346,943	59,152,842
Total expenditures	83,354,844	66,769,525
Excess of revenues over expenditures	--	--
Fund balance at beginning of year	--	--
Fund balance at end of year	\$ --	\$ --

For the Year Ended June 30, 2011
With Comparative Totals
For the Year Ended June 30, 2010

SCHEDULE OF EXPENDITURES - GAAP BASIS

	2011	2010
Current:		
Instruction:		
Local grants:		
Alaska Railroad Summer Youth Program	\$ 14,721	\$ --
Donations From Local Agencies	864,932	818,166
Reading is Fundamental	10,844	10,800
Partners in Homeless Education	--	339
Barbara Bush Literacy	5,799	20,389
MOA Recycling	87,720	85,497
State Farm - Raise Your Voice	37,786	19,068
AT&T Graduation Connection	--	37,268
Cities Readiness H1N1	--	46,488
Clark Community Health Center	34,392	15,481
Community Partners Diversity	3,800	3,676
NoVo Foundation Social and Emotional Learning	37,102	--
Total local grants	1,097,096	1,057,172
State grants:		
Designated Legislative Grants		
Senate Bill 46	(45)	12,865
Senate Bill 53	26,268	25,652
Senate Bill 221	53,870	181,788
Senate Bill 230	878,195	--
Senate Bill 231	26,340	48,961
Senate Bill 283	--	2,452
Total Designated Legislative Grants	984,628	271,718
Contract Schools - Memorandum of Agreement		
Alaska State School for Deaf	303,847	316,101
Safe Routes to the School	33,321	44,985
Creating Successful Futures	694	489
Pre-School Kindergarten Program	170,648	142,936
Health Career Pathways	8,558	28,434
Providence Heights	136,160	130,352
McLaughlin Equipment and Supplies Funds	8,020	6,492
Youth in Detention	362,235	353,743
Retirement Systems Employer Relief	4,900,694	5,264,261
Alaska Network on Domestic Violence	2,000	--
Total state grants	6,910,805	6,559,511
Federal grants:		
Title I - No Child Left Behind Act		
District-wide	8,295,723	9,388,632
Summer School Program	--	692,125
McLaughlin Youth Center	138,164	115,519
Delinquent and At-Risk Youth Program	199,641	178,023
Highly Qualified Program	6,592	9,699
Professional Development	557,184	1,003,141
Parent Involvement Program	48,500	76,566
Supplemental Education Services Program	1,277,686	1,163,103
School Improvement Program	241,408	309,722
Total Title I - No Child Left Behind Act	10,764,898	12,936,530
Title I - Migrant Education		
District-wide	1,086,427	836,573
Summer Program	616,546	498,961
Book Program	5,385	1,930
Parent Involvement Program	2,799	2,451
Total Title I - Migrant Education	1,711,157	1,339,915

(Continued)

For the Year Ended June 30, 2011
With Comparative Totals
For the Year Ended June 30, 2010

SCHEDULE OF EXPENDITURES - GAAP BASIS (Continued)

	2011	2010
Title II-A - Professional Development Program	\$ 3,913,011	\$ 4,187,528
Title II-D - Enhancing Education Through Technology	64,149	223,014
Title III - English Language Acquisition	422,556	377,708
Title IV-A - Safe and Drug Free Schools	192,752	392,467
Title V - Innovative Program	--	6,839
Title VI-B - Education of All Handicapped Children Act	11,595,025	15,706,550
Title VII - Indian, Native Hawaiian, and Alaska Native Education	2,603,285	2,349,840
Pre-School Handicapped	492,671	277,423
Reading is Fundamental	31,855	32,058
Alaska State School for Deaf Program	72,335	83,710
Carl Perkins Vocational Education Basic	974,439	1,145,074
Access to Education for Homeless Children Program	58,891	33,803
Community Action Prevention and Intervention Program	192,383	182,407
Charter Schools	8,568	14,896
Reading First	--	335,291
Work Investment Act School Youth Program	42,787	61,336
Foreign Language Assistance Program	236,210	293,186
Teaching American History Program	430,728	471,958
Community Centers Learning Program	1,969,874	1,653,063
Alaska Family Directory Website	25,674	25,585
Youth in Detention	--	4,933
Advanced Placement for Every Able Learner	--	26,038
Alaska Educational Innovations Network Program	10,326	49,907
Excellence in Economic Education Program	3,227	(647)
Alaska Parent Information & Resource Center	144,451	127,611
Emergency Response & Crisis Management	--	105,901
Alaska Mentorship Project	283,285	314,985
Cultural Collaboration Project	10,381	11,315
Alternative Schools Health and Wellness	43,432	76,814
National Writing Project	11,073	10,979
Presidential Award Program	--	274
Learn & Serve Begich - Community Services	11,266	1,535
Project Ki'l	336,569	308,635
Teaching With Primary Sources Program	8,961	25,382
Project Soar	--	98,428
USDA - Fresh Fruit and Vegetable Program	360,027	171,400
Universal Design Learning	455	13,244
Project Puqigtut	651,830	339,075
School Health Program	29,522	--
Second Order Prevention Project	553,439	459,212
Project Impact	351,504	--
Alaskan/Russian Climate	32,128	--
Artist in School	8,317	--
Military Impacted Students	355,360	--
Refugee Support Services	35,323	--
StarTalk - Language Culture Summer Camp	44,204	--
American Recovery and Reinvestment Act		
State Fiscal Stabilization Fund	22,798,964	5,360,928
Title I - No Child Left Behind Act	6,802,507	4,125,788
Title II-D - Enhancing Education Through Technology	184,827	467,718
Title VI-B - Education of All Handicapped Children Act	6,392,968	4,885,024
McKinney Vento	69,202	30,972
National School Lunch Program	--	7,210
Workforce Investment Act - Youth Program	10,147	--
Total American Recovery and Reinvestment Act	36,258,615	14,877,640
Total federal grants	75,346,943	59,152,842
Total current expenditures	\$ 83,354,844	\$ 66,769,525

For the Year Ended June 30, 2011

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Original and Final Budget	Variance Positive (Negative)
Current:					
Instruction:					
Local grants:					
Alaska Railroad Summer Youth Program					
Personnel services	\$ 10,816	\$ --	\$ 10,816	\$ 11,117	\$ 301
Employee benefits	1,586	--	1,586	1,628	42
Supplies and materials	2,319	--	2,319	3,255	936
Total Alaska Railroad Summer Youth	14,721	--	14,721	16,000	1,279
Donations From Local Agencies					
Personnel services	390,989	--	390,989	547,107	156,118
Employee benefits	82,842	--	82,842	118,985	36,143
Purchased services	120,427	496	120,923	186,565	65,642
Supplies and materials	181,437	6,034	187,471	246,679	59,208
Capital outlay	89,237	(2,813)	86,424	146,075	59,651
Total Donations From Local Agencies	864,932	3,717	868,649	1,245,411	376,762
Reading is Fundamental					
Supplies and materials	10,844	--	10,844	10,844	--
Barbara Bush Literacy					
Supplies and materials	5,799	198	5,997	--	(5,997)
MOA Recycling					
Personnel services	55,941	--	55,941	97,953	42,012
Employee benefits	31,307	--	31,307	60,881	29,574
Purchased services	360	--	360	21,426	21,066
Supplies and materials	112	--	112	7,990	7,878
Total MOA Recycling	87,720	--	87,720	188,250	100,530
State Farm - Raise Your Voice					
Personnel services	3,971	--	3,971	--	(3,971)
Employee benefits	721	--	721	--	(721)
Purchased services	32,521	12,375	44,896	--	(44,896)
Supplies and materials	573	5,196	5,769	--	(5,769)
Total State Farm Raise Your Voice	37,786	17,571	55,357	--	(55,357)
Clark Community Health Center					
Personnel services	31,269	--	31,269	23,237	(8,032)
Employee benefits	2,653	--	2,653	1,763	(890)
Purchased services	470	--	470	--	(470)
Total Clark Community Health Center	34,392	--	34,392	25,000	(9,392)
Community Partners Diversity					
Supplies and materials	3,800	--	3,800	800	(3,000)
NoVo Foundation Social and Emotional Learning					
Personnel services	6,050	--	6,050	35,820	29,770
Employee benefits	898	--	898	5,318	4,420
Purchased services	29,896	--	29,896	68,862	38,966
Supplies and materials	258	1,101	1,359	15,000	13,641
Total NoVo Foundation and Emotional Learning	37,102	1,101	38,203	125,000	86,797
Contingency	--	--	--	8,895,125	8,895,125
Total local grants	1,097,096	22,587	1,119,683	10,506,430	9,386,747

For the Year Ended June 30, 2011

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)
State grants:					
Designated Legislative Grants:					
Senate Bill 46					
Supplies and materials	\$ (45)	\$ --	\$ (45)	\$ --	\$ 45
Senate Bill 53					
Supplies and materials	4,197	(1,197)	3,000	--	(3,000)
Capital outlay	22,071	(475)	21,596	--	(21,596)
Total Senate Bill 53	26,268	(1,672)	24,596	--	(24,596)
Senate Bill 221					
Supplies and materials	29,037	380	29,417	--	(29,417)
Capital outlay	24,833	(86)	24,747	--	(24,747)
Total Senate Bill 221	53,870	294	54,164	--	(54,164)
Senate Bill 230					
Personnel services	18,658	--	18,658	18,419	(239)
Employee benefits	3,279	--	3,279	3,579	300
Purchased services	22,214	8,100	30,314	50,937	20,623
Supplies and materials	117,096	6,707	123,803	197,243	73,440
Capital outlay	716,948	(40,836)	676,112	1,226,072	549,960
Total Senate Bill 230	878,195	(26,029)	852,166	1,496,250	644,084
Senate Bill 231					
Supplies and materials	13,429	285	13,714	--	(13,714)
Capital outlay	12,911	--	12,911	--	(12,911)
Total Senate Bill 231	26,340	285	26,625	--	(26,625)
Total Designated Legislative Grants	984,628	(27,122)	957,506	1,496,250	538,744
Contract School - Memorandum of Agreement					
Alaska State School for Deaf					
Personnel services	157,058	--	157,058	159,673	2,615
Employee benefits	43,906	--	43,906	44,118	212
Purchased services	39,673	--	39,673	45,079	5,406
Supplies and materials	21,389	--	21,389	21,658	269
Capital outlay	41,821	--	41,821	48,472	6,651
Total Contract School - Memorandum of Agreement Alaska State School for Deaf	303,847	--	303,847	319,000	15,153
Safe Routes to the School					
Personnel services	21,899	--	21,899	35,945	14,046
Employee benefits	2,037	--	2,037	4,128	2,091
Supplies and materials	7,638	--	7,638	38,356	30,718
Capital outlay	1,747	--	1,747	1,571	(176)
Total Safe Routes to the School	33,321	--	33,321	80,000	46,679
Creating Successful Futures					
Personnel services	640	--	640	--	(640)
Employee benefits	54	--	54	--	(54)
Total Creating Successful Futures	694	--	694	--	(694)
Pre-School Kindergarten Program					
Personnel services	107,524	--	107,524	100,156	(7,368)
Employee benefits	42,796	--	42,796	40,495	(2,301)
Purchased services	4,920	--	4,920	15,954	11,034
Supplies and materials	12,045	--	12,045	7,204	(4,841)
Capital outlay	3,363	--	3,363	3,875	512
Total Pre-School Kindergarten Program	170,648	--	170,648	167,684	(2,964)
Health Career Pathways					
Personnel services	1,044	--	1,044	--	(1,044)
Employee benefits	318	--	318	--	(318)
Supplies and materials	296	--	296	--	(296)
Capital outlay	6,900	--	6,900	--	(6,900)
Total Health Career Pathways	8,558	--	8,558	--	(8,558)

(Continued)

For the Year Ended June 30, 2011

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)
Providence Heights					
Personnel services	\$ 99,121	\$ --	\$ 99,121	\$ 105,479	\$ 6,358
Employee benefits	30,654	--	30,654	32,722	2,068
Purchased services	6,385	--	6,385	6,799	414
Total Providence Heights	136,160	--	136,160	145,000	8,840
McLaughlin Equipment and Supplies Funds					
Purchased services	362	--	362	--	(362)
Supplies and materials	6,315	(3,788)	2,527	--	(2,527)
Capital outlay	1,343	(325)	1,018	--	(1,018)
Total McLaughlin Equipment and Supplies Funds	8,020	(4,113)	3,907	--	(3,907)
Youth in Detention					
Personnel services	253,610	--	253,610	262,088	8,478
Employee benefits	91,639	--	91,639	92,443	804
Purchased services	16,986	--	16,986	17,443	457
Total Youth in Detention	362,235	--	362,235	371,974	9,739
Retirement Systems Employer Relief					
Employee benefits	4,900,694	--	4,900,694	3,757,160	(1,143,534)
Alaska Network on Domestic					
Purchased services	500	--	500	500	--
Supplies and materials	1,500	--	1,500	1,500	--
Total Alaska Network on Domestic	2,000	--	2,000	2,000	--
Total state grants	6,910,805	(31,235)	6,879,570	6,339,068	(540,502)
Federal grants:					
Title I - No Child Left Behind Act					
District-wide					
Personnel services	5,099,763	--	5,099,763	6,075,482	975,719
Employee benefits	2,211,153	--	2,211,153	2,523,640	312,487
Purchased services	463,465	(11,323)	452,142	694,915	242,773
Supplies and materials	312,632	(2,317)	310,315	788,139	477,824
Capital outlay	208,710	(2,550)	206,160	370,399	164,239
Total District-wide	8,295,723	(16,190)	8,279,533	10,452,575	2,173,042
McLaughlin Youth Center					
Personnel services	78,843	--	78,843	79,641	798
Employee benefits	38,020	--	38,020	38,441	421
Purchased services	8,002	--	8,002	8,699	697
Supplies and materials	7,276	--	7,276	7,928	652
Capital outlay	6,023	--	6,023	6,023	--
Total McLaughlin Youth Center	138,164	--	138,164	140,732	2,568
Delinquent and At-Risk Youth Program					
Personnel services	133,409	--	133,409	152,416	19,007
Employee benefits	52,911	--	52,911	52,646	(265)
Purchased services	12,055	--	12,055	13,569	1,514
Supplies and materials	1,266	--	1,266	1,421	155
Total Delinquent and At-Risk Youth Program	199,641	--	199,641	220,052	20,411
Highly Qualified Program					
Personnel services	5,740	--	5,740	350,000	344,260
Employee benefits	852	--	852	64,419	63,567
Purchased services	--	--	--	105,000	105,000
Supplies and materials	--	--	--	70,581	70,581
Total Highly Qualified Program	6,592	--	6,592	590,000	583,408

(Continued)

For the Year Ended June 30, 2011

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)
Professional Development					
Personnel services	\$ 373,162	\$ --	\$ 373,162	\$ 586,132	\$ 212,970
Employee benefits	125,169	--	125,169	168,682	43,513
Purchased services	56,234	--	56,234	955,487	899,253
Supplies and materials	2,619	(119)	2,500	5,652	3,152
Total Professional Development	557,184	(119)	557,065	1,715,953	1,158,888
Parent Involvement Program					
Personnel services	12,507	--	12,507	22,981	10,474
Employee benefits	4,038	--	4,038	5,584	1,546
Purchased services	4,582	--	4,582	66,076	61,494
Supplies and materials	26,831	--	26,831	76,468	49,637
Capital outlay	542	--	542	701	159
Total Parent Involvement Program	48,500	--	48,500	171,810	123,310
Supplemental Education Services Program					
Personnel services	281,666	--	281,666	565,999	284,333
Employee benefits	42,545	--	42,545	104,164	61,619
Purchased services	932,380	--	932,380	1,173,837	241,457
Supplies and materials	20,126	(788)	19,338	36,791	17,453
Capital outlay	969	--	969	7,209	6,240
Total Supplemental Education Services Program	1,277,686	(788)	1,276,898	1,888,000	611,102
School Improvement Program					
Personnel services	69,106	--	69,106	134,115	65,009
Employee benefits	9,234	--	9,234	18,520	9,286
Purchased services	18,129	--	18,129	26,241	8,112
Supplies and materials	96,445	--	96,445	176,048	79,603
Capital outlay	48,494	--	48,494	49,536	1,042
Total School Improvement Program	241,408	--	241,408	404,460	163,052
Total Title I - No Child Left Behind Act	10,764,898	(17,097)	10,747,801	15,583,582	4,835,781
Title I - Migrant Education					
District-wide					
Personnel services	617,046	--	617,046	633,341	16,295
Employee benefits	289,370	--	289,370	309,246	19,876
Purchased services	113,435	--	113,435	123,352	9,917
Supplies and materials	59,138	--	59,138	62,700	3,562
Capital outlay	7,438	--	7,438	7,500	62
Total District-wide	1,086,427	--	1,086,427	1,136,139	49,712
Summer Program					
Personnel services	239,550	--	239,550	235,020	(4,530)
Employee benefits	43,039	--	43,039	41,508	(1,531)
Purchased services	110,360	38,874	149,234	185,014	35,780
Supplies and materials	90,489	(9,184)	81,305	111,588	30,283
Capital outlay	133,108	1,350	134,458	457,376	322,918
Total Summer Program	616,546	31,040	647,586	1,030,506	382,920
Book Program					
Supplies and materials	5,385	--	5,385	5,385	--
Parent Involvement Program					
Purchased services	2,799	--	2,799	5,000	2,201
Total Title I - Migrant Education	1,711,157	31,040	1,742,197	2,177,030	434,833
Title II-A - Professional Development Program					
Personnel services	2,536,237	--	2,536,237	3,129,556	593,319
Employee benefits	1,097,188	--	1,097,188	1,146,677	49,489
Purchased services	246,290	--	246,290	292,952	46,662
Supplies and materials	33,296	--	33,296	47,113	13,817
Total Title II-A - Professional Development Program	3,913,011	--	3,913,011	4,616,298	703,287

For the Year Ended June 30, 2011

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Original and Final Budget	Variance Positive (Negative)
Title II-D - Enhancing Education Through Technology					
Personnel services	\$ 28,984	\$ --	\$ 28,984	\$ 118,179	\$ 89,195
Employee benefits	9,893	--	9,893	19,532	9,639
Purchased services	10,320	--	10,320	31,583	21,263
Supplies and materials	49	--	49	1,538	1,489
Capital outlay	14,903	--	14,903	40,850	25,947
Total Title II-D - Enhancing Education Through Technology	64,149	--	64,149	211,682	147,533
Title III - English Language Acquisition					
Personnel services	268,971	--	268,971	344,614	75,643
Employee benefits	85,064	--	85,064	103,605	18,541
Purchased services	32,229	--	32,229	64,418	32,189
Supplies and materials	36,292	--	36,292	41,296	5,004
Total Title III - English Language Acquisition	422,556	--	422,556	553,933	131,377
Title IV-A - Safe and Drug Free Schools					
Personnel services	127,828	--	127,827	127,761	(66)
Employee benefits	38,122	--	38,122	38,059	(63)
Purchased services	17,587	--	17,587	17,604	17
Supplies and materials	9,215	--	9,215	9,309	94
Total Title IV-A - Safe and Drug Free Schools	192,752	--	192,751	192,733	(18)
Title VI-B - Education of All Handicapped Children Act					
Personnel services	7,111,322	--	7,111,322	8,336,043	1,224,721
Employee benefits	3,619,674	--	3,619,674	4,232,558	612,884
Purchased services	735,665	--	735,665	1,458,707	723,042
Supplies and materials	74,942	--	74,942	122,000	47,058
Capital outlay	53,422	--	53,422	155,000	101,578
Total Title VI-B - Education of All Handicapped Children Act	11,595,025	--	11,595,025	14,304,308	2,709,283
Title VII - Indian, Native Hawaiian, and Alaska Native Education					
Personnel services	1,417,193	--	1,417,195	1,471,505	54,310
Employee benefits	946,435	--	946,435	908,930	(37,505)
Purchased services	181,916	(2,573)	179,343	232,233	52,890
Supplies and materials	53,402	2,026	55,428	37,500	(17,928)
Capital outlay	4,339	1,599	5,938	38,311	32,373
Total Title VII - Indian, Native Hawaiian, and Alaska Native Education	2,603,285	1,052	2,604,339	2,688,479	84,140
Pre-School Handicapped					
Personnel services	275,032	--	275,032	385,842	110,810
Employee benefits	145,386	--	145,386	169,279	23,893
Purchased services	35,576	--	35,576	48,030	12,454
Supplies and materials	35,962	--	35,962	41,458	5,496
Capital outlay	715	--	715	12,033	11,318
Total Pre-School Handicapped	492,671	--	492,671	656,642	163,971
Reading is Fundamental					
Supplies and materials	31,855	--	31,855	33,293	1,438

For the Year Ended June 30, 2011

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 State School for Deaf Program					
Personnel services	\$ 19,306	\$ --	\$ 19,306	\$ 19,650	\$ 344
Employee benefits	4,647	--	4,647	4,761	114
Purchased services	45,754	(3,299)	42,455	55,357	12,902
Supplies and materials	948	(274)	674	1,000	326
Capital outlay	1,680	--	1,680	2,230	550
Total Alaska State School for Deaf Program	72,335	(3,573)	68,762	82,998	14,236
Carl Perkins Vocational Education Basic					
Personnel services	290,992	--	290,992	319,500	28,508
Employee benefits	35,394	--	35,394	44,962	9,568
Purchased services	115,377	--	115,377	183,234	67,857
Supplies and materials	149,539	--	149,539	160,000	10,461
Capital outlay	383,137	--	383,137	459,515	76,378
Total Carl Perkins Vocational Education Basic	974,439	--	974,439	1,167,211	192,772
Access to Education for Homeless Children Program					
Personnel services	10,766	--	10,766	10,809	43
Employee benefits	969	--	969	971	2
Purchased services	38,537	(4,444)	34,093	38,551	4,458
Supplies and materials	8,619	--	8,619	8,619	--
Total Access to Education for Homeless Children Program	58,891	(4,444)	54,447	58,950	4,503
Community Action Prevention and Intervention Program					
Personnel services	134,501	--	134,501	134,977	476
Employee benefits	42,329	--	42,329	42,504	175
Purchased services	9,464	--	9,464	10,141	677
Supplies and materials	6,089	4,160	10,249	6,125	(4,124)
Total Community Action Prevention and Intervention Program	192,383	4,160	196,543	193,747	(2,796)
Charter Schools					
Personnel services	--	--	--	--	--
Employee benefits	--	--	--	--	--
Supplies and materials	2,013	--	2,013	1,445	(568)
Capital outlay	6,555	--	6,555	6,555	--
Total Charter Schools	8,568	--	8,568	8,000	(568)
Work Investment Act School Youth Program					
Personnel services	35,972	--	35,972	42,279	6,307
Employee benefits	4,338	--	4,338	5,041	703
Purchased services	2,006	--	2,006	2,476	470
Supplies and materials	471	--	471	2,994	2,523
Total Work Investment Act School Youth Program	42,787	--	42,787	52,790	10,003
Foreign Language Assistance Program					
Personnel services	112,191	--	112,191	157,861	45,670
Employee benefits	25,038	--	25,038	42,082	17,044
Purchased services	58,669	(3,405)	55,264	70,449	15,185
Supplies and materials	30,077	(6,401)	23,676	15,320	(8,356)
Capital outlay	10,235	--	10,235	11,908	1,673
Total Foreign Language Assistance Program	236,210	(9,806)	226,404	297,620	71,216

(Continued)

For the Year Ended June 30, 2011

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)
Teaching American History Program					
Personnel services	\$ 115,845	\$ --	\$ 115,845	\$ --	\$ (115,845)
Employee benefits	50,323	--	50,323	--	(50,323)
Purchased services	213,349	(59,433)	153,916	--	(153,916)
Supplies and materials	51,109	1,078	52,187	--	(52,187)
Capital outlay	102	--	102	--	(102)
Total Teaching American History Program	430,728	(58,355)	372,373	--	(372,373)
Community Centers Learning Program					
Personnel services	1,218,310	--	1,218,310	1,386,792	168,482
Employee benefits	490,200	--	490,200	538,455	48,255
Purchased services	181,048	--	181,048	199,679	18,631
Supplies and materials	44,851	--	44,851	65,290	20,439
Capital outlay	35,465	--	35,465	37,966	2,501
Total Community Centers Learning Program	1,969,874	--	1,969,874	2,228,182	258,308
Alaska Family Directory Website					
Personnel services	12,837	--	12,837	14,668	1,831
Employee benefits	3,942	--	3,942	4,244	302
Purchased services	4,135	--	4,135	7,391	3,256
Supplies and materials	4,760	--	4,760	5,325	565
Capital outlay	--	--	--	372	372
Total Alaska Family Directory Website	25,674	--	25,674	32,000	6,326
Alaska Educational Innovations Network Program					
Personnel services	6,710	--	6,710	8,500	1,790
Employee benefits	773	--	773	904	131
Purchased services	10	--	10	70	60
Supplies and materials	2,833	870	3,703	3,136	(567)
Total Alaska Educational Innovation Network Program	10,326	870	11,196	12,610	1,414
Excellence in Economic Education Program					
Personnel services	2,025	--	2,025	16,750	14,725
Employee benefits	297	--	297	2,487	2,190
Purchased services	151	--	151	1,153	1,002
Supplies and materials	754	--	754	4,197	3,443
Total Excellence in Economic Education Program	3,227	--	3,227	24,587	21,360
Alaska Parent Information and Resource Center					
Personnel services	89,278	--	89,278	88,292	(986)
Employee benefits	51,046	--	51,046	52,970	1,924
Purchased services	573	--	573	877	304
Supplies and materials	3,554	--	3,554	8,906	5,352
Total Alaska Parent Information and Resource Center	144,451	--	144,451	151,045	6,594
Alaska Mentorship Project					
Personnel services	209,823	--	209,823	209,427	(396)
Employee benefits	73,462	--	73,462	73,858	396
Total Alaska Mentorship Project	283,285	--	283,285	283,285	--

(Continued)

For the Year Ended June 30, 2011

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)
Cultural Collaboration Project					
Personnel services	\$ 2,254	\$ --	\$ 2,254	\$ 2,730	\$ 476
Employee benefits	245	--	245	257	12
Purchased services	4,842	(2,445)	2,397	2,700	303
Supplies and materials	2,817	(1,283)	1,534	1,669	135
Capital outlay	223	(223)	--	--	--
Total Cultural Collaboration Project	10,381	(3,951)	6,430	7,356	926
Alternative Schools Health and Wellness					
Personnel services	16,341	--	16,341	16,389	48
Employee benefits	2,947	--	2,947	2,605	(342)
Purchased services	7,494	--	7,494	8,810	1,316
Supplies and materials	12,220	--	12,220	12,805	585
Capital outlay	4,430	--	4,430	5,395	965
Total Alternative Schools Health and Wellness	43,432	--	43,432	46,004	2,572
National Writing Project					
Personnel services	9,725	--	9,725	9,900	175
Employee benefits	1,348	--	1,348	1,350	2
Purchased services	--	--	--	500	500
Supplies & materials	--	--	--	750	750
Total National Writing Project	11,073	--	11,073	12,500	1,427
Learn and Serve Begich - Community Services					
Personnel services	280	--	280	280	--
Employee benefits	24	--	24	24	--
Purchased services	1,592	--	1,592	1,592	--
Supplies and materials	6,396	1,058	7,454	5,306	(2,148)
Capital outlay	2,974	--	2,974	7,974	5,000
Total Learn and Serve Begich - Community Services	11,266	1,058	12,324	15,176	2,852
Project Ki'l					
Personnel services	144,534	--	144,534	158,562	14,028
Employee benefits	58,710	--	58,710	55,137	(3,573)
Purchased services	100,138	22,988	123,126	109,002	(14,124)
Supplies and materials	29,686	(3,469)	26,217	23,106	(3,111)
Capital outlay	3,501	(2,692)	809	3,044	2,235
Total Project Ki'l	336,569	16,827	353,396	348,851	(4,545)
Teaching With Primary Sources Program					
Personnel services	3,026	--	3,026	4,295	1,269
Employee benefits	449	--	449	641	192
Purchased services	5,486	--	5,486	10,000	4,514
Total Teaching With Primary Sources Program	8,961	--	8,961	14,936	5,975
USDA Fruit and Vegetables					
Supplies and materials	360,027	--	360,027	427,543	67,516
Universal Design Learning					
Personnel services	455	(455)	--	--	--
Project Puqigtut					
Personnel services	333,605	--	333,605	344,306	10,701
Employee benefits	123,100	--	123,100	124,009	909
Purchased services	114,420	17,470	131,890	129,175	(2,715)
Supplies and materials	34,980	1,217	36,197	53,397	17,200
Capital outlay	45,725	(990)	44,735	43,836	(899)
Total Project Puqigtut	651,830	17,697	669,527	694,723	25,196

(Continued)

For the Year Ended June 30, 2011

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)
School Health Program					
Personnel services	\$ 15,139	\$ --	\$ 15,139	\$ 15,139	\$ --
Employee benefits	2,255	--	2,255	2,257	2
Purchased services	--	--	--	1,454	1,454
Supplies and materials	12,128	--	12,128	12,150	22
Total School Health Program	29,522	--	29,522	31,000	1,478
Second Order Prevention Project					
Personnel services	250,897	--	250,897	353,722	102,825
Employee benefits	53,911	--	53,911	70,752	16,841
Purchased services	219,109	58,048	277,157	282,229	5,072
Supplies and materials	29,522	2,711	32,233	68,297	36,064
Capital outlay	--	(550)	(550)	5,000	5,550
Total Second Order Prevention Project	553,439	60,209	613,648	780,000	166,352
Project Impact					
Personnel services	212,268	--	212,268	215,450	3,182
Employee benefits	79,412	--	79,412	82,105	2,693
Purchased services	44,352	10,869	55,221	63,369	8,148
Supplies and materials	14,047	--	14,047	14,245	198
Capital outlay	1,425	--	1,425	2,512	1,087
Total Project Impact	351,504	10,869	362,373	377,681	15,308
Alaska/Russian Climate					
Purchased services	32,128	--	32,128	32,128	--
Artist in Schools					
Personnel services	1,268	--	1,268	1,268	--
Employee benefits	107	--	107	107	--
Purchased services	6,915	--	6,915	6,915	--
Supplies and materials	27	--	27	1,000	973
Total Artist in Schools	8,317	--	8,317	9,290	973
Military Impacted Students					
Personnel services	139,828	--	139,828	328,129	188,301
Employee benefits	56,061	--	56,061	96,800	40,739
Purchased services	55,253	52,690	107,943	326,852	218,909
Supplies and materials	85,758	61,600	147,358	644,513	497,155
Capital outlay	18,460	1,000	19,460	93,370	73,910
Total Military Impacted Students	355,360	115,290	470,650	1,489,664	1,019,014
Refugee Support Services					
Personnel services	29,147	--	29,147	44,194	15,047
Employee benefits	4,329	--	4,329	6,527	2,198
Purchased services	1,847	--	1,847	1,863	16
Supplies & materials	--	--	--	2,416	2,416
Total Refugee Support Services	35,323	--	35,323	55,000	19,677
StarTalk - Language Culture Summer Camp					
Personnel services	30,668	--	30,668	44,835	14,167
Employee benefits	4,774	--	4,774	6,764	1,990
Purchased services	4,763	--	4,763	24,659	19,896
Supplies and materials	1,490	2,500	3,990	18,532	14,542
Capital outlay	2,509	--	2,509	5,100	2,591
Total StarTalk Language Culture Summer Camp	44,204	2,500	46,704	99,890	53,186
Salmon in the Classroom					
Personnel services	--	--	--	4,737	4,737
Employee benefits	--	--	--	703	703
Purchased services	--	--	--	16,532	16,532
Supplies and materials	--	--	--	57,986	57,986
Capital outlay	--	--	--	155,292	155,292
Total Salmon in the Classroom	--	--	--	235,250	235,250

(Continued)

For the Year Ended June 30, 2011

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)
American Recovery and Reinvestment Act					
State Fiscal Stabilization Fund					
Personnel services	\$ 3,993,004	\$ --	\$ 3,993,004	\$ --	\$ (3,993,004)
Employee benefits	1,326,219	--	1,326,219	--	(1,326,219)
Purchased services	2,728,251	(1,051,238)	1,677,013	--	(1,677,013)
Supplies and materials	2,975,953	(338,716)	2,637,237	--	(2,637,237)
Capital outlay	11,775,537	(10,136,257)	1,639,280	--	(1,639,280)
Total Fiscal Stabilization Fund	22,798,964	(11,526,211)	11,272,753	--	(11,272,753)
Title I -No Child Left Behind Act					
Personnel services	2,901,731	--	2,901,731	--	(2,901,731)
Employee benefits	1,059,574	--	1,059,574	--	(1,059,574)
Purchased services	1,227,093	(6,601)	1,220,492	--	(1,220,492)
Supplies and materials	1,168,943	(21,839)	1,147,104	--	(1,147,104)
Capital outlay	445,166	2,692	447,858	--	(447,858)
Title I -No Child Left Behind Act	6,802,507	(25,748)	6,776,759	--	(6,776,759)
Title II-D - Enhancing Education Through Technology					
Personnel services	85,767	--	85,767	16,715	(69,052)
Employee benefits	26,918	--	26,918	2,635	(24,283)
Purchased services	11,040	--	11,040	5,968	(5,072)
Supplies and materials	28,170	(6,189)	21,981	2,184	(19,797)
Capital outlay	32,932	(1,803)	31,129	28,856	(2,273)
Title II-D - Enhancing Education Through Technology	184,827	(7,992)	176,835	56,358	(120,477)
Title VI-B - Education of All Handicapped					
Personnel services	2,540,943	--	2,540,942	--	(2,540,942)
Employee benefits	1,286,638	--	1,286,638	--	(1,286,638)
Purchased services	1,452,779	89,838	1,542,617	--	(1,542,617)
Supplies and materials	873,978	156	874,134	--	(874,134)
Capital outlay	238,630	57,358	295,988	--	(295,988)
Title VI-B - Education of All Handicapped	6,392,968	147,352	6,540,319	--	(6,540,319)
McKinney Vento					
Personnel services	31,207	--	31,207	--	(31,207)
Employee benefits	20,888	--	20,888	--	(20,888)
Purchased services	17,107	--	17,107	--	(17,107)
Supplies and materials	--	--	--	--	--
Total McKinney Vento	69,202	--	69,202	--	(69,202)
Workforce Investment Act - Youth Program					
Personnel services	8,902	--	8,902	8,902	--
Employee benefits	769	--	769	769	--
Purchased services	476	--	476	476	--
Total ARRA Workforce Investment Act	10,147	--	10,147	10,147	--
Total American Recovery and Reinvestment	36,258,615	(11,412,599)	24,846,015	66,505	(24,779,510)
Total federal grants	75,346,943	(11,248,708)	64,098,235	50,354,502	(13,743,733)
Total current expenditures	\$ 83,354,844	\$ (11,257,356)	\$ 72,097,488	\$ 67,200,000	\$ (4,897,488)

For the Year Ended June 30, 2011

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

	Personnel Services	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Total
Current:						
Instruction:						
Local grants:						
Alaska Railroad Summer Youth	\$ 10,816	\$ 1,586	\$ --	\$ 2,319	\$ --	\$ 14,721
Donations From						
Local Agencies	390,989	82,842	120,427	181,437	89,237	864,932
Reading is Fundamental	--	--	--	10,844	--	10,844
Barbara Bush Literacy	--	--	--	5,799	--	5,799
MOA Recycling	55,941	31,307	360	112	--	87,720
State Farm - Raise Your Voice	3,971	721	32,521	573	--	37,786
Clark Community Health Center	31,269	2,653	470	--	--	34,392
Community Partners Diversity Project	--	--	3,800	--	--	3,800
NoVo Foundation Social and Emotional Learning	6,050	898	29,896	258	--	37,102
Total local grants	499,036	120,007	187,474	201,342	89,237	1,097,096
State grants:						
Designated Legislative Grants						
Senate Bill 46	--	--	--	(45)	--	(45)
Senate Bill 53	--	--	--	4,197	22,071	26,268
Senate Bill 221	--	--	--	29,037	24,833	53,870
Senate Bill 230	18,659	3,278	22,213	117,096	716,949	878,195
Senate Bill 231	--	--	--	13,429	12,911	26,340
Total Designated Legislative Grants	18,659	3,278	22,213	163,714	776,764	984,628
Contract Schools - Memorandum of Agreement						
Alaska State School for Deaf	157,058	43,906	39,673	21,389	41,821	303,847
Safe Routes to the School	21,899	2,037	--	7,638	1,747	33,321
Creating Successful Futures	640	54	--	--	--	694
Pre-School Kindergarten Program	107,524	42,796	4,920	12,045	3,363	170,648
Health Career Pathways	1,044	318	--	296	6,900	8,558
Providence Heights	99,121	30,654	6,385	--	--	136,160
McLaughlin Equipment and Supplies Funds	--	--	362	6,315	1,343	8,020
Youth in Detention	253,610	91,639	16,986	--	--	362,235
Retirement Systems Employer Relief	--	4,900,694	--	--	--	4,900,694
Alaska Network on Domestic Violence	--	--	500	1,500	--	2,000
Total state grants	659,555	5,115,376	91,039	212,897	831,938	6,910,805
Federal grants:						
Title I - No Child Left Behind Act						
District-wide	5,099,763	2,211,153	463,465	312,632	208,710	8,295,723
McLaughlin Youth Center	78,843	38,020	8,002	7,276	6,023	138,164
Delinquent and At-Risk						
Youth Program	133,409	52,911	12,055	1,266	--	199,641
Highly Qualified Program	5,740	852	--	--	--	6,592
Professional Development	373,162	125,169	56,234	2,619	--	557,184
Parent Involvement Program	12,507	4,038	4,582	26,831	542	48,500
Supplemental Education						
Services Program	281,666	42,545	932,380	20,126	969	1,277,686
School Improvement Program	69,106	9,234	18,129	96,445	48,494	241,408
Total Title I - No Child Left Behind Act	6,054,196	2,483,922	1,494,847	467,195	264,738	10,764,898

(Continued)

For the Year Ended June 30, 2011

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	\$ 617,046	\$ 289,370	\$ 113,435	\$ 59,138	\$ 7,438	\$ 1,086,427
Summer Program	239,550	43,039	110,360	90,489	133,108	616,546
Book Program	--	--	--	5,385	--	5,385
Parent Involvement Program	--	--	2,799	--	--	2,799
Total Title I -Migrant Education	856,596	332,409	226,594	155,012	140,546	1,711,157
Title II-A - Professional Development Program	2,536,237	1,097,188	246,290	33,296	--	3,913,011
Title II-D - Enhancing Education Through Technology	28,983	9,893	10,320	49	14,904	64,149
Title III - English Language Acquisition	268,971	85,064	32,229	36,292	--	422,556
Title IV-A - Safe and Drug Free Schools	127,828	38,122	17,587	9,215	--	192,752
Title VI-B - Education of All Handicapped Children Act	7,111,323	3,619,674	735,665	74,941	53,422	11,595,025
Title VII - Indian, Native Hawaiian, and Alaska Native Education	1,417,193	946,435	181,916	53,402	4,339	2,603,285
Pre-School Handicapped	275,033	145,387	35,575	35,961	715	492,671
Reading is Fundamental	--	--	--	31,855	--	31,855
Alaska State School for Deaf Program	19,306	4,647	45,754	948	1,680	72,335
Carl Perkins Vocational Education Basic	290,992	35,394	115,378	149,539	383,136	974,439
Access to Education for Homeless Children Program	10,766	969	38,537	8,619	--	58,891
Community Action Prevention and Intervention Program	134,501	42,329	9,464	6,089	--	192,383
Charter Schools	--	--	--	2,013	6,555	8,568
Work Investment Act School Youth Program	35,972	4,338	2,006	471	--	42,787
Foreign Language Assistance Program	112,190	25,039	58,669	30,078	10,234	236,210
Teaching American History Program	115,845	50,324	213,349	51,108	102	430,728
Community Centers Learning Program	1,218,311	490,199	181,047	44,852	35,465	1,969,874
Alaska Family Directory Website	12,837	3,942	4,135	4,760	--	25,674
Alaska Educational Innovations Network Program	6,710	773	10	2,833	--	10,326
Excellence in Economic Education Program	2,025	297	151	754	--	3,227
Alaska Parent Information & Resource Center	89,278	51,046	573	3,554	--	144,451
Alaska Mentorship Project	209,823	73,462	--	--	--	283,285
Cultural Collaboration Project	2,254	245	4,842	2,817	223	10,381
Alternative School Health and Wellness	16,341	2,948	7,494	12,220	4,429	43,432
National Writing Project	9,725	1,348	--	--	--	11,073
Learn & Serve Begich Community Services	280	24	1,592	6,396	2,974	11,266
Project Ki'l	144,534	58,710	100,138	29,686	3,501	336,569
Teaching With Primary Sources Program	3,026	449	5,486	--	--	8,961
USDA Fruit and Vegetables	--	--	--	360,027	--	360,027
Universal Design Learning	--	--	--	455	--	455
Project Puqigutut	333,605	123,099	114,420	34,981	45,725	651,830
School Health Program	15,139	2,255	--	12,128	--	29,522
Second Order Prevention Project	250,897	53,911	219,109	29,522	--	553,439
Project Impact	212,268	79,412	44,352	14,047	1,425	351,504
Alaska/Russian Climate	--	--	32,128	--	--	32,128
Artist in Schools	1,268	107	6,915	27	--	8,317
Military Impacted Students	139,828	56,061	55,253	85,758	18,460	355,360
Refugee Support Services	29,148	4,329	1,846	--	--	35,323
StarTalk - Language Culture Summer Camp	30,668	4,774	4,763	1,490	2,509	44,204

(Continued)

For the Year Ended June 30, 2011

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

	Personnel Services	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Total
American Recovery and Reinvestment Act						
State Fiscal Stabilization Fund	\$ 3,993,005	\$ 1,326,219	\$ 2,728,251	\$ 2,975,952	\$ 11,775,537	\$ 22,798,964
Title I - No Child Left Behind	2,901,731	1,059,574	1,227,093	1,168,943	445,166	6,802,507
Title II-D - Enhancing Education Through Technology	85,767	26,918	11,040	28,170	32,932	184,827
Title VI-B - Education of All Handicapped Children Act	2,540,944	1,286,638	1,452,779	873,977	238,630	6,392,968
McKinney Vento	31,207	20,888	17,107	--	--	69,202
Workforce Investment Act - Youth Program	8,902	769	476	--	--	10,147
Total American Recovery and Reinvestment Act	<u>9,561,556</u>	<u>3,721,006</u>	<u>5,436,746</u>	<u>5,047,042</u>	<u>12,492,265</u>	<u>36,258,615</u>
Total federal grants	<u>31,685,453</u>	<u>13,649,531</u>	<u>9,685,180</u>	<u>6,839,432</u>	<u>13,487,347</u>	<u>75,346,943</u>
Total current expenditures	<u>\$ 32,844,044</u>	<u>\$ 18,884,914</u>	<u>\$ 9,963,693</u>	<u>\$ 7,253,671</u>	<u>\$ 14,408,522</u>	<u>\$ 83,354,844</u>

June 30, 2011
With Comparative Totals for
June 30, 2010

**SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS**

COMBINING BALANCE SHEET

			Totals	
	Food Service	Student Activities	2011	2010
Assets				
Cash and investments	\$ --	\$ 2,607,368	\$ 2,607,368	\$ 2,295,446
Accounts receivable	75,200	8,109	83,309	66,860
Interest receivable	--	2,819	2,819	1,822
Due from General Fund	2,018,786	1,633,079	3,651,865	3,768,938
Due from State of Alaska	163,267	--	163,267	132,176
Prepaid items	--	819	819	5,071
U.S.D.A. food commodities, at U.S.D.A. allocated value	210,360	--	210,360	96,273
Inventory, at weighted average cost	732,892	--	732,892	721,835
Total assets	<u>\$ 3,200,505</u>	<u>\$ 4,252,194</u>	<u>\$ 7,452,699</u>	<u>\$ 7,088,421</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 30,853	\$ 54,339	\$ 85,192	\$ 32,242
Due to General Fund	--	53,981	53,981	57,483
Accrued salaries and related items:				
Wages and salaries payable	35,165	--	35,165	28,453
Payroll taxes, other accrued and withheld items	39,485	--	39,485	24,380
Unearned revenue	395,059	--	395,059	270,219
Total liabilities	<u>500,562</u>	<u>108,320</u>	<u>608,882</u>	<u>412,777</u>
Fund balance:				
Reserved:				
Non-spendable	732,892	819	733,711	726,906
Committed	335,926	--	335,926	312,584
Assigned	1,631,125	4,143,055	5,774,180	5,636,154
Total fund balances	<u>2,699,943</u>	<u>4,143,874</u>	<u>6,843,817</u>	<u>6,675,644</u>
Total liabilities and fund balances	<u>\$ 3,200,505</u>	<u>\$ 4,252,194</u>	<u>\$ 7,452,699</u>	<u>\$ 7,088,421</u>

For the Year Ended June 30, 2011
With Comparative Totals
For the Year Ended June 30, 2010

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

	Food Service	Student Activities	Totals	
			2011	2010
Revenues:				
Revenues from local sources	\$ 3,981,986	\$ 7,441,205	\$ 11,423,191	\$ 12,036,815
Revenues from state sources	418,312	11,138	429,450	320,302
Revenues from federal sources	13,376,693	--	13,376,693	12,495,037
Total revenues	17,776,991	7,452,343	25,229,334	24,852,154
Expenditures:				
Current:				
Instruction	--	7,043,929	7,043,929	7,410,540
Food services	18,017,232	--	18,017,232	16,694,742
Total expenditures	18,017,232	7,043,929	25,061,161	24,105,282
Excess of revenues over (under) expenditures	(240,241)	408,414	168,173	746,872
Fund balances at beginning of year	2,940,184	3,735,460	6,675,644	5,928,772
Fund balances at end of year	\$ 2,699,943	\$ 4,143,874	\$ 6,843,817	\$ 6,675,644

June 30, 2011
With Comparative Totals for
June 30, 2010

BALANCE SHEET

	<u>2011</u>	<u>2010</u>
Assets		
Accounts receivable	\$ 75,200	\$ 58,751
Due from General Fund	2,018,786	2,275,584
Due from State of Alaska	163,267	132,176
Prepaid items	--	695
U.S.D.A. food commodities, at U.S.D.A. allocated value	210,360	96,273
Inventory, at weighted average cost	<u>732,892</u>	<u>721,835</u>
Total assets	<u>\$ 3,200,505</u>	<u>\$ 3,285,314</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 30,853	\$ 22,078
Accrued salaries and related items:		
Wages and salaries payable	35,165	28,453
Payroll taxes, other accrued and withheld items	39,485	24,380
Unearned revenue:		
Prepaid meal charges	184,699	173,946
U.S.D.A. food commodities	<u>210,360</u>	<u>96,273</u>
Total liabilities	<u>500,562</u>	<u>345,130</u>
Fund balance:		
Non-spendable	732,892	722,530
Committed	335,926	312,584
Assigned	<u>1,631,125</u>	<u>1,905,070</u>
Total fund balance	<u>2,699,943</u>	<u>2,940,184</u>
Total liabilities and fund balance	<u>\$ 3,200,505</u>	<u>\$ 3,285,314</u>

For the Year Ended June 30, 2011
 With Comparative Totals
 For the Year Ended June 30, 2010

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

	2011	2010
Revenues:		
Revenues from local sources:		
Lunch sales - student	\$ 2,418,659	\$ 2,854,711
Lunch sales - adult	38,012	32,329
Breakfast program	110,489	169,837
Milk program	76,205	71,482
A la carte program	1,179,230	1,241,874
Special meals	79,788	99,223
Other revenues	79,603	117,191
Total revenues from local sources	<u>3,981,986</u>	<u>4,586,647</u>
Revenues from state sources:		
Retirement system employer relief	<u>418,312</u>	<u>288,364</u>
Revenues from federal sources:		
Type A lunch program - reimbursement	10,237,602	9,789,461
Breakfast program - reimbursement	2,381,639	1,952,085
After school snack program - reimbursement	226,444	160,772
United States Department of Agriculture commodities	<u>531,008</u>	<u>592,719</u>
Total revenues from federal sources	<u>13,376,693</u>	<u>12,495,037</u>
Total revenues	<u>17,776,991</u>	<u>17,370,048</u>
Expenditures:		
Current:		
Food services:		
General administration	1,651,081	1,270,821
Kitchens and food center	14,899,512	14,045,987
Delivery	<u>1,466,639</u>	<u>1,377,934</u>
Total expenditures	<u>18,017,232</u>	<u>16,694,742</u>
Excess (deficiency) of revenues over expenditures	(240,241)	675,306
Fund balance at beginning of year	<u>2,940,184</u>	<u>2,264,878</u>
Fund balance at end of year	<u>\$ 2,699,943</u>	<u>\$ 2,940,184</u>

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

For the Year Ended June 30, 2011

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
Revenues from local sources:						
Lunch sales - student	\$ 2,418,659	\$ --	\$ 2,418,659	\$ 3,255,247	\$ 3,255,247	\$ (836,588)
Lunch sales - adult	38,012	--	38,012	88,256	88,256	(50,244)
Breakfast program	110,489	--	110,489	174,003	174,003	(63,514)
Milk program	76,205	--	76,205	83,264	83,264	(7,059)
A la carte program	1,179,230	--	1,179,230	1,564,079	1,564,079	(384,849)
Special meals	79,788	--	79,788	119,826	119,826	(40,038)
Other revenues	79,603	--	79,603	--	--	79,603
Budgeted fund balance	--	--	--	600,000	600,000	(600,000)
Total revenue from local sources	3,981,986	--	3,981,986	5,884,675	5,884,675	(1,902,689)
Revenues from state sources:						
Retirement system employer relief	418,312	--	418,312	338,949	338,949	79,363
Revenues from federal sources:						
Type A lunch program - reimbursement	10,237,602	--	10,237,602	9,223,308	9,223,308	1,014,294
Breakfast program - reimbursement	2,381,639	--	2,381,639	1,808,582	1,808,582	573,057
After school snack program - reimbursement	226,444	--	226,444	154,345	154,345	72,099
United States Department of Agriculture commodities	531,008	--	531,008	400,041	400,041	130,967
Total revenue from federal sources	13,376,693	--	13,376,693	11,586,276	11,586,276	1,790,417
Total revenues	17,776,991	--	17,776,991	17,809,900	17,809,900	(32,909)
Expenditures:						
Current:						
Food services						
General administration						
Personnel services	388,916	--	388,916	480,512	480,512	91,596
Employee benefits	275,832	--	275,832	294,568	294,568	18,736
Purchased services	860,964	(1,681)	859,283	891,151	891,151	31,868
Supplies and materials	8,042	(143)	7,899	8,500	8,500	601
Capital outlay	117,327	(3,323)	114,004	309,994	309,994	195,990
Total general administration	1,651,081	(5,147)	1,645,934	1,984,725	1,984,725	338,791
Kitchens and food center						
Personnel services	4,276,167	--	4,276,167	4,412,267	4,412,267	136,100
Employee benefits	3,592,632	--	3,592,632	3,707,211	3,707,211	114,579
Purchased services	361,969	(43,706)	318,263	388,541	388,541	70,278
Supplies and materials	6,354,504	(77)	6,354,427	5,399,436	5,399,436	(954,991)
Capital outlay	314,240	(76,447)	237,793	205,096	205,096	(32,697)
Other	--	--	--	7,000	7,000	7,000
Total kitchens and food center	14,899,512	(120,230)	14,779,282	14,119,551	14,119,551	(659,731)

(Continued)

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

For the Year Ended June 30, 2011

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Delivery:						
Personnel services	\$ 807,078	\$ --	\$ 807,078	\$ 884,778	\$ 884,778	\$ 77,700
Employee benefits	552,904	--	552,904	585,968	585,968	33,064
Purchased services	4,161	500	4,661	38,478	38,478	33,817
Supplies and materials	101,654	--	101,654	90,000	90,000	(11,654)
Capital outlay	842	77	919	106,400	106,400	105,481
Total delivery	1,466,639	577	1,467,216	1,705,624	1,705,624	238,408
Total expenditures	18,017,232	(124,800)	17,892,432	17,809,900	17,809,900	(82,532)
Excess (deficiency) of revenues over (under) expenditures	(240,241)	\$ 124,800	\$ (115,441)	\$ --	\$ --	\$ (115,441)
Fund balance at beginning of year	2,940,184					
Fund balance at end of year	\$ 2,699,943					

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		\$ 17,776,991
Expenditures reported on the basis of GAAP		18,017,232
Add: current year encumbrances	\$ 2,579	
Deduct: expenditures on prior year's encumbrances	(127,379)	
		(124,800)
Expenditures and encumbrances reported on the basis of budgeting		17,892,432
Excess of revenues under expenditures on the basis of budgeting		\$ (115,441)

For the Year Ended June 30, 2011

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

	<u>Personnel Services</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>	<u>Capital Outlay</u>	<u>Total</u>
Current:						
Food services:						
General administration	\$ 388,916	\$ 275,832	\$ 860,964	\$ 8,042	\$ 117,327	\$ 1,651,081
Kitchens and food center	4,276,167	3,592,632	361,969	6,354,504	314,240	14,899,512
Delivery	<u>807,078</u>	<u>552,904</u>	<u>4,161</u>	<u>101,654</u>	<u>842</u>	<u>1,466,639</u>
	<u>\$ 5,472,161</u>	<u>\$ 4,421,368</u>	<u>\$ 1,227,094</u>	<u>\$ 6,464,200</u>	<u>\$ 432,409</u>	<u>\$ 18,017,232</u>

June 30, 2011
With Comparative Totals for
June 30, 2010

BALANCE SHEET - BY ACCOUNT

	Decentralized Student Activities	Centralized Student Activities	Totals	
			2011	2010
Assets				
Cash and investments	\$ 2,399,228	\$ 208,140	\$ 2,607,368	\$ 2,295,446
Accounts receivable	--	8,109	8,109	8,109
Interest receivable	--	2,819	2,819	1,822
Due from General Fund	18,805	1,614,274	1,633,079	1,493,354
Prepaid items	<u>--</u>	<u>819</u>	<u>819</u>	<u>4,376</u>
Total assets	<u>\$ 2,418,033</u>	<u>\$ 1,834,161</u>	<u>\$ 4,252,194</u>	<u>\$ 3,803,107</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ --	\$ 54,339	\$ 54,339	\$ 10,164
Due to General Fund	<u>53,981</u>	<u>--</u>	<u>53,981</u>	<u>57,483</u>
Total liabilities	<u>53,981</u>	<u>54,339</u>	<u>108,320</u>	<u>67,647</u>
Fund balances:				
Non-spendable	--	819	819	4,376
Assigned	<u>2,364,052</u>	<u>1,779,003</u>	<u>4,143,055</u>	<u>3,731,084</u>
Total fund balance	<u>2,364,052</u>	<u>1,779,822</u>	<u>4,143,874</u>	<u>3,735,460</u>
Total liabilities and fund balances	<u>\$ 2,418,033</u>	<u>\$ 1,834,161</u>	<u>\$ 4,252,194</u>	<u>\$ 3,803,107</u>

For the Year Ended June 30, 2011
With Comparative Totals
For the Year Ended June 30, 2010

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

	Decentralized Student Activities	Centralized Student Activities	Totals	
			2011	2010
Revenues:				
Revenues from local sources:				
Other revenues	\$ 6,182,191	\$ 1,259,014	\$ 7,441,205	\$ 7,450,168
Revenues from state sources:				
Retirement systems employer relief	--	11,138	11,138	31,938
Total revenues	6,182,191	1,270,152	7,452,343	7,482,106
Expenditures:				
Current:				
Instruction:				
Student activities	5,961,331	1,082,598	7,043,929	7,410,540
Excess of revenues over expenditures	220,860	187,554	408,414	71,566
Fund balances at beginning of year	2,143,192	1,592,268	3,735,460	3,663,894
Fund balances at end of year	\$ 2,364,052	\$ 1,779,822	\$ 4,143,874	\$ 3,735,460

June 30, 2011
With Comparative Totals for
June 30, 2010

DECENTRALIZED STUDENT ACTIVITIES
BALANCE SHEET - BY DEPARTMENT

	High Schools	Middle Schools	Alternative Schools and Others	Totals	
				2011	2010
Assets					
Cash and investments	\$ 1,602,371	\$ 557,474	\$ 239,383	\$ 2,399,228	\$ 2,183,958
Due from General Fund	--	18,715	90	18,805	16,717
Total assets	<u>\$ 1,602,371</u>	<u>\$ 576,189</u>	<u>\$ 239,473</u>	<u>\$ 2,418,033</u>	<u>\$ 2,200,675</u>
Liabilities and Fund Balance					
Liabilities:					
Due to General Fund	\$ 53,981	\$ --	\$ --	\$ 53,981	\$ 57,483
Fund balance:					
Assigned	<u>1,548,390</u>	<u>576,189</u>	<u>239,473</u>	<u>2,364,052</u>	<u>2,143,192</u>
Total liabilities and fund balance	<u>\$ 1,602,371</u>	<u>\$ 576,189</u>	<u>\$ 239,473</u>	<u>\$ 2,418,033</u>	<u>\$ 2,200,675</u>

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With Comparative Totals
For the Year Ended June 30, 2010

DECENTRALIZED STUDENT ACTIVITIES

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

	High Schools	Middle Schools	Alternative Schools and Others	Totals	
				2011	2010
Revenues:					
Revenues from local sources:					
Other revenues	\$ 4,461,396	\$ 1,170,732	\$ 550,063	\$ 6,182,191	\$ 6,154,737
Expenditures:					
Current:					
Instruction:					
Pupil activity	4,294,620	1,113,980	552,731	5,961,331	6,221,200
Excess (deficiency) of revenues over (under) expenditures	166,776	56,752	(2,668)	220,860	(66,463)
Fund balance at beginning of year	1,381,614	519,437	242,141	2,143,192	2,209,655
Fund balance at end of year	\$ 1,548,390	\$ 576,189	\$ 239,473	\$ 2,364,052	\$ 2,143,192

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With Comparative Totals for
June 30, 2010

CENTRALIZED STUDENT ACTIVITIES
BALANCE SHEET - BY DEPARTMENT

	PTA Support	Student Activities	Instructional Replacement Fees	Supplemental Sources	Totals	
					2011	2010
Assets						
Cash and investments	\$ --	\$ --	\$ --	\$ 208,140	\$ 208,140	\$ 111,488
Accounts receivable	--	--	--	8,109	8,109	8,109
Interest receivable	--	--	--	2,819	2,819	1,822
Due from General Fund	231,321	299,432	675,867	407,654	1,614,274	1,476,637
Prepaid items	--	--	285	534	819	4,376
Total assets	<u>\$ 231,321</u>	<u>\$ 299,432</u>	<u>\$ 676,152</u>	<u>\$ 627,256</u>	<u>\$ 1,834,161</u>	<u>\$ 1,602,432</u>
Liabilities and Fund Balance						
Liabilities:						
Accounts payable	\$ --	\$ 7,551	\$ 42,803	\$ 3,985	\$ 54,339	\$ 10,164
Fund balance:						
Non-spendable	--	--	285	534	819	4,376
Assigned	231,321	291,881	633,064	622,737	1,779,003	1,587,892
Total fund balance	231,321	291,881	633,349	623,271	1,779,822	1,592,268
Total liabilities and fund balance	<u>\$ 231,321</u>	<u>\$ 299,432</u>	<u>\$ 676,152</u>	<u>\$ 627,256</u>	<u>\$ 1,834,161</u>	<u>\$ 1,602,432</u>

For the Year Ended June 30, 2011
With Comparative Totals
For the Year Ended June 30, 2010

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	
					2011	2010
Revenues:						
Revenues from local sources:						
Other revenues	\$ 215,070	\$ 431,652	\$ 321,786	\$ 290,506	\$ 1,259,014	\$ 1,295,431
Revenues from state sources:						
Retirement systems employer relief	--	--	--	11,138	11,138	31,938
Total revenues	215,070	431,652	321,786	301,644	1,270,152	1,327,369
Expenditures:						
Current:						
Instruction:						
Student activities	174,227	386,323	315,455	206,593	1,082,598	1,189,340
Excess of revenues over expenditures	40,843	45,329	6,331	95,051	187,554	138,029
Fund balance at beginning of year	190,478	246,552	627,018	528,220	1,592,268	1,454,239
Fund balance at end of year	\$ 231,321	\$ 291,881	\$ 633,349	\$ 623,271	\$ 1,779,822	\$ 1,592,268

Debt Service Fund

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



June 30, 2011
With Comparative Totals for
June 30, 2010

BALANCE SHEET

	<u>2011</u>	<u>2010</u>
Assets		
Cash and investments with paying agent	\$ 31,828,539	\$ 24,487,762
Due from other governments:		
Municipality of Anchorage	20,640,067	20,772,057
State of Alaska	<u>457,389</u>	<u>448,727</u>
Total assets	<u>\$ 52,925,995</u>	<u>\$ 45,708,546</u>
Liabilities and Fund Balance		
Liabilities:		
Due to General Fund	\$ 30,149,591	\$ 22,884,800
Unearned revenue - property taxes	<u>20,640,067</u>	<u>20,772,057</u>
Total liabilities	<u>50,789,658</u>	<u>43,656,857</u>
Fund balance:		
Committed	<u>2,136,337</u>	<u>2,051,689</u>
Total fund balance	<u>2,136,337</u>	<u>2,051,689</u>
Total liabilities and fund balance	<u>\$ 52,925,995</u>	<u>\$ 45,708,546</u>

For the Year Ended June 30, 2011
With Comparative Actual Amounts
For the Year Ended June 30, 2010

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

	2011				
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	2010
	Original	Final			
Revenues:					
Revenues from local sources:					
Appropriation from Municipality of Anchorage	\$ 41,544,114	\$ 41,544,114	\$ 41,544,114	\$ --	\$ 41,033,834
Investment income	--	--	122	122	174
Total revenues from local sources	41,544,114	41,544,114	41,544,236	122	41,034,008
Revenues from state sources:					
Aid for school construction	45,879,878	45,879,878	45,738,902	(140,976)	44,873,815
Revenues from federal sources:					
BABS subsidy	--	--	287,430	287,430	--
Total revenues	87,423,992	87,423,992	87,570,568	146,576	85,907,823
Expenditures:					
Debt service:					
Refunding bond issuance cost	--	--	159,339	(159,339)	--
Principal	52,395,000	52,475,000	52,475,000	--	49,520,000
Interest	35,013,992	35,001,212	35,001,212	--	36,372,658
Fiscal agent fees	15,000	15,000	9,708	5,292	11,208
Total expenditures	87,423,992	87,491,212	87,645,259	(154,047)	85,903,866
Excess (deficiency) of revenues over (under) under expenditures	--	(67,220)	(74,691)	(7,471)	3,957
Other financing sources:					
Proceeds of refunding debt	--	--	28,310,000	(28,310,000)	--
Proceeds of refunding premium	--	--	2,305,196	(2,305,196)	--
Payment to refunding escrow	--	--	(30,455,857)	30,455,857	--
Transfers in - Capital Projects Fund	--	--	--	--	1,723
Total other financing sources	--	--	159,339	(159,339)	1,723
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ --	\$ (67,220)	84,648	\$ (166,810)	\$ 5,680
Committed fund balance at beginning of year			2,051,689		
Committed fund balance at end of year			\$ 2,136,337		



Capital Projects Fund

To account for the acquisition and major repair of school facilities and equipment. Capital Projects are financed by proceeds from general obligation bonds, local, state and federal grants and transfers from other funds.

June 30, 2011
With Comparative Totals for
June 30, 2010

BALANCE SHEET

	2011	2010
Assets		
Cash and investments	\$ 10,469,097	\$ 19,691,798
Cash with paying agent	314,681	8,990,105
Accounts receivable	3,860	--
Interest receivable	19,035	65,339
Due from General Fund	11,466,028	2,638,173
Due from other governments:		
Municipality of Anchorage	1,566,644	328,959
State of Alaska	1,103,049	460,586
Prepaid items	16,409	33,072
Total assets	<u>\$ 24,958,803</u>	<u>\$ 32,208,032</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 1,641	\$ 1,835
Contracts payable	2,639,364	4,427,180
Accrued salaries and related items:		
Wages and salaries payable	45,189	54,554
Payroll taxes, other accrued and withheld items	123,803	40,482
Unearned revenue	--	13,859
Total liabilities	<u>2,809,997</u>	<u>4,537,910</u>
Fund balance:		
Non-spendable	16,409	33,072
Restricted	11,549,306	4,886,817
Committed	10,583,091	22,750,233
Total fund balance	<u>22,148,806</u>	<u>27,670,122</u>
Total liabilities and fund balance	<u>\$ 24,958,803</u>	<u>\$ 32,208,032</u>

For the Year Ended June 30, 2011
 With Comparative Totals
 For the Year Ended June 30, 2010

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

	2011	2010
Revenues:		
Revenues from local sources:		
Investment income	\$ 48,132	\$ 216,308
Other revenues	91,294	739,656
Total revenues from local sources	139,426	955,964
Revenues from state sources:		
State/Municipal grants	2,421,197	2,104,826
Retirement systems employer relief	177,487	148,026
Total revenues from state sources	2,598,684	2,252,852
Revenues from federal sources:		
Federal Impact Aid	6,513	460,586
Federal capital grants	1,391,802	--
Total revenues from federal sources	1,398,315	460,586
Total revenues	4,136,425	3,669,402
Expenditures:		
Bond issuance cost	14,757	134,674
Capital outlays:		
Secondary schools	11,297,884	15,369,571
Elementary schools	9,482,188	35,610,072
Other capital outlays	2,931,474	1,701,593
Total capital outlays	23,711,546	52,681,236
Total expenditures	23,726,303	52,815,910
Deficiency of revenues under expenditures	(19,589,878)	(49,146,508)
Other financing sources and (uses):		
Proceeds of general obligation bonds	4,940,000	20,025,000
Premium on issuance of general obligation bonds	97,062	136,396
Transfers in from General Fund	9,031,500	--
Transfers out - Debt Service Fund	--	(1,723)
Total other financing sources and (uses)	14,068,562	20,159,673
Deficiency of revenues and other financing sources under expenditures and other financing uses	(5,521,316)	(28,986,835)
Fund balance at beginning of year	27,670,122	56,656,957
Fund balance at end of year	\$ 22,148,806	\$ 27,670,122

For the Period Ended June 30, 2011

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

	2011						
	Prior Years	Land and Improvements	Buildings and Equipment	Total	Total	Project Authoriza- tion	Variance favorable (unfavorable)
Capital outlays:							
Secondary schools:							
Bartlett Senior High	\$ 5,977	\$ --	\$ 476,507	\$ 476,507	\$ 482,484	\$ 4,186,520	\$ 3,704,036
Chugiak Senior High	105,429	39,028	991,334	1,030,362	1,135,791	3,409,118	2,273,327
Dimond Senior High	65,456	--	23,826	23,826	89,282	1,300,887	1,211,605
Eagle River Senior High	305,381	--	18,299	18,299	323,680	529,925	206,245
East Senior High	196,302	--	319,817	319,817	516,119	5,549,579	5,033,460
South Anchorage Senior High	109,603	813,416	520,800	1,334,216	1,443,819	2,394,874	951,055
Service Senior High	86,606	8,606	672,533	681,139	767,745	1,619,484	851,739
West Senior High	53,997	--	819,634	819,634	873,631	2,009,529	1,135,898
Central Middle School	48,076	4,480	282,479	286,959	335,035	1,958,071	1,623,036
Clark Middle School	--	--	693,241	693,241	693,241	2,333,283	1,640,042
Golden View Middle School	79,421	--	189,445	189,445	268,866	624,775	355,909
Ernest Gruening Middle School	81,405	--	28,622	28,622	110,027	402,968	292,941
U. S. Hanshew Middle School	120,331	--	1,061,549	1,061,549	1,181,880	1,907,796	725,916
Jane Mears Middle School	93,900	--	2,677,832	2,677,832	2,771,732	4,167,922	1,396,190
Mirror Lake Middle School	23,689	--	11,343	11,343	35,032	160,987	125,955
Begich Middle School	--	9,138	307,767	316,905	316,905	758,003	441,098
Romig Middle School	75,013	--	139,597	139,597	214,610	576,202	361,592
Wendler Middle School	11,560	1,256	227,088	228,344	239,904	746,577	506,673
Benny Benson Secondary	--	--	2,464	2,464	2,464	103,857	101,393
Martin Luther King, Jr. Career Center	--	--	98,105	98,105	98,105	5,402,590	5,304,485
Save Alternative	34,459	--	699,706	699,706	734,165	1,286,263	552,098
Steller Alternative	--	--	12,041	12,041	12,041	36,109	24,068
Whaley Center	59,964	--	50,313	50,313	110,277	427,039	316,762
Retirement system employer relief	--	--	97,618	97,618	97,618	--	(97,618)
Total secondary schools	1,556,569	875,924	10,421,960	11,297,884	12,854,453	41,892,358	29,037,905
Elementary schools:							
Abbott Loop	4,000	--	1,564	1,564	5,564	25,094	19,530
Airport Heights	29,263	--	76,734	76,734	105,997	111,753	5,756
Alpenglow	--	--	--	--	--	363	363
Aquarian Charter	26,955	130,849	164,017	294,866	321,821	580,375	258,554
Aurora	52,743	--	134,503	134,503	187,246	348,860	161,614
Baxter	--	--	306	306	306	103,767	103,461
Bayshore	--	--	87,768	87,768	87,768	225,456	137,688
Bear Valley	--	--	40,087	40,087	40,087	166,365	126,278
Birchwood	8,320	--	138,048	138,048	146,368	424,249	277,881
Willard Bowman	--	--	17,765	17,765	17,765	187,304	169,539
Campbell	--	--	361,777	361,777	361,777	852,775	490,998
Chester Valley	15,158,504	--	1,638,999	1,638,999	16,797,503	17,503,267	705,764
Chinook	--	--	2,388	2,388	2,388	54,639	52,251
Chugach	42,317	--	--	--	42,317	70,473	28,156
Chugiak	--	--	886	886	886	6,347	5,461

(Continued)

For the Period Ended June 30, 2011

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

	2011				Total	Project Authoriza- tion	Variance favorable (unfavorable)
	Prior Years	Land and Improvements	Buildings and Equipment	Total			
College Gate	\$ 3,559	\$ 50,000	\$ 278,101	\$ 328,101	\$ 331,660	\$ 499,836	\$ 168,176
Creekside Park	1,271	496	169,293	169,789	171,060	743,922	572,862
Denali	--	--	--	--	--	425	425
Eagle River	2,851	--	190,522	190,522	193,373	363,420	170,047
Fairview	--	--	--	--	--	(2,750)	(2,750)
Fire Lake	--	--	--	--	--	384	384
Girdwood	--	--	12,838	12,838	12,838	694,552	681,714
Government Hill	--	--	--	--	--	152,433	152,433
Homestead	--	--	--	--	--	(78,445)	(78,445)
Huffman	86,156	--	1,285,151	1,285,151	1,371,307	2,330,550	959,243
Inlet View	--	1,124	150,723	151,847	151,847	452,022	300,175
Kasuun	7,075	--	10,640	10,640	17,715	98,774	81,059
Kennedy	7,372	--	16,330	16,330	23,702	1,241,701	1,217,999
Kincaid	2,080	38,036	19,166	57,202	59,282	62,810	3,528
Klatt	--	--	3,553	3,553	3,553	246,586	243,033
Lake Hood	--	--	--	--	--	(1,339)	(1,339)
Lake Otis	7,800	--	24,057	24,057	31,857	99,321	67,464
Mt. View	4,389	--	161,376	161,376	165,765	559,416	393,651
Mt. Iliamna	25,505	--	107,165	107,165	132,670	275,830	143,160
Mt. Spurr	--	--	17,424	17,424	17,424	213,623	196,199
Muldoon	--	3,588	--	3,588	3,588	97,743	94,155
North Star	10,400	--	175,411	175,411	185,811	639,263	453,452
Northern Lights	--	--	--	--	--	21,424	21,424
Northwood	--	1,600	113,050	114,650	114,650	193,550	78,900
Nunaka Valley	--	--	12,512	12,512	12,512	164,851	152,339
Ocean View	9,310	--	35,654	35,654	44,964	156,998	112,034
O'Malley	23,087	--	40,372	40,372	63,459	160,906	97,447
Orion	71,765	--	66,342	66,342	138,107	150,973	12,866
Polaris K-12	--	1,746	19,173	20,919	20,919	474,499	453,580
Ptarmigan	4,065	--	45,881	45,881	49,946	306,882	256,936
Rabbit Creek	162	--	20,115	20,115	20,277	40,320	20,043
Ravenwood	36,822	--	73,178	73,178	110,000	110,665	665
Rogers Park	8,195	--	77,000	77,000	85,195	86,160	965
Russian Jack	2,400	82,747	--	82,747	85,147	179,029	93,882
Sand Lake	6,820,924	--	2,150,397	2,150,397	8,971,321	10,331,842	1,360,521
Scenic Park	1,261	--	195,679	195,679	196,940	339,059	142,119
Spring Hill	--	--	--	--	--	225	225
Susitna	--	--	12,758	12,758	12,758	35,003	22,245
Trailside	--	--	46,976	46,976	46,976	236,855	189,879
Taku	17,383	--	150,543	150,543	167,926	206,318	38,392
Tudor	158	--	242	242	400	534,127	533,727

(Continued)

For the Period Ended June 30, 2011

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

	2011						
	Prior Years	Land and Improvements	Buildings and Equipment	Total	Total	Project Authoriza- tion	Variance favorable (unfavorable)
Turnagain	\$ --	\$ --	\$ 132,215	\$ 132,215	\$ 132,215	\$ 210,214	\$ 77,999
Ursa Major	9,650	--	8,947	8,947	18,597	135,798	117,201
Ursa Minor	8,376	--	167,359	167,359	175,735	195,684	19,949
William Tyson	162	--	7,256	7,256	7,418	141,616	134,198
Williwaw	--	--	49,269	49,269	49,269	312,651	263,382
Willow Crest	--	1,828	23,631	25,459	25,459	430,950	405,491
Wonder Park	16,300	--	139,183	139,183	155,483	610,133	454,650
Gladys Wood	7,712	--	215,981	215,981	223,693	445,021	221,328
Retirement system employer relief	--	--	79,869	79,869	79,869	--	(79,869)
Total elementary schools	22,518,292	312,014	9,170,174	9,482,188	32,000,480	45,562,917	13,562,437
Other capital outlays:							
District-wide Asbestos/ Life Safety	31,990	--	22,722	22,722	54,712	329,337	274,625
District-wide Code Compliance	--	--	--	--	--	11,911	11,911
District-wide Emergency Preparation	--	--	--	--	--	--	--
District-wide Security Systems	--	--	9,090	9,090	9,090	448,922	439,832
District-wide Sprinkler Upgrade	--	--	17,374	17,374	17,374	31,739	14,365
District-wide Underground Storage Tank Removal	--	--	16,566	16,566	16,566	21,392	4,826
District-wide Computer Equipment/Technology	18,460	--	9,940	9,940	28,400	355,000	326,600
District-wide Electric/Switch Upgrades	14,500	--	200,823	200,823	215,323	1,271,076	1,055,753
District-wide Elevator	--	--	--	--	--	2,640	2,640
District-wide Fencing	--	--	--	--	--	12,484	12,484
District-wide Fire Code	--	--	--	--	--	5,783	5,783
District-wide Heating/Ventilation Air Condition Upgrades	--	--	--	--	--	35,777	35,777
District-wide Library Books	--	--	--	--	--	(130)	(130)
District-wide Mechanical	35,899	--	301,325	301,325	337,224	1,562,950	1,225,726
District-wide Building Renewal	8,424	--	433,288	433,288	441,712	3,225,793	2,784,081
District-wide Roof Replacement	15,565	--	17,624	17,624	33,189	142,270	109,081
District-wide Site Acquisition	250	1,348,429	--	1,348,429	1,348,679	1,371,161	22,482
Facilities/Maintenance	57,899	--	240,894	240,894	298,793	478,139	179,346
Traffic Safety	3,276	--	306,895	306,895	310,171	796,594	486,423
Pupil Transportation New Buses	--	--	--	--	--	300,152	300,152
Student Nutrition	--	--	(161)	(161)	(161)	1,605	1,766
Warehouse	--	--	6,665	6,665	6,665	21,695	15,030
Total other capital outlays	186,263	1,348,429	1,583,045	2,931,474	3,117,737	10,426,290	7,308,553
	\$ 24,261,124	\$ 2,536,367	\$ 21,175,179	\$ 23,711,546	\$ 47,972,670	\$ 97,881,565	\$ 49,908,895

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Internal Service Funds

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

Equipment Replacement Fund

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

Health Insurance Fund

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

June 30, 2011
With Comparative Totals for
June 30, 2010

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET ASSETS

			Total Internal Service Funds	
	Equipment Replacement	Health Insurance	2011	2010
Assets				
Current Assets:				
Investments	\$ 8,798,173	\$ 15,273,530	\$ 24,071,703	\$ 19,274,921
Accounts receivable	--	6,579	6,579	3,220
Due from other funds	--	--	--	1,022,685
Total current assets	8,798,173	15,280,109	24,078,282	20,300,826
Noncurrent assets:				
Machinery and equipment	8,886,907	--	8,886,907	8,406,864
Accumulated depreciation	(6,787,657)	--	(6,787,657)	(6,397,620)
Total capital assets (net of accumulated depreciation)	2,099,250	--	2,099,250	2,009,244
Total assets	10,897,423	15,280,109	26,177,532	22,310,070
Liabilities				
Current liabilities				
Medical claims and other payables	79,600	7,910,621	7,990,221	7,479,652
Net Assets				
Invested in capital assets	2,099,250	--	2,099,250	2,009,244
Unrestricted	8,718,573	7,369,488	16,088,061	12,821,174
Total net assets	\$ 10,817,823	\$ 7,369,488	\$ 18,187,311	\$ 14,830,418

For the Year Ended June 30, 2011

With Comparative Totals

For the Year Ended June 30, 2010

INTERNAL SERVICE FUNDS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS

	Equipment Replacement	Health Insurance	Total Internal Service Funds	
			2011	2010
Operating revenues:				
Charges for services	\$ 452,862	\$ --	\$ 452,862	\$ 465,706
Charges for health insurance services	--	36,756,097	36,756,097	27,538,732
Total operating revenues	<u>452,862</u>	<u>36,756,097</u>	<u>37,208,959</u>	<u>28,004,438</u>
Operating expenses:				
Depreciation	452,862	--	452,862	465,706
Costs of services	--	56,250	56,250	28,424
Medical plan administration	--	2,900,149	2,900,149	2,652,462
Medical claims	--	31,469,121	31,469,121	24,857,846
Total operating expenses	<u>452,862</u>	<u>34,425,520</u>	<u>34,878,382</u>	<u>28,004,438</u>
Operating income	<u>--</u>	<u>2,330,577</u>	<u>2,330,577</u>	<u>--</u>
Non-operating revenues:				
Loss on sale of capital assets	(8,243)	--	(8,243)	(32,932)
Investment income	<u>152,088</u>	<u>246,021</u>	<u>398,109</u>	<u>632,964</u>
Total non-operating revenues	<u>143,845</u>	<u>246,021</u>	<u>389,866</u>	<u>600,032</u>
Total income before capital contributions and transfers	<u>143,845</u>	<u>2,576,598</u>	<u>2,720,443</u>	<u>600,032</u>
Capital contributions	260,840	--	260,840	537,066
Transfers in - General Fund	--	375,610	375,610	--
Transfers out - General Fund	<u>--</u>	<u>--</u>	<u>--</u>	<u>(12,011)</u>
Total capital contributions and transfers	<u>260,840</u>	<u>375,610</u>	<u>636,450</u>	<u>525,055</u>
Changes in net assets	404,685	2,952,208	3,356,893	1,125,087
Net assets at beginning of year	<u>10,413,138</u>	<u>4,417,280</u>	<u>14,830,418</u>	<u>13,705,331</u>
Net assets at end of year	<u>\$ 10,817,823</u>	<u>\$ 7,369,488</u>	<u>\$ 18,187,311</u>	<u>\$ 14,830,418</u>

For the Year Ended June 30, 2011
 With Comparative Totals
 For the Year Ended June 30, 2010

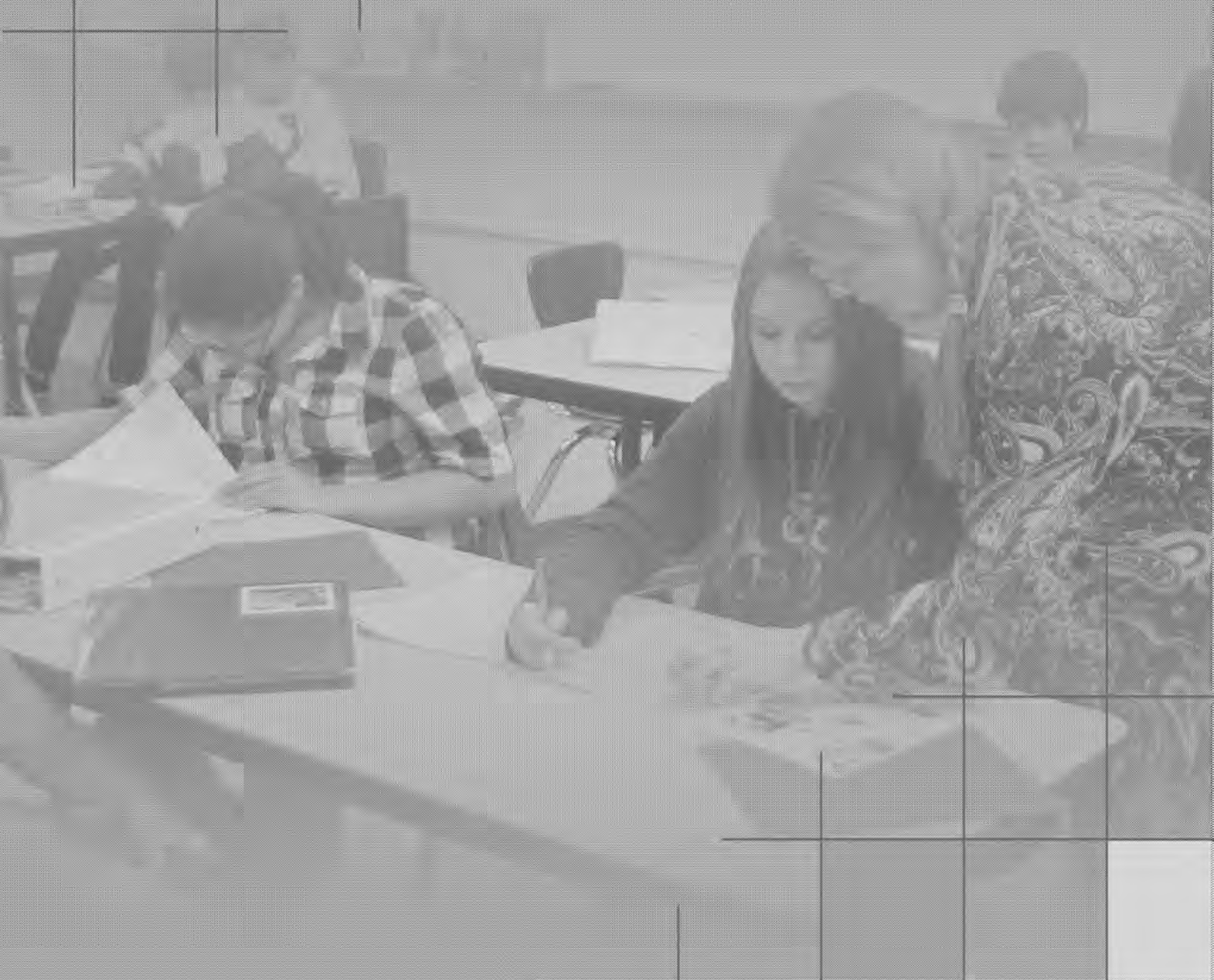
INTERNAL SERVICE FUNDS

STATEMENT OF CASH FLOWS

	Equipment Replacement	Health Insurance	Total Internal Service Funds	
			2011	2010
Cash flows from operating activities:				
Receipts from interfund activities	\$ 452,862	\$ 35,302,953	\$ 35,755,815	\$ 32,143,175
Payments for interfund services used	(452,862)	--	(452,862)	(465,706)
Payments for medical claims and other health insurance activity	--	(32,544,767)	(32,544,767)	(24,201,036)
Net cash flows provided by operating activities	--	2,758,186	2,758,186	7,476,433
Cash flows from noncapital financing activities:				
Transfer from other funds	--	375,610	375,610	(12,011)
Advances to General Fund	1,477,965	--	1,477,965	(434,121)
Net cash provided (used) by financing activities	1,477,965	375,610	1,853,575	(446,132)
Cash flows from investing activities:				
Acquisition of capital assets	(213,089)	--	(213,089)	--
Purchase of investments	(1,416,964)	(3,133,836)	(4,550,800)	(7,568,691)
Interest earnings received	152,088	40	152,128	180,780
Net cash provided (used) in investing activities	(1,477,965)	(3,133,796)	(4,611,761)	(7,387,911)
Net increase in cash	--	--	--	--
Cash at beginning of year	--	--	--	--
Cash at end of year	\$ --	\$ --	\$ --	\$ --
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income	\$ --	\$ 2,330,577	\$ 2,330,577	\$ --
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation expense	452,884	--	452,884	465,706
Other revenues	(452,884)	--	(452,884)	(465,706)
Change in assets and liabilities				
Receivables, net	--	(3,359)	(3,359)	(3,219)
Accounts and other payables	--	430,968	430,968	7,479,652
Net cash provided by operating activities	\$ --	\$ 2,758,186	\$ 2,758,186	\$ 7,476,433

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Statistical Section



FINANCIAL TRENDS

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

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For the Last Ten Years

STATEMENT OF NET ASSETS (1)

Net Assets					
Fiscal Year	Investment in Capital Assets Net of Related Debt	Restricted for:			Total Net Assets
		Debt Service	Authorized Construction, Net of Authorized Unissued Bonds	Unrestricted	
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
2010-2011	506,570,859	2,136,337	11,549,306	125,434,036	645,690,538

Notes:

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

For the Last Ten Years

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS (1)

	2002	2003	2004	2005	2006
Program Expenses					
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	443,295,182	450,770,826	504,369,974	547,657,429	553,411,152
Program Revenues					
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	63,579,952	98,802,483	115,454,801	119,305,676	120,499,277
Net expense					
District-wide activities	(379,715,230)	(351,968,343)	(388,915,173)	(428,351,753)	(432,911,875)
General Revenues and Other Changes in Net Assets					
Unrestricted:					
Appropriation from					
Municipality of Anchorage	135,521,074	142,954,582	144,983,658	163,503,322	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	380,205,182	367,648,261	368,700,211	411,510,653	447,011,246
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	\$ 504,772,980	\$ 520,452,898	\$ 500,237,936	\$ 483,396,836	\$ 497,496,207

Notes:

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

For the Last Ten Years

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS (1)

	2007	2008	2009	2010	2011
Program Expenses					
District-wide activities:					
General administration	\$ 15,662,670	\$ 18,572,821	\$ 17,734,805	\$ 22,355,887	\$ 14,804,134
Instruction	478,651,589	572,761,690	588,836,769	627,204,202	670,615,868
Pupil transportation	18,002,836	20,087,773	19,580,050	20,013,352	20,304,158
Operation and maintenance of plant	28,460,380	29,996,382	30,863,209	31,171,887	34,814,864
Community services	1,243,907	856,785	988,897	987,202	1,042,966
Non-departmental	--	--	--	--	--
Food services	15,518,428	16,054,390	16,855,858	16,914,479	18,666,353
Construction and facility acquisition	674,062	241,710	513,472	--	--
Interest expense	34,012,953	36,773,707	36,393,199	35,284,867	33,201,590
Total district-wide expenses	<u>592,226,825</u>	<u>695,345,258</u>	<u>711,766,259</u>	<u>753,931,876</u>	<u>793,449,933</u>
Program Revenues					
District-wide activities:					
Charges for services					
General administration	83,209	16,770	19,604	19,139	4,531
Instruction	1,431,789	1,752,350	1,606,288	1,612,977	4,004,871
Pupil transportation	--	--	--	--	--
Operation and maintenance of plant	--	--	(2,553)	(3,404)	--
Community services	568,108	849,453	580,448	658,036	770,435
Non-departmental	--	--	--	--	--
Food services	4,977,713	5,081,541	4,911,270	4,469,455	3,902,383
Operating grants and contributions					
General administration	--	750,813	925,219	464,438	134,560
Instruction	47,202,793	139,878,408	126,529,115	132,107,431	161,861,300
Pupil transportation	17,082,693	17,249,338	18,645,611	19,740,997	19,796,188
Operation and maintenance of plant	362,868	3,097,712	3,186,546	2,363,241	1,948,927
Community services	422,052	101,188	77,725	37,494	9,496
Food services	9,246,111	10,140,621	11,627,527	12,790,612	13,795,005
Construction and facility acquisition	--	213,047	297,924	--	--
Capital grants and contributions					
Construction and facility acquisition	37,976,770	41,082,316	46,810,987	47,466,227	46,117,714
Total district-wide revenues	<u>119,354,106</u>	<u>220,213,557</u>	<u>215,215,711</u>	<u>221,726,643</u>	<u>252,345,410</u>
Net expenses					
District-wide activities	<u>(472,872,719)</u>	<u>(475,131,701)</u>	<u>(496,550,548)</u>	<u>(532,205,233)</u>	<u>(541,104,523)</u>
General Revenues and Other Changes in Net Assets					
Unrestricted:					
Appropriation from					
Municipality of Anchorage	191,602,288	206,359,861	217,971,708	232,947,582	234,759,972
Investment income	7,862,943	8,523,023	3,148,355	5,552,323	2,376,959
Public School Funding Program	277,322,639	264,718,683	281,733,376	295,483,681	310,300,774
State Tuition Program	--	--	--	--	--
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	17,952,860	23,992,347
Proceeds from sale of assets	--	--	12,982	--	--
Other	1,861,280	2,794,520	1,817,444	1,119,024	1,188,572
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>	<u>572,618,624</u>
Change in net assets	18,818,954	35,961,770	41,049,269	20,850,237	31,514,101
Net assets at beginning of year	497,496,207	516,315,161	552,276,931	593,326,200	614,176,437
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>	<u>\$ 645,690,538</u>

Notes:

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

For the Last Ten Years

FUND BALANCE, GOVERNMENTAL FUNDS (1)

	2002	2003	2004	2005	2006
General Fund					
Fund balances:					
Nonspendable	\$ 3,440,661	\$ 3,143,645	\$ 3,539,837	\$ 4,070,362	\$ 3,794,381
Restricted	301,301	325,839	359,667	376,044	306,045
Committed	6,573,521	6,577,773	6,706,442	6,826,898	7,001,948
Assigned	31,692,326	35,108,937	31,272,867	44,954,471	43,222,834
Unassigned	23,573,647	26,664,508	27,989,871	21,878,326	29,350,831
Total General Fund	<u>\$ 65,581,456</u>	<u>\$ 71,820,702</u>	<u>\$ 69,868,684</u>	<u>\$ 78,106,101</u>	<u>\$ 83,676,039</u>
All Other Governmental Funds					
Fund balances:					
Nonspendable	\$ 890,746	\$ 14,702,809	\$ 575,139	\$ 742,917	\$ 801,056
Restricted	97,185,450	--	945,856	51,706,706	11,703,334
Committed	125,513,209	103,121,735	126,323,029	115,167,706	48,211,254
Assigned	3,708,043	4,153,536	4,883,722	4,751,145	4,451,470
Unassigned	(19,762)	(5,313)	(13,209)	(570)	(33,636)
Total all other government funds	<u>\$ 227,277,686</u>	<u>\$ 121,972,767</u>	<u>\$ 132,714,537</u>	<u>\$ 172,367,904</u>	<u>\$ 65,133,478</u>

Notes:

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

For the Last Ten Years

FUND BALANCE, GOVERNMENTAL FUNDS

	2007	2008	2009	2010	2011
General Fund					
Fund balances:					
Nonspendable	\$ 5,420,392	\$ 10,192,198	\$ 12,522,607	\$ 11,741,766	\$ 10,812,950
Restricted	16,769,336	17,883,043	18,967,267	19,833,195	19,902,748
Committed	7,449,350	7,936,952	8,380,055	8,878,554	13,879,315
Assigned	47,691,577	59,224,835	55,861,747	61,234,068	61,267,642
Unassigned	34,468,976	24,442,307	23,509,451	25,928,239	24,798,698
Total General Fund	<u>\$ 111,799,631</u>	<u>\$ 119,679,335</u>	<u>\$ 119,241,127</u>	<u>\$ 127,615,822</u>	<u>\$ 130,661,353</u>
All Other Governmental Funds					
Fund balances:					
Nonspendable	\$ 1,558,594	\$ 917,461	\$ 933,685	\$ 780,478	\$ 763,583
Restricted	--	20,585,681	--	4,886,817	21,999,677
Committed	67,657,802	63,864,798	59,010,765	25,114,506	2,604,983
Assigned	3,244,663	4,495,510	4,741,443	5,636,154	5,774,180
Unassigned	(29,827)	(16,159)	(54,155)	(20,500)	(13,463)
Total all other government funds	<u>\$ 72,431,232</u>	<u>\$ 89,847,291</u>	<u>\$ 64,631,738</u>	<u>\$ 36,397,455</u>	<u>\$ 31,128,960</u>

Notes:

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

For the Last Ten Years

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

	2002	2003	2004	2005	2006
Revenues:					
Local sources	\$ 154,204,468	\$ 160,774,444	\$ 161,768,902	\$ 183,978,564	\$ 199,358,932
State sources	246,502,312	255,345,978	263,485,503	284,773,761	305,979,143
Federal sources	44,951,437	49,907,518	58,290,973	61,192,088	61,318,187
Total revenues	445,658,217	466,027,940	483,545,378	529,944,413	566,656,262
Expenditures:					
Current:					
General administration	9,081,409	9,648,338	9,516,769	10,270,182	10,962,994
Instruction	330,840,150	338,395,756	358,265,412	384,216,850	418,150,467
Pupil transportation	14,467,097	15,447,724	15,356,917	15,774,086	16,303,868
Operation and maintenance of plant	20,369,504	20,171,027	19,015,616	21,267,797	22,962,874
Community services	1,686,897	1,839,752	2,068,659	1,514,088	688,032
Non-departmental	3,834,755	2,724,000	3,956,112	3,763,972	2,940,084
Food services	11,190,827	11,763,298	12,033,209	13,217,128	13,997,995
Debt service:					
Principal	21,687,909	24,750,163	28,745,000	34,760,000	39,035,000
Interest	24,447,307	26,311,060	32,290,960	34,214,001	37,525,701
Fiscal agent fees	6,747	9,991	9,322	9,579	13,506
Bond issuance cost	--	--	--	--	--
Capital outlays	79,429,994	114,065,315	121,896,066	120,638,291	105,820,823
Total expenditures	517,042,596	565,126,424	603,154,042	639,645,974	668,401,344
Deficiency of revenues over expenditures	(71,384,379)	(99,098,484)	(119,608,664)	(109,701,561)	(101,745,082)
Other financing sources (uses):					
Proceeds from sale of property and equipment	38,964	15,882	23,748	25,405	65,320
Issuance of general obligation bonds	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	70,345,000	--	--	109,930,938	14,790,000
Premium on issuance of refunding bonds	4,195,227	--	--	11,178,973	1,561,914
Payment to refunded bond escrow agent	(74,540,227)	--	--	(121,068,973)	(16,330,730)
Transfers in	5,954,059	859,711	777,009	6,081,461	242,978
Transfers out	(5,954,059)	(859,711)	(777,009)	(6,081,461)	(242,978)
Total other financing sources	139,076,410	15,882	128,215,489	157,663,569	86,504
Net change in fund balances	\$ 67,692,031	\$ (99,082,602)	\$ 8,606,825	\$ 47,962,008	\$ (101,658,578)
Debt service as a percentage of noncapital expenditures	10.5%	11.3%	12.7%	13.3%	13.6%

Notes:

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

For the Last Ten Years

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

	2007	2008	2009	2010	2011
Revenues:					
Local sources	\$ 214,888,704	\$ 233,669,852	\$ 240,046,875	\$ 256,186,939	\$ 253,899,166
State sources	335,377,434	434,882,555	428,811,942	428,035,882	452,943,504
Federal sources	60,491,468	62,409,670	66,255,684	90,054,656	115,379,897
Total revenues	610,757,606	730,962,077	735,114,501	774,277,477	822,222,567
Expenditures:					
Current:					
General administration	11,769,210	19,239,207	17,674,860	16,065,662	16,788,549
Instruction	447,887,180	536,523,214	555,944,309	590,336,062	626,655,789
Pupil transportation	17,236,133	18,982,195	19,234,255	20,137,537	20,239,375
Operation and maintenance of plant	24,697,997	26,772,621	27,357,834	27,528,957	30,785,534
Community services	790,222	840,031	951,649	976,725	1,033,794
Non-departmental	3,480,038	3,144,562	3,436,400	3,851,645	4,384,847
Food services	15,112,931	15,693,492	16,594,195	16,694,742	18,017,232
Debt service:					
Principal	39,870,000	44,080,000	46,630,000	49,520,000	52,475,000
Interest	35,021,935	35,884,852	37,270,931	36,372,658	35,001,212
Fiscal agent fees	11,578	11,605	10,648	11,208	9,708
Bond issuance cost	425,618	119,483	219,481	134,674	174,096
Capital outlays	45,593,411	52,526,056	61,518,088	52,681,236	23,711,546
Total expenditures	641,896,253	753,817,318	786,842,650	814,311,106	829,276,682
Deficiency of revenues over expenditures	(31,138,647)	(22,855,241)	(51,728,149)	(40,033,629)	(7,054,115)
Other financing sources (uses):					
Proceeds from sale of property and equipment	42,904	51,531	11,127	634	10,360
Issuance of general obligation bonds	48,495,000	63,790,000	29,840,000	20,025,000	4,940,000
Premium on issuance of general obligation bonds	1,152,350	1,335,234	395,335	136,396	97,062
Issuance of refunding bonds	251,745,000	--	--	--	28,310,000
Premium on issuance of refunding bonds	13,906,249	--	--	--	2,305,196
Payment to refunded bond escrow agent	(265,651,249)	--	--	--	(30,455,857)
Transfers in	894,501	1,298,003	342,889	13,734	9,031,500
Transfers out	(1,094,501)	(1,898,003)	(4,514,963)	(1,723)	(9,407,110)
Total other financing sources	49,490,254	64,576,765	26,074,388	20,174,041	4,831,151
Net change in fund balances	\$ 18,351,607	\$ 41,721,524	\$ (25,653,761)	\$ (19,859,588)	\$ (2,222,964)
 Debt service as a percentage of noncapital expenditures	 12.6%	 11.4%	 11.6%	 11.3%	 10.9%

Notes:

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

Last Ten Years

GOVERNMENT-WIDE
EXPENSES BY FUNCTION (1)

Fiscal Year	General Administration (2)	Instruction (2)	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
2010-2011	14,804,134	670,615,868	20,304,158	34,814,864	1,042,966	—	18,666,353	—	33,201,590	793,449,933

Notes:

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

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

Fiscal Year	Function	Loss on Disposal of Capital Assets
2001-2002	N/A	\$ —
2002-2003	N/A	—
2003-2004	General Administration	16,648,548
2004-2005	General Administration	11,778,953
2005-2006	General Administration	8,448,099
2006-2007	General Administration	3,342,264
2007-2008	General Administration	5,485,017
2008-2009	General Administration	3,988,190
2009-2010	General Administration	8,652,636
2010-2011	Instruction	8,524,769

Last Ten Years

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

Fiscal Year	Program Revenues						
	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			
2010-2011	8,682,220	197,545,476	46,117,714	252,345,410			

Fiscal Year	General Revenues						
	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
2010-2011	234,759,972	2,376,959	310,300,774	--	23,992,347	1,188,572	572,618,624

Notes:

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

**GENERAL EXPENDITURES
BY FUNCTION (1)**

For the Last Ten Years

Fiscal Year	General Administration	Instruction	Pupil Transportation	Operation and Maintenance of Plant	Community Services	Non Departmental	Food Services	Debt Service	Total (2)
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
2010-2011	16,788,549	626,655,789	20,239,375	30,785,534	1,033,794	4,384,847	18,017,232	87,645,259	805,550,379

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>
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
2010-2011	254,313,179	450,344,820	113,428,143	818,086,142

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>
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
2010	28,521,355,812	2,942,321,080	31,463,676,892	7.89

Notes:

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

For the Last Ten Years

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

	TAX RATES (IN MILLS)									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Area Wide:										
Municipality of Anchorage	0.45	0.49	0.37	0.23	0.46	0.64	1.10	1.50	1.56	1.24
Anchorage School District	7.44	7.18	6.94	6.79	7.13	7.59	7.26	7.37	7.81	8.20
Property Tax Credit	--	(0.57)	(0.51)	--	--	--	--	--	--	--
Total Areawide	7.89	7.1	6.8	7.02	7.59	8.23	8.36	8.87	9.37	9.44
Former City Service Area	--	--	--	.02	.02	.01	.02	--	.02	.03
Chugiak Service Area	0.96	0.97	0.99	1	0.91	1.00	0.89	0.88	0.99	1.00
Glen Alps Service Area	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.25	2.47	2.76
Girdwood Service Area	3.87	3.83	3.03	4	3.97	3.47	3.47	3.39	3.25	3.35
Former Borough Roads & Drainage Service Area	--	--	--	--	--	--	--	--	--	--
Anchorage Fire Service Area	1.83	1.75	1.77	1.73	1.76	1.97	1.87	1.64	1.68	1.82
Roads & Drainage Service Area	2.13	2.77	2.6	2.59	2.80	2.75	2.90	3.10	2.97	3.61
Limited Road Service Areas	1.33	1.32	1.3	1.28	1.21	1.31	1.26	0.99	1.29	1.29
Anchorage Police Service Area	2.67	2.61	2.56	2.6	2.57	2.71	2.37	2.25	2.39	2.40
Parks & Recreation Service Area	0.66	0.7	0.65	0.6	.56	.62	.68	.74	.73	.72
Building Safety Service Area	--	--	--	--	--	--	--	.01	.01	.01
Chugiak/Eagle River Recreational Facilities Service Area	0.091	1.05	1.08	1.11	1.13	1.17	1.18	.69	.69	.70

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	2010			2001		
	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.	\$ 245,851,624	1	0.78 %	\$		%
G.C.I. Communications Corp.	166,704,829	2	0.53	72,249,078	7	0.46
Calais Company, Inc.	156,421,413	3	0.5	64,782,754	8	0.41
Fred Meyers Stores, Inc.	138,860,136	4	0.44			
Enstar Natural Gas Company	137,963,497	5	0.44			
B.P. Exploration (Alaska) Inc.	124,779,506	6	0.4	62,574,067	9	0.40
Galen Hospital Alaska, Inc.	123,546,182	7	0.39	79,511,393	5	0.51
WEC 2000A-Alaska L.L.C.	104,778,620	8	0.33	77,386,308	6	0.49
Hickel Investment Company	100,156,411	9	0.32	90,237,072	3	0.58
Anchorage Fueling & Service Co.	92,080,176	10	0.29			
Alaska Communications				226,090,723	1	1.44
AT & T Alascom				119,117,706	2	0.76
Federal Express Corp.				80,741,366	4	0.52
CGF Properties				57,443,208	10	0.37
	<u>\$ 1,391,142,394</u>		4.42 %	<u>\$ 930,133,675</u>		5.94 %

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)

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Cash Collections on Tax Levy</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes to Tax Levy</u>
2001	\$ 279,861,463	\$ 277,508,664	99.2 %	\$ 2,346,081	\$ 279,854,745	100.0 %	\$ 6,718	0.0 %
2002	299,084,667	298,771,844	99.9	312,023	299,083,867	100.0	800	0.0
2003	315,403,940	311,915,068	98.9	3,488,067	315,403,135	100.0	805	0.0
2004	337,190,170	325,033,543	96.4	12,148,212	337,181,755	100.0	8,415	0.0
2005	357,895,662	353,993,904	98.9	3,898,039	357,891,943	100.0	3,719	0.0
2006	398,955,490	389,483,559	97.6	9,311,867	398,795,426	100.0	160,064	0.0
2007	386,615,505	378,829,566	98.0	7,548,513	386,378,079	1.1	237,426	0.0
2008	438,158,786	430,346,262	98.2	7,250,311	437,596,573	99.9	562,213	0.1
2009	463,732,284	454,799,895	98.1	6,517,944	461,317,839	99.5	2,414,445	0.5
2010	471,148,908	470,361,847	99.8	--	470,361,847	99.8	787,061	0.1

Notes:

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

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

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

For the Last Ten Years

Fiscal Year	Population (1)	Average Daily Membership K-12 and Special Ed (2)	Assessed Valuation (3)	Gross Bonded Debt (4)	Net Bonded Debt	Total Personal Income	Ratio of Total Outstanding Debt to Personal Income	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita	Net Bonded Debt Per Student
2001-2002	264,937	49,247	\$ 15,664,818,012	\$ 607,940,000	\$ 591,777,858	\$ 9,541,176	63.7 %	3.8 %	\$ 2,234	\$ 12,017
2002-2003	269,070	49,545	17,335,768,455	583,225,000	565,433,738	9,955,052	58.6	3.3	2,101	11,413
2003-2004	274,003	49,265	19,079,921,248	681,250,000	670,517,888	10,222,230	66.6	3.5	2,447	13,610
2004-2005	277,498	49,182	20,727,365,524	797,855,000	785,639,049	10,879,587	73.3	3.8	2,831	15,974
2005-2006	278,241	49,320	22,343,272,432	758,210,000	752,410,767	11,553,123	65.6	3.4	2,704	15,256
2006-2007	282,813	48,707	25,844,114,757	769,665,000	764,523,037	12,431,611	61.9	3.0	2,703	15,696
2007-2008	283,823	48,144	29,269,105,519	789,375,000	786,665,376	13,124,827	60.1	2.7	2,772	16,340
2008-2009	284,994	48,227	30,580,821,146	772,585,000	770,538,991	14,464,870	53.4	2.5	2,704	15,977
2009-2010	290,588	49,061	31,453,348,714	743,090,000	741,038,311	13,765,350	54.0	2.4	2,550	15,104
2010-2011	291,826	48,613	31,463,676,892	694,955,000	692,818,663	14,483,033	48.0	2.2	2,374	14,252

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	\$ 645,894,295	100 %	\$ 645,894,295
Direct:			
Anchorage School District	694,995,000	100	<u>694,995,000</u>
			<u><u>\$ 1,340,889,295</u></u>

Notes:

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

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

For the Last Ten Years

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Fees</u>	<u>Total Debt Service</u>	<u>Total General Expenditures (1)</u>	<u>Ratio of Debt Service to General Expenditures (Percent)</u>
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	761,495,196	11.3
2010-2011		52,475,000	35,001,212	9,708	87,485,920	805,550,379	10.9

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.

For the Last Ten Years

DEMOGRAPHIC STATISTICS

<u>Fiscal Year (1)</u>	<u>Population (2)</u>	<u>Per Capita Personal Income(1)</u>	<u>Total Personal Income(1)</u>	<u>Average Daily Membership Grades K-12 and Special Education (3)</u>	<u>Unemployment Rate (4)</u>
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
2010	291,826	49,629	14,483,033	48,613	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	2010(3)			2001(3)		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
U.S. Uniformed military	22,796	1	6.77 %	17,802	1	5.97 %
State of Alaska	18,337	2	5.44	16,152	3	5.42
Federal Civilians	17,535	3	5.21			
University of Alaska	7,579	4	2.25	6,344	4	2.13
Anchorage School District	7,157	5	2.12	6,293	5	2.11
Providence Health & Services	4,000	6	1.19			
Wal-Mart/Sam's Club	3,249	7	0.97	2,178	10	0.73
Carrs/Safeway	2,999	8	0.89			
Municipality of Anchorage	2,846	9	0.85	2,950	8	0.99
Fred Meyer	2,749	10	0.82	2,262	9	0.76
Federal Government				16,800	2	5.63
Providence Health System in Alaska				3,369	6	1.13
Safeway Stores / Carrs				3,252	7	1.09
	<u>89,247</u>		26.51 %	<u>77,402</u>		25.96 %

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 Capita	General Expenditures per Student Capita Percentage Increase (Decrease) Over Prior Year
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	725,105,080	3.41	48,227	15,035	3.24
2009-2010	761,495,196	5.02	49,061	15,521	3.23
2010-2011	805,550,379	5.79	48,613	16,571	6.76

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

For the Last Ten Years

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

<u>Fiscal Year</u>	<u>Average Daily Membership Grades K-12 and Special Education (1)</u>	<u>Average Daily Membership Percentage Increase Over Prior Year</u>	<u>Assessed Valuation (2)</u>	<u>Assessed Valuation Percentage Increase Over Prior Year</u>	<u>Assessed Valuation Support Per Student</u>
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
2010-2011	48,613	(0.91)	31,463,676,892	0.03	647,228

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				
	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
Administration	145	151	157	157	159
Principals	124	130	135	138	144
Teachers	3,236	3,236	3,221	3,223	3,240
Technical	147	154	169	180	182
Clerical and teacher aides	881	899	917	917	1,005
Maintenance/warehouse	178	184	186	191	198
Custodial	329	329	329	341	354
Drivers/attendants	115	111	111	104	105
Noon attendants	74	74	74	74	74
Food service	<u>165</u>	<u>168</u>	<u>175</u>	<u>190</u>	<u>197</u>
Total authorized positions	<u>5,394</u>	<u>5,436</u>	<u>5,474</u>	<u>5,515</u>	<u>5,658</u>
Employee Category	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Administration	145	189	190	202	197
Principals	144	149	151	151	149
Teachers	3,240	3305	3315	3353	3386
Technical	183	179	197	205	209
Clerical and teacher aides	1,000	1030	1089	1118	1136
Maintenance/warehouse	183	187	187	187	188
Custodial	353	361	361	371	370
Drivers/attendants	105	111	112	111	111
Noon attendants	74	74	74	75	75
Food service	<u>200</u>	<u>205</u>	<u>207</u>	<u>208</u>	<u>211</u>
Total authorized positions	<u>5,627</u>	<u>5790</u>	<u>5883</u>	<u>5981</u>	<u>6032</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)

Education	Number of Teachers (2)	Low Salary	High Salary(4)
Bachelor's Degree	315	\$ 44,717	\$ 60,274
Bachelor's Degree plus 18 semester credits	33	46,944	61,520
Bachelor's Degree plus 36 semester credits	332	49,170	70,144
Master's Equivalency with 54 semester credits	204	51,397	75,081
Master's Equivalency with 72 semester credits	161	54,838	78,728
Master's Equivalency with 90 semester credits	377	55,850	83,436 (3)
Master's Degree	238	49,711	72,006
Master's Degree with 54 semester credits	263	51,938	76,942
Master's Degree with 72 semester credits	255	54,164	81,877
Master's Degree with 90 semester credits	913	56,391	86,584 (3)
Doctorate Degree with 90 semester credits	24	58,014	88,304 (3)

Notes:

- (1) Information furnished through Anchorage School District internal report.
- (2) Number of teachers (by FTE) as of April 2011. Does not include all authorized positions.
- (3) Includes \$1,000 longevity bonus.
- (4) Salary amounts include salary schedule plus 6% additional for Related Services staff.

For the Last Ten Years

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

AVERAGE DAILY MEMBERSHIP

Fiscal Year	Average Daily Membership Grades K-6 (1)	Percentage Increase (Decrease) Over Prior Year Grades K-6	Average Daily Membership Grades 7-12	Percentage Increase (Decrease) Over Prior Year Grades 7-12
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
2010-2011	25,910	(2.44)	22,703	0.82

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 2010-2011.

PUPIL TO CLASSROOM TEACHER RATIO(3)

Fiscal Year	Kindergarten (FTE)	Grade 1	Grades 2 - 3	Grades 4 - 6	Grades 7 - 12	Special Education
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
2010-2011	20.5 to 1	21 to 1	24 to 1	27 to 1	26.25 - 27.91 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

Fiscal Year	Elementary				Secondary				Students Graduated
	Gross Square Footage	Number of Classrooms	Program Capacity	Average Daily Membership	Gross Square Footage	Number of Classrooms	Program Capacity	Average Daily Membership	
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
2010-2011	3,337,675	1,446	27,694	25,910	3,760,066	1,090	22,437	22,703	3,062

SCHOOL BUILDINGS

Fiscal Year	High Schools	Middle Schools	Elementary Schools	Alternative Secondary Schools	Special Education Schools	Vocational Schools	Charter Schools
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
2010-2011	8	10	60	6	2	1	8

Notes:

(1) Information furnished from Anchorage School District's 10-year Capital Improvement Plan 2011-2021.

For the Last Ten Years

STUDENT NUTRITION LOCAL REVENUES(1)

Fiscal Year	Lunch Sales Student	Lunch Sales Adult	Breakfast Program	Milk Program	A la Carte Program	Special Meals	After School Snack Program	Other Revenues	Total
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
2010-2011	2,418,659	38,012	110,489	76,205	1,179,231	79,788	--	79,603	3,981,987

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
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
2010-2011	842,922	1,872,472	350,103	15,291

Pupil transportation statistics (1):

Fiscal Year	Number of Routes			
	Regular to and from schools District	Contracted	Special Education to and from school District	Contracted
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
2010-2011	51	91	29	68

Notes:

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

June 30, 2011

SCHEDULE OF INSURANCE IN FORCE

Carrier/Coverage	Policy Number	Limits	Expiration Date
Everest National Insurance Company GL/Auto/Ed Legal Emp Benefits	71P7000112111	\$10,000,000/\$5,000,000 Each Occurrence \$10,000,000 Aggregate (Where Applicable) Self Insured Retention claim - \$1,000,000	7/1/2012
Colony Insurance Company 1st Excess Liability	AR6460092	\$10,000,000 excess of \$10,000,000	7/1/2012
Arch Specialty Ins. Company Excess Liability	UXP000803106	\$5,000,000 excess of \$5,000,000	7/1/2012
Allied World Insurance Company Excess Liability	3056799	\$10,000,000 excess of \$10,000,000	7/1/2012
Safety National Excess Workers Compensation & Employers Liability	SP4044219	Statutory Limits Part I \$1,000,000 Part II Self Insured Retention - \$750,000 \$50,000,000 Aggregate	7/1/2012
Chartis Insurance Company Travel Accident Insurance Teachers, Board Members	GTP 0009127634	\$500,000 Principal Sum \$5,000,000 Aggregate, per Accurance	7/1/2012
Western Fire Insurance Company N/O Aviation	AACN02204435003	\$1,000,000 Each Occurrence Including Passengers Increased to 20 seats \$5,000 Medical per Person	7/1/2012
Westchester Fire Ins. Company Employee Dishonesty Bond	G21679586007	\$1,000,000 Bond Limit \$7,500 Deductible	7/1/2012
ACE USA International Foreign Liability	PHFD37499626	\$1,000,000 per Occurance \$2,000,000 Aggregate Limit	7/1/2012
Hartford Accident & Indemnity School Board Treasurer Bond	52BSBFK4605	\$50,000 Bond Limit	4/27/2012
Natilus Insurance Company Storage Tank 3rd Party Liability	CST200199900	\$1,000,000 Each Incident \$1,000,000 Aggregate Limit \$10,000 Deductible	3/23/2012
FM Global Insurance Company Property Insurance excluding Quake	UW518	\$1,000,000,000 Limit \$100,000 Deductible/Occurrence	7/1/2012
Myers Stevens & Toohey Catastrophic Student Accident Insurance	SDAN0420512151993	\$1,000,000 Accident Maximum Benefit \$250,000 Catastrophe	7/1/2012

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