

Comprehensive Annual  
Financial Report

ANCHORAGE SCHOOL DISTRICT

for the Fiscal Year Ended  
June 30, 2013

Ed Graff  
Superintendent

Prepared by Business Management Division

Mark A. Foster, Chief Financial Officer  
Susan Jolin, Executive Director, Finance



A Component Unit of the Municipality of Anchorage  
Anchorage, Alaska

## **Non Discrimination Statement**

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

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

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CAER



## Introductory Section



# Anchorage School District

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## Education Center

5530 E. Northern Lights Blvd. • Anchorage, AK 99504 • 907-742-4000 • [www.asdk12.org](http://www.asdk12.org)

October 29, 2013

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

The Comprehensive Annual Financial Report (CAFR) of the Anchorage School District (district) for the year ended June 30, 2013, is submitted herewith. It includes, as required by Alaska statutes, financial statements that have been audited by an independent firm of certified public accountants.

Responsibility for the accuracy, completeness and fairness of presentation, including all disclosures, rests with the district based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the benefits provided, the controls offer reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

BDO USA, LLP, Certified Public Accountants, have issued an unqualified (“clean”) opinion on the Anchorage School District’s financial statements for the year ended June 30, 2013. The independent auditor’s report can be found at the front of the financial section of this report.

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

*Educating All Students for Success in Life*

**Anchorage School Board** Tam Agosti-Gisler, President  
Natasha von Imhof, Vice President  
Kameron Perez-Verdia, Clerk

Bettye Davis, Treasurer  
Eric Croft

Pat Higgins  
Kathleen Plunkett

**Superintendent** Ed Graff

## **DISTRICT PROFILE**

The Anchorage School District (district) was established by the Home Rule Charter of the Municipality of Anchorage (municipality) on September 16, 1975. The most recent State of Alaska Department of Labor estimate of population in the Anchorage School District was 298,842 (July 2012) – an increase of 1% over the prior year. The district primarily serves 48,028 students from Kindergarten through the 12<sup>th</sup> grade.

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

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

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

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

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

## **LOCAL ECONOMY**

Alaska has been substantially insulated from the economic downturn that struck the continental U.S. in 2008 – while unemployment in the U.S. rose to 10% in 2009 and has migrated back down toward 7.4% this fall- the Alaska unemployment rate as moderated in the 8% to 6% range over the same period.

The district serves the state's largest city, Anchorage, which contains approximately 41 percent of Alaska's population. The most recently reported per capita income for the Municipality of Anchorage was \$50,958 compared to \$45,665 for Alaska and \$41,560 for the U.S. [2011]. The average unemployment rate in Anchorage has declined from 7.4 percent in fiscal year 2009-2010 to 5.6 percent in

unemployment rate in Anchorage has declined from 7.4 percent in fiscal year 2009-2010 to 5.6 percent in fiscal year 2012-2013. The State of Alaska Department of Labor reports that unemployment in the Municipality of Anchorage was below 5 percent in August 2013.

In fiscal year 2012-2013 the Municipal Assembly authorized the collection of a 7.35 mill rate on property to support Anchorage School District investments in education, including debt reimbursement for bonds to pay for capital projects. The total estimated taxable value of Municipal property grew 1.02 percent from 2012 to 2013.

## **NEAR TERM FINANCIAL CHALLENGES**

Over the previous three years, the base student allocation in the State of Alaska Public School Foundation funding formula remained frozen at \$5,680 per adjusted average daily membership. As the district headed into the fourth year, fiscal year 2013-2014, the district faced flat nominal funding in the base student allocation and declining federal funding due to sequestration on the revenue side and extraordinary growth in medical care costs which continued to drive group health coverage costs at 4-5 times the rate of consumer inflation. The combination of flat to declining revenue and a state imposed cap on local municipal tax revenue and continued extraordinary medical inflation necessitated substantial reductions in positions in order to balance the operating budget for fiscal year 2013-2014.

This past year, automatic spending cuts in the U.S. federal government budget, a.k.a., “sequestration”, went into effect in March, beginning a reduction of roughly 5 percent in certain federal programs in the federal fiscal year. In the balance of the current federal fiscal year, beginning October 1, 2013, the district projects an 8 percent reduction in annual federal support in certain federal programs.

In the face of a pro forma budget shortfall of \$25 million fiscal year 2013-2014, the district approved a balanced budget by authorizing the expenditure of up to \$7 million in reserves and \$18 million in budget reductions, including a combination of layoffs and attrition and reductions in services, supplies and equipment. Based on the continuation of the trend of flat state and declining federal revenues combined with extraordinary medical care inflation, the district currently projects a pro forma budget shortfall on the order of \$23 million for fiscal year 2014-2015.

## **RELEVANT FINANCIAL POLICIES**

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

## **MAJOR CORE ACAMEDIC INITIATIVES**

The district has adopted the Common Core State Standards (CCSS) and has begun a curriculum re-alignment process to ensure effective implementation of the new higher standards. The CCSS is a set of rigorous, evidenced-based standards that are clear, consistent and aligned with college and career expectations.

The district continues to realign and differentiate instructional practices using the Response to Instruction (RTI) model to ensure every student receives high quality instruction based on their individual needs through continuous instruction, screening, intervention and monitoring.

## **AWARDS**

The Association of School Business Officials International (ASBOI) awarded a Certificate of Excellence in Financial Reporting to the Anchorage School District, Alaska for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012.

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, 2012.

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

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

## **ACKNOWLEDGEMENTS**

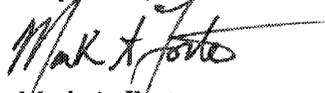
The preparation of this report could not be accomplished without the efficient and dedicated services of the entire finance and budget staff, independent auditors and other administrative staff. We would like to express our appreciation to all staff members who assisted and contributed to its preparation.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

Respectfully submitted,



Ed Graff  
Superintendent

Prepared by,



Mark A. Foster  
Chief Financial Officer

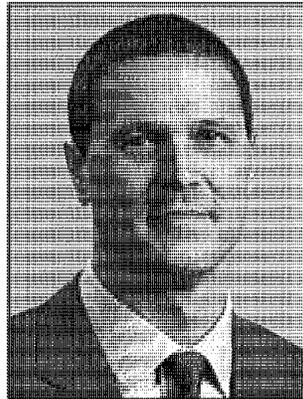
# The Anchorage School Board



Tam Agosti-Gisler  
President



Natasha Von Imhof  
Vice President



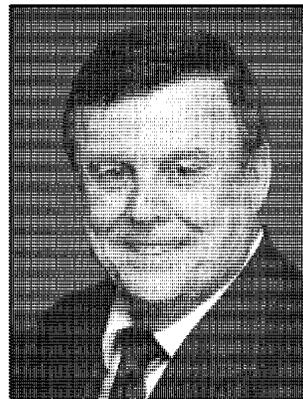
Kameron Perez-Verdia  
Clerk



Bettye Davis  
Treasurer



Eric Croft



Pat Higgins

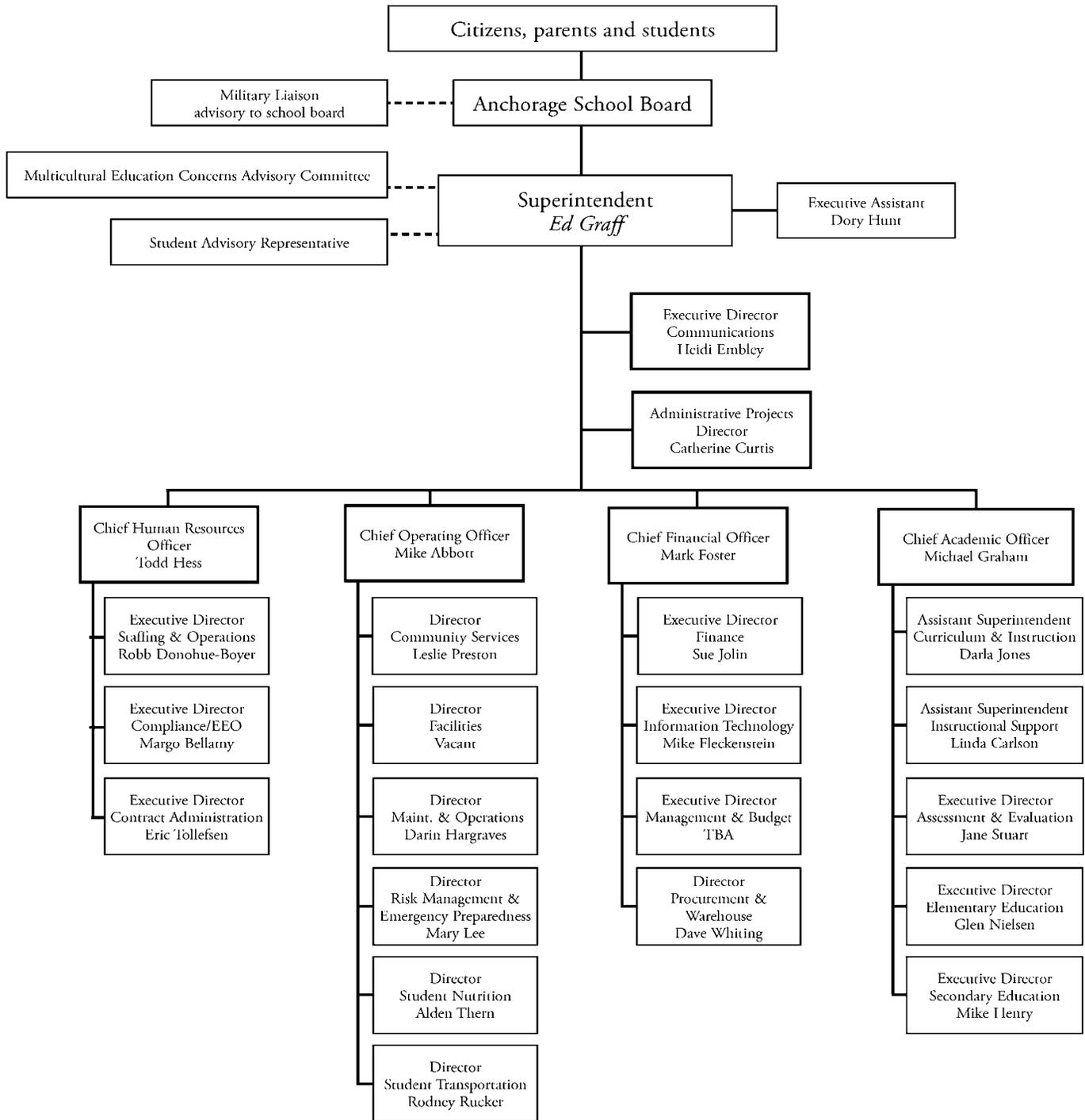


Kathleen Plunkett

The Anchorage School Board is the governing body of the Anchorage School District and is composed of seven members. The board meets twice a month. Work sessions begin at 2:30 p.m., regular meeting—early sessions at 4 p.m., executive sessions at 5:30 p.m. and regular meeting—late sessions at 6:30 p.m. 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. Regular meetings may be watched live on ASD-TV or cable channel 14 and are also available on-demand online after the meetings are over.

# ANCHORAGE SCHOOL DISTRICT ORGANIZATIONAL CHART

## OCTOBER 2013





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

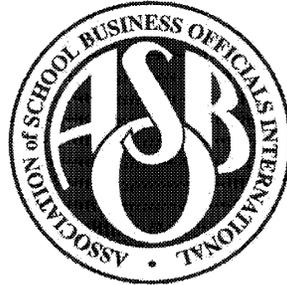
**Anchorage School District  
Alaska**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

# Association of School Business Officials International

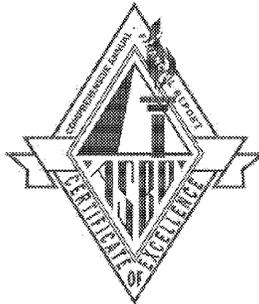


*The Certificate of Excellence in Financial Reporting Award  
is presented to*

**Anchorage School District**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2012*

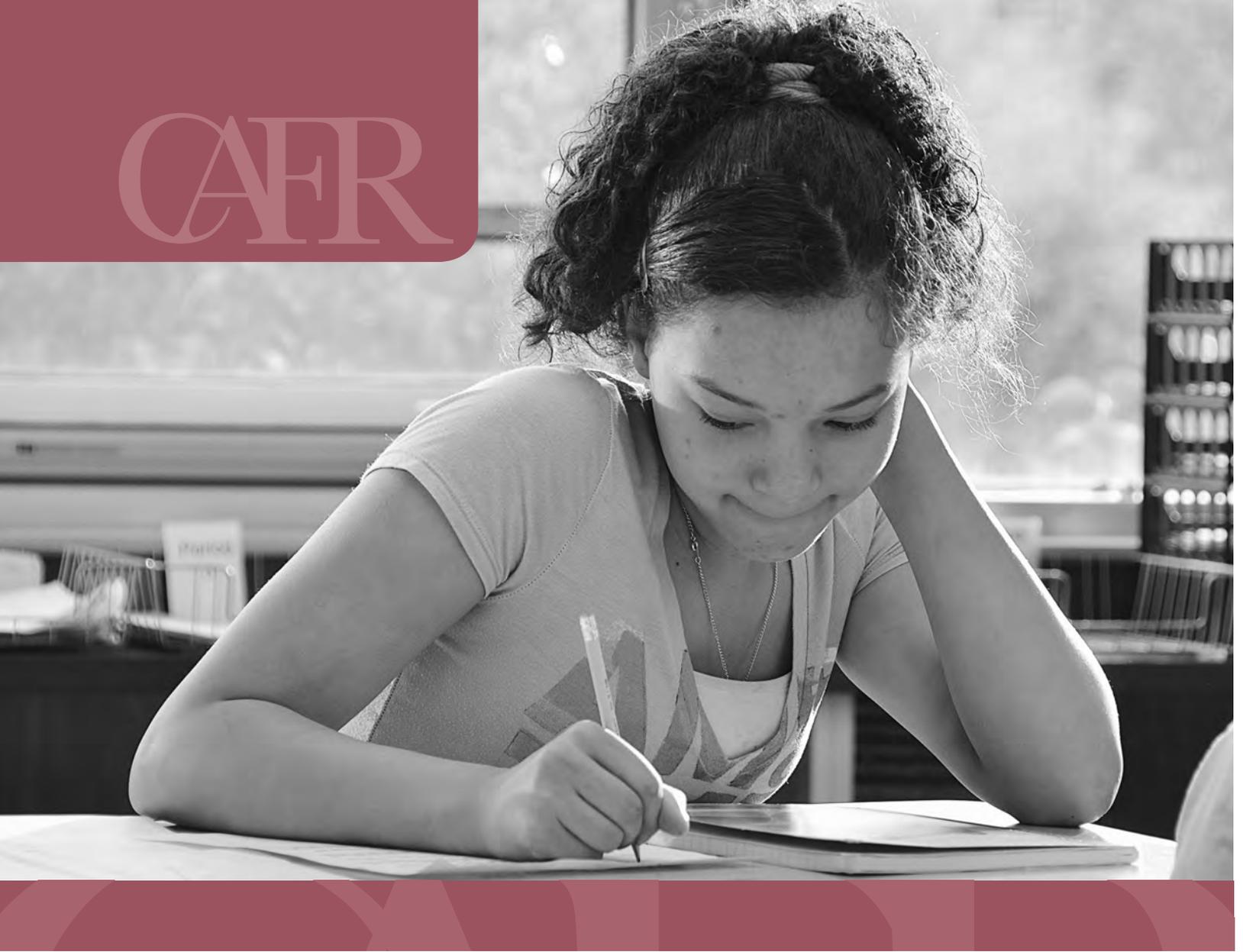
The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



Ron McCulley, CPPB, RSBO  
President

John D. Musso, CAE, RSBA  
Executive Director

CAER



Financial Section

## **Financial Section**



Tel: 907-278-8878  
Fax: 907-278-5779  
www.bdo.com

3601 C Street, Suite 600  
Anchorage, AK 99503

## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Anchorage School District (the District), Alaska, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements.*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Anchorage School District, Alaska, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Emphasis of Matter*

As discussed in Note 1 to the financial statements, in 2013, Anchorage School District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and the provisions of GASB Statement number 65, *Items Previously Reported as Assets and Liabilities*. These provisions have been retrospectively applied to all periods presented in these financial statements. Our opinion is not modified with respect to this matter.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis and budgetary comparison information* on pages 3 through 14 and 59 through 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

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

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

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

In accordance with *Governmental Auditing Standards*, we have also issued our report dated October 29, 2013 on our consideration of the Anchorage School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Anchorage School District's internal control over financial reporting and compliance.

*BDO USA, LLP*

Anchorage, Alaska  
October 29, 2013

## Management's Discussion and Analysis

As management of the Anchorage School District (district), we offer readers of the district's financial statements this narrative overview and analysis of the financial activities of the district for the year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v-viii of this report. Professional standards require the inclusion of certain comparative information in the Management's Discussion and Analysis (MD&A).

### Financial Highlights

#### Net Position

The net position of the district was \$714 million consisting of \$575.4 million in net investment in capital assets, \$112.2 million in unrestricted and \$26.3 million in restricted net position. The \$112.2 million in unrestricted net position may be used to meet the district's ongoing obligations.

The district's net position increased by \$38 million, primarily due to a reduction in net long term debt of \$46 million, offset by a reduction in investment in capital assets of \$7 million, and losses, before capital contributions and transfers, in the Internal Service Funds of \$1 million.

#### Revenues and Expenses

Total government-wide program and general revenues increased from \$835 million to \$860 million, or 3 percent. Increases were seen in state formula funding, state legislative grants and federal grant funding as well as Federal Impact Aid. In 2012, Senate Bill 182 passed which effectively reduced the local municipal tax contribution cap under the State Public Education Funding Formula by \$8 million which was offset by an increase in the State contribution.

Total government-wide expenses increased from \$801 million to \$822 million, or 2.6 percent which is mainly attributable to increases in the Teacher Retirement System incremental pension expense.

#### Fund Balance

At the close of the fiscal year, the district's governmental funds reported a combined ending fund balance of \$152 million, which includes:

- \$12.9 million in inventory and prepaid items.
- \$26.3 million in restricted funds associated with the bond rating, debt service requirements, and Federal Impact Aid Section 8003(d).
- \$89.6 million in committed and assigned funds associated with leave accruals, service, supplies and material encumbrances, authorized construction, and student activities, and food service.
- \$23.4 million of unassigned funds that are available for spending at the district's discretion which represents 3.4 percent of the total annual general fund expenditures.
- The district is maintaining a level of unrestricted fund balance in the General Fund of 9.5 percent, which is within the School Board adopted policy range of 8 to 10 percent of General Fund expenditures, (10 percent being the maximum allowed by the state).

Major contributors to the overall reduction in fund balance of \$596 thousand were due to spending in the Capital Projects Fund in excess of bond funding and grant revenues received; this reduction in fund balance was offset by excess of revenues over expenditures in the General and Debt Service Funds.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the district's basic financial statements. The district's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

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

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

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

The district's financial transactions are recorded on a modified accrual basis of accounting for the various governmental fund types. The modified accrual basis of accounting is defined as that method of accounting in which revenues are recorded in the accounting period in which they become susceptible to accrual; this is, when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for un-matured principal and interest on long-term debt 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 district, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal

requirements. All of the funds of the district can be divided into two categories: governmental funds and proprietary funds.

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

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

The district maintains 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, 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—Food Service and Student Activities Special Revenue Funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual fund schedules elsewhere in this report.

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

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

**Proprietary funds** - the 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 statements and schedules elsewhere in this report.

**Notes to the basic financial statements** – the notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-57 of this report.

**Other information** – in addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the district’s budgetary data. A reconciliation from GAAP to budgetary basis is provided to present the actual amounts on a budgetary basis for the budget to actual comparison. Required supplementary information and accompanying notes to the required supplementary information can be found on pages 59-65 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 67-111 of this report. Detailed information on the district’s Internal Service Funds can also be found on pages 113-115.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the district, assets and deferred outflow exceeded liabilities and deferred inflow by \$713,957,016 at the close of the most recent fiscal year. On the following page, Table 1 compares the net position of the most recent fiscal year to the prior fiscal year.

Table 1 – Net Position

	Governmental Activities	
	2012-2013	As Restated 2011-2012
<b>ASSETS</b>		
Current and other assets	\$ 324,908,921	\$ 323,777,349
Capital assets	1,183,829,318	1,190,916,008
Total assets	<u>1,508,738,239</u>	<u>1,514,693,357</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charges on refundings	<u>1,110,076</u>	<u>2,473,686</u>
<b>LIABILITIES</b>		
Bonds payable, net of premium/discount	607,754,177	654,044,477
Other liabilities	<u>70,677,287</u>	<u>67,095,353</u>
Total liabilities	<u>678,431,464</u>	<u>721,139,830</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Tax appropriations	<u>117,459,835</u>	<u>119,981,660</u>
<b>NET POSITION</b>		
Net investment in capital assets	575,380,172	538,847,164
Restricted	26,342,754	26,036,687
Unrestricted	112,234,090	111,161,702
Total net position	<u>\$ 713,957,016</u>	<u>\$ 676,045,553</u>

By far the largest portion of the 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 district uses these capital assets to provide services to students and citizens; consequently, these assets are not available for future spending. The district's net position invested in capital assets was \$575,380,172. Although the district's investment in its capital assets is reported net of debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves can't be used to liquidate the liabilities.

The unrestricted balance of \$112,234,090 of net position may be used to meet the district's ongoing obligations. Unrestricted net position increased by \$1,072,388 over the prior year, primarily due to the restatement of fiscal year 2012 beginning net position of \$3,572,149 in accordance with GASB Statement Nos. 63 and 65 (the restatement reduced beginning net position). The year over year increase was offset by losses before capital contributions and transfers in the internal service funds and expenditures exceeding revenues in the governmental funds.

Table 2 highlights the district's revenues and expenses for the fiscal year 2012-2013. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method of accounting. Revenue is further divided into two major components: program revenues and general revenues. Program revenues are defined as charges for services, operating and capital grants and contributions. General revenues include taxes and non-categorical entitlements such as the Alaska Public School Funding Program. Expenses are shown in programs including general administration, instruction, pupil transportation, operation and maintenance of plant, community service, food services and interest expense.

The net increase in program revenues are mainly attributable to increases in retirement system relief on behalf revenues, offset by reductions in state and federal grant revenues. The net increase in general revenues are mainly attributable to amounts received from Federal Impact Aid and the Alaska Public School Funding Program.

The increase in the Alaska School Funding Program of \$13,801,150 over the prior year came in part from the additional amount received under Senate Bill 182, which reduced the local contribution amount required by the municipality and shifted the reductions in local revenues to be covered by the state. The district's overall adjusted average daily membership (ADM)<sup>1</sup> increased by 1,000.54, which resulted in an initial increase in adjusted formula funding of \$5,683,067. After the final audit of special education intensive students and the disparity calculation, the state reduced the final formula amount by approx. \$804,509 to \$4,878,558. Additional increases to the formula funding over the prior year came from the state offset of local revenues of \$7,491,075, a reduction in the Federal Impact Aid deduction (a component of the funding formula) of \$1,449,206 an increase in the quality schools grant of \$16,008, all of which were offset by the prior year disparity adjustment of \$33,697.

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<sup>1</sup> Adjusted ADM takes into consideration base ADM plus cost factors for school size, locality costs, special needs, CTE, and special education intensive students.

Table 2 – Program Revenues and Expenses

	Governmental Activities	
	2012-2013	As Restated 2011-2012
Program revenues:		
Charges for services	\$ 6,403,507	\$ 6,079,822
Operating grants and contributions	213,328,761	204,363,184
Capital grants and contributions	52,622,060	45,937,003
General revenues:		
Appropriation from Municipality of Anchorage	232,606,002	237,587,445
Investment income	1,107,327	1,446,162
Public school funding program	325,447,016	311,645,866
Federal Impact Aid	20,449,408	20,166,071
Other	7,626,118	8,009,165
Total revenues	<u>\$ 859,590,199</u>	<u>\$ 835,234,718</u>
Program expenses:		
General administration	\$ 31,000,400	\$ 29,412,334
Instruction	644,094,670	619,727,202
Pupil transportation	22,386,537	21,785,259
Operation and maintenance of plant	77,234,635	77,789,469
Community service	3,508,691	3,556,333
Food services	19,977,813	19,207,955
Interest expense	23,475,990	29,829,001
Total expenses	<u>\$ 821,678,736</u>	<u>\$ 801,307,553</u>
Increase in net position	37,911,463	33,927,165
Net position beginning of year, as restated	<u>676,045,553</u>	<u>642,118,388</u>
Net position ending	<u><u>\$ 713,957,016</u></u>	<u><u>\$ 676,045,553</u></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 2012-2013	Program Revenues 2012-2013	Net Cost of Services 2012-2013
General administration	\$ 31,000,400	\$ 724,285	\$ 30,276,115
Instruction	644,094,670	226,869,109	417,225,561
Pupil transportation	22,386,537	21,722,271	664,266
Operation and maintenance of plant	77,234,635	2,473,163	74,761,472
Community service	3,508,691	832,849	2,675,842
Food service	19,977,813	19,732,651	245,162
Interest expense	23,475,990	--	23,475,990
Total expenses	<u>\$ 821,678,736</u>	<u>\$ 272,354,328</u>	<u>\$ 549,324,408</u>

### Financial Analysis of the Government's Funds

The district uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – the focus of the district's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the district's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Non-spendable, restricted, committed and assigned fund balance may serve as an indication of resources allocated to future expenditures.

The overall governmental funds fund balance decreased by \$596,204 for the year ended June 30, 2013. The decrease was primarily comprised of reductions in the non-spendable, restricted and committed fund balances within the Capital Projects Fund of \$2,219,686 which were offset by increases in the General Fund fund balances of \$1,294,547 and restricted fund balance in the Debt Service Fund of \$470,041.

### *General Operating Fund*

The General Fund is the primary operating fund of the district. At the end of the current fiscal year, the unassigned fund balance was \$23,407,831 while total fund balance was \$131,435,970. Total fund balance increased by \$1,294,547 from the prior fiscal year. The reduction in non-spendable, restricted, committed, and unassigned fund balance of \$2,842,472 was offset by an increase to assigned fund balance of \$4,137,019 as revenues exceeded expenditures for the fiscal year.

A measure of the general fund's liquidity would be the comparison of unrestricted fund balance to total expenditures. Unrestricted fund balance is comprised of committed, assigned and unassigned fund balance. For the current fiscal year the district's unrestricted fund balance was \$95,896,335 or 14.07 percent of expenditures. In addition, the level of unrestricted fund balance to expenditures as calculated on a state basis was 9.5 percent, which is within the School Board's adopted fund balance policy range of 8 to 10 percent and below the 10 percent maximum allowed under state law.

Actual revenues on the budgetary basis were 100.2 percent of budgeted revenues. While actual expenditures on the budgetary basis were 99.2 percent of budgeted expenditures. Actual expenditures for instructional related salaries and the retirement system on behalf benefits were lower than anticipated.

The General Fund expenditure budget for the year ended June 30, 2013 was \$577,994,752, a decrease of \$75,697,832 over the prior year budget of \$653,692,584. When adjusting for retirement system employer relief, which was not budgeted for 2012-2013, the increase to the General Fund expenditure budget would have been \$109,376,625.

### *Special Revenue Fund*

Grants reported in the Grants Special Revenue Fund are cost reimbursable grants; therefore, expenditures are equal to revenues. Expenditures and revenues for the Grants Special Revenue Fund for the year were \$51,269,742, a decrease of 24.34 percent from the prior year. The decrease to the Grants Special Revenue Fund was primarily due to the expiration of ARRA funds, the Education Jobs Fund and reductions in spending in federal grants such as Title I – No Child Left Behind and Title IIA – Professional Development.

### *Debt Service Fund*

The Debt Service Fund has a total fund balance of \$2,719,593, all of which is restricted for payment of debt service. The district projected higher than actual principal and interest payments; due to the timing of the current year bond sale the district was only required to make only one principal payment for the current year sale. In addition, the sale included refunding and interest amounts previously anticipated to be paid but were not required, thereby resulting in an overall positive budget variance of \$680,041.

### *Capital Projects Fund*

The Capital Projects Fund closed the fiscal year with \$30,115,605 in expenditures. Proceeds from the current year general obligation bond sale and funds from state legislative grants primarily financed the activity for the year. However these revenues were not enough to cover the expenditures in the fund thus decreasing the total fund balance on June 30, 2013 to \$12,027,557 from \$14,247,243.

## Capital Assets and Debt Administration

**Capital assets** – the district’s investment in capital assets for its governmental activities as of June 30, 2013 amounts to \$1,183,829,318 (net of accumulated depreciation). This investment in capital assets includes land, land improvement, buildings, equipment and vehicles, and construction in progress. The total decrease in the district’s investment in capital assets for the current year net of related debt was 0.6 percent.

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

- Service High School Renovations
- Girdwood Elementary School Construction (project has been authorized)
- Aurora Elementary School Gym
- King Career Center CTE

The following table shows ending balances of capital assets (net of accumulated depreciation) invested in various categories. The district recognized a total decrease of \$7,086,690 in capital assets net of accumulated depreciation in part due to depreciation expense.

Table 4 – Capital Assets as of June 30, 2013 (Net of Depreciation)

	<u>Governmental Activities</u>	
	<u>2012-2013</u>	<u>2011-2012</u>
Land	\$ 42,357,063	\$ 42,357,063
Land improvements	21,486,431	17,365,876
Buildings, equipment and vehicles	1,118,727,990	1,129,347,511
Construction in progress	1,257,834	1,845,558
Totals	<u>\$1,183,829,318</u>	<u>\$1,190,916,008</u>

**Long-term debt** – as of June 30, 2013 the district had outstanding general obligation bonds totaling \$598,480,000. This entire amount of \$598,480,000 comprises debt backed by the full faith and credit of the municipality. Over the fiscal year, the district paid \$55,425,000 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, 2013

	<u>Governmental Activities</u>		<u>Maturity</u>
	<u>2012-2013</u>	<u>2011-2012</u>	
General obligation bonds	<u>\$ 598,480,000</u>	<u>\$ 640,120,000</u>	2033

As of June 30, 2013, the district's available authorized but unissued general obligation school bonds amounted to \$124,247,000.

Outstanding debt on general obligation bonds of the municipality, including the district, is reflected in the municipality's Comprehensive Annual Financial Report for their fiscal year ended December 31, 2012.

The municipality'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 Outlook**

On March 12, 2013 the Anchorage Assembly approved ordinance AO NO 2013-39 which provided local funding of \$233,419,669 and an upper limit of \$837,098,347. This was amended to \$234,919,669 in local funding and an upper limit of \$862,032,541 with AO 2013-59 based on increases in state and federal funding, which resulted in an increase in the local contribution requirement pursuant to the State of Alaska's Foundation Formula for school district funding. The \$1,500,000 increase was provided by a contingency that was included in the development of the municipal mill rate tax calculation; therefore, the additional \$1,500,000 did not result in an increase of local property taxes.

Revisions passed by the Alaska Legislature and the governor made a number of changes to state revenues including funding for capital grants for schools, state aid for safety and security projects, and increases in pupil transportation funding. These changes will have an anticipated \$12,447,272 effect on district funding for fiscal year 2013-2014. A summary of the legislation is provided as follows:

- Senate Bill 18 – appropriates \$5,895,411 for various district capital projects and legislative priorities.
- Senate Bill 18 – also appropriates \$6,394,476 for various district-wide safety and security measures and initiatives.
- Senate Bill 57 – changes the annual inflation factor applied for pupil transportation and will provide an additional \$157,385 in funding.

In addition to increases provided by the state, the district anticipates receiving \$4,200,000 more in federal grants than originally proposed.

A major driving force of the district's financial outlook is student enrollment. The district initially anticipated an overall increase in enrollment of 0.2 percent in fiscal year 2013-2014, followed by slow annual declines associated with reduced economic activity levels as federal sequestration effects propagate across the economy. Subsequent review of specific student population subsets, including special education intensive students and Alaska Native Charter School enrollment, led the district to revise its enrollment projections and the funding associated therewith and received budget authority for an additional \$4.8 million due to the potential increases in enrollment subgroups.

Maturing of the Anchorage population coupled with an overall decline in birth rates has generally resulted in a gradual decline in student enrollment which has been mitigated by increased regional in-migration from outlying communities and immigration from other countries. The net effect is that the district

district has experienced very slight declines that averages 0.4 percent per year since its enrollment peak of 50,029 students in fiscal year 2002-2003.

This year the district's enrollment at the end of September was 48,028 students which was 706 fewer students than 2012-2013. This preliminary enrollment data is below projected enrollment by approximately 1.3 percent, which represents a net reduction in State Public School Foundation Formula funding (state funding plus local municipal property taxes which are capped by the state formula) of roughly \$4.5 million. Unlike historical practice where the district regularly holds back teaching positions and other discretionary funds through the state funding student enrollment count period which provided a reserve against enrollment shortfalls, the current practice is to fully deploy available resources and if projected enrollment does not arise, to meet the challenge of reduced enrollment revenue through a combination of vacancy management, attrition, and explicit draws on reserves if required over the course of the year.

On the expense side, excessive medical cost inflation continues to drive the cost of group medical coverage at a rate of 4 to 5 times the rate of general inflation. After the fiscal year 2013-2014 budget was reviewed and approved by the School Board and Municipal Assembly, the district's group medical coverage consultants provided the district with a projected increase in the total self-insured program costs for the district covered employees and their beneficiaries of 18 percent per year, necessitating substantial draws on district health insurance reserves. Management notes that the excessive medical cost inflation experience of the district is far from unique in Alaska – the State of Alaska Commissioner of Administration, representing an employer with a pool of beneficiaries on the order of 8 times as large as the district, recently disclosed that the aggregate average cost of the State's self-insured plans grew 20 percent last year on a declining employment base.

In recognition of the substantial financial and management challenges associated with excessive medical cost inflation, the district undertook to focus attention on the need to control medical costs and provide health care value to employees in its most recent negotiations with the Anchorage Education Association (AEA), the collective bargaining unit that represents teachers, librarians, counselors and nurses.

On September 9, 2013, the School Board approved a three year agreement with the AEA which freezes the district's contribution to the health plan and eliminates the contribution to the plan for employees who waive coverage in the third year of the agreement. In the second year of the agreement, the threshold for receiving health benefits increases from half time to three quarter time resulting in a net decrease in staffing requirements per unit of health coverage as most employees are expected to take on more hours in order to continue to qualify for group medical coverage. In addition, the AEA agreement provides for a 1 percent increase in the salary schedules in each of the three years and a bonus in years one and three. The overall cost of salary and benefits over the three year agreement on a normalized level of employees are projected to increase 2.26 percent per year, while the overall cost of salary and benefits are slated to increase 2.59 percent per year per full time equivalent (FTE) position. The projected cost of salary and benefits per FTE under the agreement is roughly comparable to the consumer price inflation in Anchorage over the past five years.

Management will continue to monitor and manage group medical plan cost and value to ensure that employees receive good quality benefits at a reasonable price as part of a competitive total compensation package that enables the district to attract and retain quality employees.

Purchased services, supplies, material and equipment continue to experience price increases. As the Alaska and Anchorage unemployment rates drop and employment markets have less spare capacity, we anticipate upward pressure on prices across many services and supplies in our local market.

The local heating and electrical markets, primarily supplied by local natural gas reserves in the Cook Inlet, appears likely to continue to experience price increases in excess of general inflation. Anchorage Municipal Light & Power recently announced the filing of a rate case to increase local electric rates by 17 percent in October and another five percent in early 2016. The district budget for fiscal year 2013-2014 includes \$9.2 million for electricity across district facilities. The management team continues to monitor the energy price outlook and energy efficiency investment opportunities and pursue cost effective investments to improve energy efficiency. The district continues to replace heating/ventilation systems with new more efficient systems. In addition, the district has begun a major initiative to replace florescent lighting with new high efficiency LED lighting systems. Finally, the district is reviewing its procurement practice and policy to increase the weight given to consideration of energy efficiency, life cycle costs and long term sustainability in its review of architect and engineer proposals and in the design of new and remodeled facilities to mitigate exposure to increasing energy costs.

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.

The district has three indirect cost recovery rates, one that applies to most operating grants and pass-through funding (which includes charter schools) and two indirect rates for capital grants, aka “pro-rate”, based on the total dollar amount and type of project.<sup>2</sup> The rates are designed to cover necessary general and administrative expenses that are not readily identifiable to a particular grant, contract, program or activity and generally includes an allocation from cost centers that include utilities, accounting, human resources, information technology, facilities personnel, etc.

The indirect rate for operating grants and pass-through funding is based on the federal government cost principals outlined in OMB Circular A-87 as approved by the State of Alaska. The state approved indirect rate for fiscal year 2013-2014 is 4.57 percent.

The state allows an indirect rate of up to 8 percent for capital grants for fiscal year 2013-2014. The district generally charges the full 8 percent for design, planning, and building life extension projects, while large capital renewals, renovations, additions and replacement projects are typically charged 5 percent.

## **Requests for Information**

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

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<sup>2</sup> In some cases the indirect costs may be waived or prohibited by the district, grantors or other agencies.

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Basic Financial Statements

## Basic Financial Statements

June 30, 2013  
With Comparative Totals for  
June 30, 2012

## STATEMENT OF NET POSITION

	Governmental Activities	
	2013	As Restated 2012
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 163,993,164	\$ 142,837,205
Cash and investments with paying agent	6,594,080	19,921,156
Accounts receivable, net of allowances	3,755,873	1,316,525
Interest receivable	55,353	4,831
Due from other governments	137,358,302	145,534,199
Prepaid items	9,116,045	9,902,759
Inventory, at weighted average cost	4,036,104	4,260,674
Non-current assets:		
Capital assets:		
Non-depreciable:		
Land	42,357,063	42,357,063
Construction in progress	1,257,834	1,845,558
Depreciable:		
Land improvements	61,142,706	55,559,407
Buildings and equipment	1,593,666,137	1,570,967,715
Pupil transportation equipment	9,941,389	10,344,635
Accumulated depreciation	(524,535,811)	(490,158,370)
Capital assets, net of accumulated depreciation	<u>1,183,829,318</u>	<u>1,190,916,008</u>
Total assets	<u>1,508,738,239</u>	<u>1,514,693,357</u>
<b>Deferred outflows of resources</b>		
Deferred charges on refunding loss	<u>1,110,076</u>	<u>2,473,686</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	5,834,876	2,961,923
Contracts payable	6,643,430	2,901,958
Medical claims payable, including IBNR	7,041,335	9,164,718
Interest payable	8,489,639	9,517,716
Accrued salaries and related items:		
Wages and salaries payable	2,246,834	3,317,822
Payroll taxes, other accrued and withheld items	12,347,395	11,722,257
Accrued compensated absences	3,928,200	3,616,461
Workers' compensation payable	5,621,000	2,651,636
Bonds payable	57,340,000	55,425,000
Unearned revenue	2,196,267	1,187,408
Non-current liabilities:		
Accrued compensated absences	6,543,295	6,795,271
Workers' compensation payable	9,785,016	13,258,183
Bonds payable, net	<u>550,414,177</u>	<u>598,619,477</u>
Total liabilities	<u>678,431,464</u>	<u>721,139,830</u>
<b>Deferred inflows of resources</b>		
General property tax receipts	97,050,636	99,950,770
Debt service tax receipts	<u>20,409,199</u>	<u>20,030,890</u>
Total deferred inflows of resources	<u>117,459,835</u>	<u>119,981,660</u>
<b>Net Position</b>		
Net investment in capital assets	575,380,172	538,847,164
Restricted for:		
Bond rating	23,550,356	23,877,539
Debt service	2,179,593	1,709,552
Federal Impact Aid 8003(d)	612,805	449,596
Unrestricted	<u>112,234,090</u>	<u>111,161,702</u>
Total net position	<u>\$ 713,957,016</u>	<u>\$ 676,045,553</u>

See accompanying notes to basic financial statements

For the Year Ended June 30, 2013

## STATEMENT OF ACTIVITIES

	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b><u>Functions/Programs</u></b>					
District-wide activities					
General administration	\$ (31,000,400)	\$ 194,817	\$ 529,468	\$ --	\$ (30,276,115)
Instruction	(644,094,670)	2,632,871	171,614,178	52,622,060	(417,225,561)
Pupil transportation	(22,386,537)	--	21,722,271	--	(664,266)
Operation and maintenance of plant	(77,234,635)	--	2,473,163	--	(74,761,472)
Community services	(3,508,691)	830,974	1,875	--	(2,675,842)
Food services	(19,977,813)	2,744,845	16,987,806	--	(245,162)
Interest expense	(23,475,990)	--	--	--	(23,475,990)
Total district-wide activities	<u>\$ (821,678,736)</u>	<u>\$ 6,403,507</u>	<u>\$ 213,328,761</u>	<u>\$ 52,622,060</u>	<u>\$ (549,324,408)</u>
General revenues:					
Unrestricted:					
Appropriation from Municipality of Anchorage					232,606,002
Investment income					1,107,327
Public School Funding Program					325,447,016
Federal Impact Aid					20,449,408
Other					7,626,118
Total general revenues					<u>587,235,871</u>
Change in net position					37,911,463
Net position at beginning of year, as restated					<u>676,045,553</u>
Net position at end of the year					<u>\$ 713,957,016</u>

June 30, 2013  
With Comparative Totals for  
June 30, 2012

## BALANCE SHEET - GOVERNMENTAL FUNDS

						Totals	
	General	Grants Special Revenue	Debt Service	Capital Projects	Non-Major Governmental	2013	2012
<b>Assets</b>							
Cash and investments	\$ 129,136,098	\$ --	\$ --	\$ 7,222,641	\$ 2,894,292	\$ 139,253,031	\$ 114,343,569
Cash with paying agent	--	--	6,553,286	40,794	--	6,594,080	19,921,156
Accounts receivable (net of any allowances for uncollectables)	1,302,952	351,398	--	--	69,258	1,723,608	1,311,816
Interest receivable	--	--	--	53,606	1,747	55,353	4,831
Due from other funds	17,143,372	--	--	7,859,428	2,552,961	27,555,761	49,369,767
Due from other governments	97,890,728	15,086,405	20,859,817	4,301,675	59,768	138,198,393	145,534,199
Prepaid items	9,099,391	9,559	--	2,017	5,079	9,116,046	9,902,759
Inventory	2,277,083	--	--	--	1,759,021	4,036,104	4,260,674
Total assets	<u>\$ 256,849,624</u>	<u>\$ 15,447,362</u>	<u>\$ 27,413,103</u>	<u>\$ 19,480,161</u>	<u>\$ 7,342,126</u>	<u>\$ 326,532,376</u>	<u>\$ 344,648,771</u>
<b>Liabilities</b>							
Accounts payable	\$ 5,390,744	\$ 184,635	\$ --	\$ 160,068	\$ 77,174	\$ 5,812,621	\$ 2,961,923
Contracts payable	--	--	--	6,643,430	--	6,643,430	2,901,958
Medical claims payable	--	--	--	--	--	--	338,894
Due to other funds	10,412,389	12,291,017	4,824,311	--	28,044	27,555,761	49,369,767
Accrued salaries and related items	12,559,650	1,741,225	--	194,514	98,194	14,593,583	15,040,079
Unearned revenue	235	1,230,485	--	454,592	510,956	2,196,268	1,187,408
Total liabilities	<u>28,363,018</u>	<u>15,447,362</u>	<u>4,824,311</u>	<u>7,452,604</u>	<u>714,368</u>	<u>56,801,663</u>	<u>71,800,029</u>
<b>Deferred inflows of resources</b>							
General property tax appropriation	97,050,636	--	--	--	--	97,050,636	99,950,770
Debt service tax appropriation	--	--	20,409,199	--	--	20,409,199	20,030,890
Total deferred inflows of resources	<u>97,050,636</u>	<u>--</u>	<u>20,409,199</u>	<u>--</u>	<u>--</u>	<u>117,459,835</u>	<u>119,981,660</u>
<b>Fund balances:</b>							
Non-spendable	11,376,474	9,559	--	2,017	1,473,702	12,861,752	13,877,033
Restricted	24,163,161	--	2,179,593	--	--	26,342,754	24,327,135
Committed	10,861,626	--	--	12,025,540	339,574	23,226,740	28,155,124
Assigned	61,626,878	--	--	--	4,814,482	66,441,360	62,878,397
Unassigned	23,407,831	(9,559)	--	--	--	23,398,272	23,629,393
Total fund balances	<u>131,435,970</u>	<u>--</u>	<u>2,179,593</u>	<u>12,027,557</u>	<u>6,627,758</u>	<u>152,270,878</u>	<u>152,867,082</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 256,849,624</u>	<u>\$ 15,447,362</u>	<u>\$ 27,413,103</u>	<u>\$ 19,480,161</u>	<u>\$ 7,342,126</u>	<u>\$ 326,532,376</u>	<u>\$ 344,648,771</u>

See accompanying notes to basic financial statements

June 30, 2013  
With Comparative Totals for  
June 30, 2012

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

	<u>2013</u>	<u>2012</u>
Total governmental fund balances	\$ 152,270,878	\$ 152,867,082
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds	1,178,400,117	1,186,154,413
Other long-term liabilities not due and payable in the current period, and therefore not reported in the funds:		
Accrued compensated absences	(10,471,495)	(10,411,732)
Workers' compensation payable	(15,406,016)	(15,909,819)
General obligation debt	(598,480,000)	(640,120,000)
Accrued interest on general obligation debt	(8,489,639)	(9,517,716)
Unamortized loss/(gain) on refunding bonds	1,110,076	2,473,686
Unamortized general obligation bond premium	(9,274,176)	(13,924,477)
Internal service fund net position	<u>24,297,271</u>	<u>24,434,116</u>
Total reconciling items	<u>561,686,138</u>	<u>523,178,471</u>
Net position of governmental activities	<u>\$ 713,957,016</u>	<u>\$ 676,045,553</u>

See accompanying notes to basic financial statements

For the Year Ended June 30, 2013  
With Comparative Totals  
For the Year Ended June 30, 2012

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

	General	Grants Special Revenue	Debt Service	Capital Projects	Non-Major Governmental Funds	Totals	
						2013	2012
<b>Revenues:</b>							
Local sources	\$ 197,376,017	\$ 508,035	\$ 40,061,793	\$ 25,104	\$ 10,010,658	\$ 247,981,607	\$ 256,897,674
State sources	464,179,214	10,666,928	45,061,570	11,948,212	840,703	532,696,627	483,049,363
Federal sources	21,205,056	40,094,779	277,412	390,104	15,488,142	77,455,493	94,387,908
Total revenues	<u>682,760,287</u>	<u>51,269,742</u>	<u>85,400,775</u>	<u>12,363,420</u>	<u>26,339,503</u>	<u>858,133,727</u>	<u>834,334,945</u>
<b>Expenditures:</b>							
<b>Current:</b>							
General administration	30,119,251	--	--	--	--	30,119,251	28,638,280
Instruction	548,158,584	51,269,742	--	--	6,980,421	606,408,747	587,388,122
Pupil transportation	22,809,852	--	--	--	--	22,809,852	22,277,229
Operation and maintenance of plant	76,873,647	--	--	--	--	76,873,647	77,442,084
Community services	3,507,066	--	--	--	--	3,507,066	3,440,259
Food services	--	--	--	--	19,502,420	19,502,420	18,615,420
<b>Debt service:</b>							
Refunding bond issuance cost	--	--	69,405	--	--	69,405	--
Principal	--	--	55,425,000	--	--	55,425,000	54,875,000
Interest	--	--	29,504,017	--	--	29,504,017	31,722,282
Fiscal agent fees	--	--	9,330	--	--	9,330	9,403
Bond issuance cost	--	--	--	32,522	--	32,522	16,213
Capital outlays	--	--	--	30,083,083	--	30,083,083	16,345,054
Total expenditures	<u>681,468,400</u>	<u>51,269,742</u>	<u>85,007,752</u>	<u>30,115,605</u>	<u>26,482,841</u>	<u>874,344,340</u>	<u>840,769,346</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,291,887</u>	<u>--</u>	<u>393,023</u>	<u>(17,752,185)</u>	<u>(143,338)</u>	<u>(16,210,613)</u>	<u>(6,434,401)</u>
<b>Other financing sources (uses):</b>							
Proceeds from sale of property and equipment	2,660	--	--	--	2,232	4,892	--
Proceeds on issuance of general obligation bonds	--	--	--	14,425,000	--	14,425,000	--
Premium on issuance of general obligation bonds	--	--	--	1,115,112	--	1,115,112	--
Proceeds of refunding debt	--	--	24,080,000	--	--	24,080,000	--
Proceeds of refunding premium	--	--	1,139,945	--	--	1,139,945	--
Payments to refunding escrow	--	--	(25,150,540)	--	--	(25,150,540)	--
Transfers in	--	--	7,613	--	--	7,613	6,095
Transfers out	--	--	--	(7,613)	--	(7,613)	(2,494,925)
Total other financing sources (uses)	<u>2,660</u>	<u>--</u>	<u>77,018</u>	<u>15,532,499</u>	<u>2,232</u>	<u>15,614,409</u>	<u>(2,488,830)</u>
Net change in fund balances	<u>1,294,547</u>	<u>--</u>	<u>470,041</u>	<u>(2,219,686)</u>	<u>(141,106)</u>	<u>(596,204)</u>	<u>(8,923,231)</u>
Fund balances at beginning of year	<u>130,141,423</u>	<u>--</u>	<u>1,709,552</u>	<u>14,247,243</u>	<u>6,768,864</u>	<u>152,867,082</u>	<u>161,790,313</u>
Fund balances at end of year	<u>\$ 131,435,970</u>	<u>\$ --</u>	<u>\$ 2,179,593</u>	<u>\$ 12,027,557</u>	<u>\$ 6,627,758</u>	<u>\$ 152,270,878</u>	<u>\$ 152,867,082</u>

See accompanying notes to basic financial statements

For the Year Ended June 30, 2013  
 With Comparative Totals  
 For the Year Ended June 30, 2012

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

	2013	As Restated 2012
Net change in fund balances - total governmental funds (page 19)	\$ (596,204)	\$ (8,923,231)
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	32,003,962	20,540,371
Current depreciation expense	(36,708,803)	(36,069,230)
Loss on disposal of assets	(1,224,938)	(5,526,884)
Net adjustment for change in fund balance, total government funds to arrive at changes in net assets of governmental activities	(5,929,779)	(21,055,743)
The issuance of long-term debt on bonds provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unearned and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term and related items.		
Issuance of general obligation bonds	(14,425,000)	--
Premium on issuance of general obligation bonds	(1,115,112)	--
Issuance of refunding general obligation bonds	(24,080,000)	--
Payment to escrow agent for refunding	25,150,540	--
Premium on issuance of refunding general obligation bonds	(1,139,945)	--
Principal payments on general obligation bonds and refunded bonds	55,425,000	54,875,000
Net change in refunding loss	(1,363,610)	(222,447)
Net change in general obligation bonds premium	4,650,300	1,808,342
Accrued interest	1,028,077	349,217
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	(59,763)	(220,447)
Workers' compensation payable	503,803	1,069,669
Change in net position - Internal Service Funds	(136,845)	6,246,805
Total reconciling items	38,507,667	42,850,396
Change in net position of governmental activities (page 16)	\$ 37,911,463	\$ 33,927,165

June 30, 2013  
With Comparative Totals for  
June 30, 2012

## INTERNAL SERVICE FUNDS

## STATEMENT OF NET POSITION

	Governmental Activities	
	2013	2012
<b>Assets</b>		
Current Assets:		
Investments	\$ 24,740,132	\$ 28,493,636
Accounts receivable	1,192,170	4,709
Total current assets	<u>25,932,302</u>	<u>28,498,345</u>
Non-current assets:		
Machinery and equipment	26,958,716	27,301,887
Accumulated depreciation	<u>(21,529,515)</u>	<u>(22,540,292)</u>
Capital assets (net of accumulated depreciation)	<u>5,429,201</u>	<u>4,761,595</u>
Total assets	<u>31,361,503</u>	<u>33,259,940</u>
<b>Liabilities</b>		
Current liabilities:		
Medical claims and other payables	<u>7,064,232</u>	<u>8,825,824</u>
<b>Net Position</b>		
Investment in capital assets	5,429,201	4,761,595
Unrestricted	<u>18,868,070</u>	<u>19,672,521</u>
Total net position	<u>\$ 24,297,271</u>	<u>\$ 24,434,116</u>

See accompanying notes to basic financial statements

For the Year Ended June 30, 2013  
 With Comparative Totals  
 For the Year Ended June 30, 2012

## INTERNAL SERVICE FUNDS

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION

	Governmental Activities	
	2013	2012
Operating revenues:		
Charges for services	\$ 949,256	\$ 484,269
Charges for health insurance services	34,643,429	32,740,721
Total operating revenues	<u>35,592,685</u>	<u>33,224,990</u>
Operating expenses:		
Depreciation	1,192,966	1,225,297
Costs of services	115,493	198,391
Medical plan administration	2,685,073	2,721,110
Medical claims	32,930,154	29,558,815
Other costs	27,772	--
Total operating expenses	<u>36,951,458</u>	<u>33,703,613</u>
Operating (loss)	<u>(1,358,773)</u>	<u>(478,623)</u>
Non-operating revenues:		
Gain on sale of capital assets	49,363	--
Insurance proceeds	17,126	--
Investment income	105,467	551,478
Total non-operating revenues	<u>171,956</u>	<u>551,478</u>
Total income (loss) before capital contributions and transfers	<u>(1,186,817)</u>	<u>72,855</u>
Capital contributions	1,049,972	3,685,120
Transfers in - General Fund	--	2,488,830
Total capital contributions and transfers	<u>1,049,972</u>	<u>6,173,950</u>
Changes in net position	(136,845)	6,246,805
Net position at beginning of year	<u>24,434,116</u>	<u>18,187,311</u>
Net position at end of year	<u>\$ 24,297,271</u>	<u>\$ 24,434,116</u>

See accompanying notes to basic financial statements

	Governmental Activities	
	2013	2012
Cash flows from operating activities:		
Receipts from interfund activities	\$ 34,348,408	\$ 34,277,392
Payments for interfund services used	(27,772)	(85,891)
Payments for medical claims and other health insurance activity	(37,408,062)	(32,527,752)
Net cash flows provided by operating activities	<u>(3,087,426)</u>	<u>1,663,749</u>
Cash flows from non-capital financing activities:		
Transfers from other funds	--	2,488,830
Net cash flows provided by non-capital and related financing activities	<u>--</u>	<u>2,488,830</u>
Cash flow from capital and related financing activities:		
Acquisition of capital assets	(826,291)	(202,521)
Sale of capital assets	37,620	--
Insurance proceeds	17,126	--
Net cash used in capital and related financing activities	<u>(771,545)</u>	<u>(202,521)</u>
Cash flows from investing activities:		
Purchase of investments	3,753,504	(4,501,536)
Interest earnings received	105,467	551,478
Net cash used in investing activities	<u>3,858,971</u>	<u>--</u>
Net increase in cash	--	--
Cash at beginning of year	--	--
Cash at end of year	<u>\$ --</u>	<u>\$ --</u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating loss	\$ (1,358,773)	\$ (478,623)
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense	1,192,966	1,225,297
Change in assets and liabilities		
Receivables, net	(1,158,632)	1,870
Accounts and other payables	(1,762,987)	915,205
Net cash provided by operating activities	<u>\$ (3,087,426)</u>	<u>\$ 1,663,749</u>

See accompanying notes to basic financial statements

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

**B. Basis of Presentation**

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

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

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

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

### C. Fund Accounting

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

#### Governmental Funds

The district reports major governmental funds based on quantitative criteria:

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

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

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

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

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

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

**Food Service Fund** – this fund is used to account for the operations of the district’s Student Nutrition program. Financing is provided by user fees and proceeds received under the National School Lunch and Breakfast Programs.

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

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

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

#### D. Basis of Accounting/Measurement Focus

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

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

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

Application of the "susceptibility to accrual" criteria requires judgment, consideration of the materiality of the item in question, and due regard for the practicality of accrual, as well as consistency in application. Property taxes, charges for services and investment income are susceptible to accrual. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue sources are also considered susceptible to accrual. Some of the significant revenue sources susceptible to accrual are the Alaska Public School Funding Program, Non-Resident Tuition Program, Pupil Transportation Program, and the National School Lunch and Breakfast Programs. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured principal and interest on general long-term obligations 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, 2013, the district holds equity total of \$143,400,417 about 23.3% 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 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. Dollar denominated debt instruments of foreign governments rated “BBB” or better by S&P’s Rating Service or the equivalent by another nationally recognized rating agency.
11. 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.
12. 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.
13. Debt issued by the Tennessee Valley Authority.
14. Money market mutual funds rated “Am” or better by S&P Rating Service, or the equivalent by another nationally recognized rating agency, and consisting of any or all of the securities authorized for investment in this section of the Code.
15. Alaska Municipal League Investment Pool (AMLIP), consistent with all other provisions of this Code.
16. Mutual fund investments so long as the overall nature of the fund is generally consistent with this section of the Code.
17. Interfund loans from a Municipal Cash Pool to a Municipal Fund.

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

Fund	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC, NCUSIF) or collateralized by securities held by the Municipality or its agents in the Municipality's name:		
Demand deposits:		
Student Activities Special Revenue Fund	\$ 2,389,688	\$ 2,468,320
Time deposits:		
Student Activities Special Revenue Fund	<u>242,042</u>	<u>242,042</u>
Total	<u>2,631,730</u>	<u>2,710,362</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	(14,093,062)	4,629
Grand total	<u>\$ (11,461,332)</u>	<u>\$ 2,714,991</u>

The district's investments are not subject to custodial credit risk. A summary of the district's investments as of June 30, 2013 is as follows:

	<u>Carrying Amount</u>
District investments:	
Repurchase agreements	\$ 25,017,500
Investments through Municipality:	
Commercial paper	1,757,000
Money market	10,032
Investment discount	8,561
Certificates of deposit	101,000
United States Agency	5,160,000
Municipal Investment Pool	143,400,417
Cash with paying agent:	
U.S. government securities	<u>6,594,080</u>
Total district investments	<u>\$ 182,048,590</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, 2013. All discounted notes issued by the U.S. Government agencies have implied ratings of “A-1+” by S&P, “P-1” by Moody’s or “F1+” by Fitch.

	<u>Date Acquired</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Carrying Amount</u>
<b>General Fund</b>				
KeyBank				
Repurchase agreement	6/28/2013	0.10%	7/1/2013	\$ 23,820,000
Repurchase agreement	6/28/2013	0.10%	7/1/2013	1,197,500
Total KeyBank				<u>25,017,500</u>
Municipal Investment Pool				118,211,660
<b>Total General Fund</b>				<u><u>\$ 143,229,160</u></u>
<b>Capital Projects Fund</b>				
Commercial paper				
Royal Bank of Canada	10/1/2012	2.10%	7/29/2013	\$ 1,643,000
Coca-Cola	4/24/2013	0.15%	9/18/2013	6,000
Coca-Cola	4/24/2013	0.15%	9/18/2013	108,000
Total commercial paper				<u>1,757,000</u>
United States Agency				
FNMA Discount Note	9/27/2012	0.85%	7/10/2013	2,500,000
FHLMC Discount Note	10/11/2012	3.00%	7/29/2013	2,660,000
Total United States Agency				<u>5,160,000</u>
Investment premium				8,561
Municipal Investment Pool				297,080
<b>Total Capital Projects Fund</b>				<u><u>\$ 7,222,641</u></u>
<b>Internal Service Fund</b>				
Municipal Investment Pool				
Health Insurance Fund				\$ 15,455,385
Equipment Replacement Fund				9,284,747
<b>Total Internal Service Funds</b>				<u><u>\$ 24,740,132</u></u>

**Special Revenue Fund**

## Certificate of Deposit

Goldman Sachs	12/21/2011	1.10%	12/23/2013	\$	101,000
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## Money Market

Municipality of Anchorage	6/28/2012	0.10%	7/1/2013		10,032
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## Municipal Investment Pool

151,545

**Total Special Revenue Fund**\$ 262,577Cash with Paying Agent

The total amount of cash with paying agent at June 30 is \$6,594,080, which is recorded in the Capital Projects Fund and Debt Service

Due from Other Governments

The amounts due from the Municipality of Anchorage are generally for funds appropriated from local property taxes levied by Municipal Ordinance in support of the district. The amounts recorded in the General Fund and Debt Service Fund at June 30 are \$97,050,636 and \$20,409,199, respectively. In addition there is \$1,714,662 due from the municipality and State of Alaska for State of Alaska Legislative grants which are passed through the Municipality for the district.

The amounts due from the United States Government recorded in the General Fund include \$840,092 for Federal Impact Aid. The amounts due from the State of Alaska in the Special Revenue Funds include \$841,747 for 2013 reimbursements under cost reimbursable grants and \$59,768 for the final 2013 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 \$450,618 for 2013 reimbursements under the Aid for School Construction Program. The amounts due from the United States Government in the Grants Special Revenue Funds includes \$14,217,034 for 2013 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 2013 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 2013, 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:

**Contribution from Real and Personal Property Taxes**

Amount required by the district to fund the second half of the fiscal year 2012-2013 budget:

January 1, 2013 through June 30, 2013	\$239,963,319 x 50%	=	\$119,981,660
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Amount required by the district to fund the first half of the fiscal year 2013-2014 budget:

July 1, 2013 through December 31, 2013	\$234,919,669 x 50%	=	<u>\$117,459,835</u>
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Total amount required by the district for calendar year 2013			<u>\$237,441,495</u>
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**Computation of Mill Rate Required to Fund Calendar Year 2013**

Total amount required by the district for calendar year 2013	\$237,441,495
--	---------------

Assessed valuation	<u>\$32,252,920,113</u>
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Mill rate assessment for schools during calendar year 2013	7.36
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The district has accrued the taxes of \$97,050,636 and \$20,409,199 for funding of the first half of the fiscal year 2013-2014 budget as of June 30, 2013 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 \$2,000,213 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 \$276,870 and \$1,468,623, respectively, and are equally offset as non-spendable fund balance. \$290,398 is the value of the USDA food commodities under the consumption method of inventory at June 30. This amount is also reported as deferred inflows of resources at June 30. The total non-spendable fund balance for inventory in the General Fund is \$2,277,083.

#### Capital Assets

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

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

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

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

#### Compensated Absences

It is the district's policy to allow employees to accumulate earned but unused vacation pay benefits. Eight of the nine employee group agreements of the district allow for the payment of varying amounts of unused personal leave subject to certain restrictions and maximum accumulations. All other employees are paid for any accumulated personal leave upon request or at termination. The district records its liability for accrued leave as a commitment of 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 as well as being partially cashable for Anchorage Council of Education and Exempt employees.

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

Unearned Revenues

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

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

Long-term Obligations

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

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

Fund Balance Classifications

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

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

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

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

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

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

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

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

The following shows the composition of fund balance of the governmental funds for the fiscal year ended June 30, 2013:

	General Fund	Grants Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	Totals
<b>Non-spendable</b>						
Inventory	\$ 2,277,083	\$ --	\$ --	\$ --	\$ 1,468,623	\$ 3,745,706
Prepaid Items	9,099,391	9,559	--	2,017	5,079	9,116,046
Total non-spendable	11,376,474	9,559	--	2,017	1,473,702	12,861,752
<b>Restricted</b>						
Bond rating	23,550,356	--	--	--	--	23,550,356
Debt service	--	--	2,179,593	--	--	2,179,593
Federal Impact Aid - 8003(d)	612,805	--	--	--	--	612,805
Total restricted	24,163,161	--	2,179,593	--	--	26,342,754
<b>Committed</b>						
Accrued compensated absences	9,410,478	--	--	92,949	339,574	9,843,001
Services [1]	904,143	--	--	--	--	904,143
Supplies [1]	68,005	--	--	--	--	68,005
Equipment [1]	479,000	--	--	--	--	479,000
Authorized construction - other	--	--	--	11,932,591	--	11,932,591
Total committed	10,861,626	--	--	12,025,540	339,574	23,226,740
<b>Assigned</b>						
Federal Impact Aid - 8003(b)	19,657,598	--	--	--	--	19,657,598
Self-insurance	21,595,120	--	--	--	--	21,595,120
Subsequent year's expenditure	7,000,000	--	--	--	--	7,000,000
Services [1]	7,120,386	--	--	--	--	7,120,386
Supplies [1]	4,703,583	--	--	--	--	4,703,583
Equipment [1]	1,550,191	--	--	--	--	1,550,191
Student activities	--	--	--	--	4,800,117	4,800,117
Food services	--	--	--	--	14,365	14,365
Total assigned	61,626,878	--	--	--	4,814,482	66,441,360
Unassigned	23,407,831	(9,559)	--	--	--	23,398,272
Total fund balance	\$ 131,435,970	\$ --	\$ 2,179,593	\$ 12,027,557	\$ 6,627,758	\$ 152,270,878

[1] All items in these categories have been encumbered as of June 30, 2013

### Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings and deferred outflows and inflows of resources used for the acquisition, construction or improvement of those assets. Net position invested in capital assets, net of related debt excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the district or through external

restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted resources are used first to fund appropriation.

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

The district transferred \$7,613 from the Capital Projects Fund to the Debt Service Fund obtained from unused cost of issuance funds.

A summary of interfund receivables and payables for the year ended June 30, 2013 is as follows:

	<u>Interfund receivable</u>	<u>Interfund payable</u>
Major funds		
General Fund	\$ 17,143,372	\$ 10,412,389
Grants Special Revenue Fund	--	12,291,017
Debt Service Fund	--	4,824,311
Capital Projects Fund	7,859,428	--
Non-major funds	<u>2,552,961</u>	<u>28,044</u>
<b>Total</b>	<u><u>\$ 27,555,761</u></u>	<u><u>\$ 27,555,761</u></u>

A summary of interfund transfers for the year ended June 30, 2013 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds		
Debt Service Fund	\$ 7,613	\$ --
Capital Projects Fund	--	7,613
<b>Total</b>	<u>\$ 7,613</u>	<u>\$ 7,613</u>

#### F. Reclassification

Certain amounts included in the prior year financial statements have been reclassified to conform to current year classification. The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the district's financial statements for the year ended June 30, 2013, from which the summarized information was derived.

**NOTE 2 – CHANGES IN CAPITAL ASSETS**

The capital assets activity for the fiscal year ended June 30, 2013 is as follows:

	Balance July 1, 2012	Additions/ Transfers	Deductions/ Transfers	Balance June 30, 2013
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 42,357,063	\$ --	\$ --	\$ 42,357,063
Construction in progress	1,845,558	30,083,083	30,670,807	1,257,834
Total capital assets not being depreciated	<u>44,202,621</u>	<u>30,083,083</u>	<u>30,670,807</u>	<u>43,614,897</u>
Capital assets being depreciated:				
Land improvements	55,559,407	5,583,300	--	61,142,707
Buildings and equipment	1,570,967,715	26,998,688	4,300,267	1,593,666,136
Pupil transportation equipment	10,344,635	193,250	596,496	9,941,389
Total capital assets being depreciated	<u>1,636,871,757</u>	<u>32,775,238</u>	<u>4,896,763</u>	<u>1,664,750,232</u>
Less accumulated depreciation for:				
Land improvements	(38,193,531)	(1,462,745)	--	(39,656,276)
Buildings and equipment	(443,042,968)	(36,266,202)	(2,927,832)	(476,381,338)
Pupil transportation equipment	(8,921,871)	(172,822)	(596,496)	(8,498,197)
Total accumulated depreciation	<u>(490,158,370)</u>	<u>(37,901,769)</u>	<u>(3,524,328)</u>	<u>(524,535,811)</u>
Total capital assets, being depreciated, net	<u>1,146,713,387</u>	<u>(5,126,531)</u>	<u>1,372,435</u>	<u>1,140,214,421</u>
Governmental activities capital assets, net	<u>\$ 1,190,916,008</u>	<u>\$ 24,956,552</u>	<u>\$ 32,043,242</u>	<u>\$ 1,183,829,318</u>

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

Governmental activities:	Amount
General administration	\$ 242,137
Instruction	36,674,557
Pupil transportation	199,058
Operation and maintenance of plant	531,353
Community services	1,018
Food services	253,646
Total depreciation expense, governmental activities	<u>\$ 37,901,769</u>

Construction in progress, less projects completed in 2013 is comprised of the following:

	Project Authorization	Expended to June 30, 2013	Committed
Secondary schools:			
Bartlett High Kitchen Renovation	\$ 4,700,000	\$ --	\$ --
Bartlett High School Construction Academy	1,900,000	--	138,596
Begich Middle School Applied Tech	725,000	--	--
Central Middle School Design	3,100,000	--	--
Chugiak High School CTE	1,360,000	38,080	--
Chugiak High School Fire Alarm	750,000	23,040	67,611
Dimond High School Gym	857,118	--	480,670
East High School CTE	1,196,429	--	4,399
East High School Field Turf Improvements	1,415,822	--	1,143,646
Gruening Middle School Facility Upgrades	700,001	671	--
King Career Center Security Upgrades	700,000	18,754	10,072
King Career Center CTE	3,567,168	209,610	2,574,666
Mirror Lake Middle School Applied Tech	714,518	--	264,061
Mears Middle School Fire Alarm Upgrades	700,000	--	--
Romig Middle School Artificial Turf	1,062,223	--	819,330
Save High School Security Upgrades	280,213	2,054	80,252
Service High School Renovations	27,850,718	--	7,408,204
Service High School Field Turf Improvements	859,634	--	5,186
South High School Field Improvements	2,083,624	--	35,754
Steller Secondary School Electrical Upgrade	1,250,000	--	--
Steller Secondary School Roof Upgrade	750,000	--	--
West High School CTE	14,508,769	--	279,706
West High School Artificial Turf	2,138,093	--	1,797,177
West High School Renovation	3,150,000	--	--
Wendler Middle School Construction Academy	925,000	--	--
Other secondary schools	21,871,221	19,505	4,304,681
	<u>99,115,551</u>	<u>311,714</u>	<u>19,414,011</u>
Elementary schools:			
Aurora Elementary School Gym Upgrade	5,750,000	289	184,618
Bayshore Elementary School Doors and Windows	450,000	--	--
Bear Valley Elementary School Roof Replacement	1,024,122	--	250,087
Chugiak Elementary School Doors and Windows	450,000	--	--
College Gate Elementary School HVAC	1,500,000	--	--
Eagle River Elementary School Lighting	1,100,000	--	--
Girdwood Elementary School Roof	534,432	--	--
Girdwood Elementary School Design	1,937,446	--	1,250,024
Girdwood Elementary School Construction	23,000,000	--	--
Huffman Elementary School HVAC Upgrades	1,200,000	--	--
Mountain View Elementary School Design	1,250,000	--	--
Northwood Elementary School Doors and Windows	750,000	--	--
O'Malley Elementary School Sidewalk Upgrades	500,000	--	--
O'Malley Elementary School Roof Upgrade	1,415,474	--	29,823
Rabbit Creek Elementary School Design	1,500,000	--	--
Scenic Park Elementary School Security Upgrades	175,000	7,285	7,910
Susitna Elementary School Roof Upgrades	900,000	--	--
Turnagain Elementary School Boiler Replacement	600,000	4,069	60,222
Wonder Park Elementary School Facility Upgrades	300,000	--	--
Other elementary schools	25,190,928	328,233	4,274,388
	<u>69,527,402</u>	<u>339,876</u>	<u>6,057,072</u>

Construction in progress (continued):

## Other capital projects:

Districtwide Asbestos	329,337	168,051	651
Districtwide Electrical	116,558	9,836	--
Districtwide Facility Assessments	211,923	10,144	15,129
Districtwide Emergency Preparation	337,560	--	51,733
Districtwide Security Systems	874,584	870	81,783
Districtwide Building Renewal	808,524	369,226	21,090
Districtwide Roofs	26,267	--	--
Other capital projects	8,725,039	48,117	152,127
	<u>11,429,792</u>	<u>606,244</u>	<u>322,513</u>
	<u>\$ 180,072,745</u>	<u>\$ 1,257,834</u>	<u>\$ 25,793,596</u>

**NOTE 3 – CHANGES IN LONG-TERM OBLIGATIONS**

## A. General Obligation Bonds

The district does not have authority to issue debt independently. Therefore, all long-term debt is issued with the full faith and credit of the Municipality of Anchorage using general obligation bonds. These bonds provide funds for the acquisition and construction of major capital facilities for the district. There are a number of restrictions contained in the various bond indentures and the district is in compliance with all significant restrictions.

The following is a summary of long-term debt transactions of the district for the fiscal year ended June 30, 2013 (in thousands):

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
General obligation bonds	\$ 640,120	\$ 38,505	\$ 80,145	\$ 598,480
Unamortized premium/discount on bonds	13,925	2,255	6,906	9,274
Unamortized loss/(gain) on refunding	2,474	(1,522)	(158)	1,110
	<u>\$ 656,519</u>	<u>\$ 39,238</u>	<u>\$ 86,893</u>	<u>\$ 608,864</u>

## Defeasance of Debt

The district has defeased certain general obligation bonds by placing the proceeds of new bonds and other available funds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for defeased bonds are not included in the district's financial statements. At June 30, 2013 the amount of general obligation bonds considered defeased is \$178,820,000.

## B. Bonds Payable

Bonds payable at June 30, 2013 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 \$4,880,000 to \$5,120,000 through July 2014; interest at 5.0 percent	10,000	4,880
\$126,770,000 2003 series B school construction serial bonds due in annual installments of \$5,835,000 to \$6,080,000 through September 2014; interest at 4.125 percent to 4.25 percent	11,915	5,835
\$80,735,000 2004 series B school construction refunding bonds due in annual installments of \$3,000,000 to \$27,390,000 through December 2017; interest at 3.80 percent to 5.25 percent	76,765	3,615
\$86,240,000 2004 series D school construction serial bonds due in annual installments of \$3,775,000 to \$4,170,000 through December 2015; interest at 5.0 percent	11,910	3,775
\$63,850,000 2005 series A school construction serial bonds due in annual installments of \$2,820,000 to \$3,050,000 through March 2016; interest at 4.0 percent to 5.0 percent	8,805	2,820
\$29,155,000 2005 series B school construction refunding bonds due in annual installments of \$55,000 to \$8,140,000 through December 2020; interest at 4.0 percent to 5.0 percent	28,795	3,390
\$14,790,000 2005 series E school construction refunding bonds due in annual installments of \$3,3735,000 to \$4,110,000 through December 2018; interest at 5.0 percent	11,755	--
\$48,495,000 2006 series A school construction serial bonds due in annual installments of \$2,000,000 to \$3,640,000 through October 2026; interest at 4.0 percent to 5.0 percent	38,015	2,000
\$28,885,000 2006 series B school construction refunding bonds due in annual installments of \$5,890,000 to \$6,185,000 through October 2020; interest at 5.0 percent	12,075	--
\$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	50,665	190
\$171,155,000 2007 series B school construction refunding bonds due in annual installments of \$60,000 to \$29,530,000 through September 2024; interest at 4.0 percent to 5.0 percent	169,790	60
\$63,790,000 2007 series D school construction serial bonds due in annual installments of \$2,450,000 to \$4,885,000 through August 2027; interest at 4.25 percent to 5.0 percent	52,955	2,450
\$29,840,000 2008 series B school construction serial bonds due in annual installments of \$1,105,000 to \$2,285,000 through August 2028; interest at 4.0 percent to 5.25 percent	25,835	1,105

## Bonds payable (continued):

\$20,025,000 2010 series B school construction serial bonds due in annual installments of \$830,000 to \$1,345,000 through April 2030; interest at 2.0 percent to 5.91 percent	17,740	830
\$4,940,000 2011 series B school construction serial bonds due in annual installments of \$460,000 to \$550,000 through August 2021; interest at 2.0 percent to 3.0 percent	4,490	460
\$28,310,000 2011 series C school construction refunding bonds due in annual installments of \$1,285,000 to \$10,050,000 through August 2020; interest at 4.0 percent to 5.0 percent	18,725	10,050
\$14,425,000 2012 series C school construction serial bonds due in annual installments of \$615,000 to \$975,000 through August 2032; interest at 2.0 percent to 5.0 percent	14,425	615
\$24,080,000 2012 series D school construction refunding bonds due in annual installments of \$4,290,000 to \$15,265,000 through August 2015; interest at 2.0 percent to 5.0 percent	<u>24,080</u>	<u>15,265</u>
	<u>\$ 598,480</u>	<u>\$ 57,340</u>

The annual requirements to amortize all general obligation debt outstanding for the year ended June 30, 2013, including interest payments in the amount of \$170,901,440 are as follows (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 57,340	\$ 27,354	\$ 84,694
2015	58,425	24,925	83,350
2016	55,900	22,222	78,122
2017	53,700	19,448	73,148
2018	50,885	16,852	67,737
2019-2023	226,435	48,840	275,275
2024-2028	86,360	10,457	96,817
2029-2033	9,435	804	10,239
	<u>\$ 598,480</u>	<u>\$ 170,902</u>	<u>\$ 769,382</u>

## C. Bonds Authorized But Unissued

For the year ended June 30, 2013, the Municipality has the following authorized but unissued general obligation bonds for schools (in thousands):

<u>Purpose</u>	<u>Election Date</u>	<u>Interest Limitation</u>	<u>Authorized Amount</u>	<u>Amount Issued</u>	<u>Remaining Authorization</u>
Construction/renovation/ replacement/major maintenance	April 03, 2007	none	\$ 85,000	\$ 80,745	\$ 4,255
Construction/renovation/ replacement/major maintenance	April 01, 2008	none	43,710	35,120	8,590
Construction/renovation/ replacement/major maintenance	April 01, 2011	none	17,000	7,500	9,500
Construction/renovation/ replacement/major maintenance	April 03, 2012	none	59,077	12,000	47,077
Construction/renovation/ replacement/major maintenance	April 02, 2013	none	54,825	--	54,825
			<u>\$ 259,612</u>	<u>\$ 135,365</u>	<u>\$ 124,247</u>

## D. Refunded Bonds

In the fiscal year ended June 30, 2013, the Municipality of Anchorage issued \$24,080,000 general obligation refunding school bonds to refund \$24,720,000 of general obligation school bonds, resulting in a decrease of \$1,504,758 in total debt service. The economic gain of this refunding is \$1,832,934. The bonds refunded are as follows (in thousands):

	<u>Total Issue</u>	<u>Refunded Principal</u>
2002 General Obligation School Bonds, Series B	\$ 131,800	\$ 6,350
2002 General Obligation Refunding School Bonds	70,345	18,370
	<u>\$ 202,145</u>	<u>\$ 24,720</u>

## E. Compensated Absences

General Fund, Grants Special Revenue Fund, Food Service Special Revenue Fund and Capital Projects Fund will liquidate the liability of compensated absences. The balance of compensated absences for the fiscal year ended June 30, 2013 is as follows:

<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
\$ 10,411,732	\$ 3,888,506	\$ 3,828,743	\$ 10,471,495	\$ 3,928,200

## F. Workers' Compensation Payable

General Fund, Grants Special Revenue Fund, Food Service Special Revenue Fund and Capital Projects Fund will liquidate the liability of workers' compensation. The balance of workers' compensation for the fiscal year ended June 30, 2013 is as follows:

<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
\$ 15,909,819	\$ 4,944,135	\$ 5,447,938	\$ 15,406,016	\$ 5,621,000

**NOTE 4 – RETIREMENT PLANS**

As of June 30, 2013, substantially all employees of the district are either members of the Alaska Public Employees' Retirement System (PERS) or the Alaska Teachers' Retirement System (TRS). Both plans are either defined benefit or defined contribution pension plans, dependent on the date of membership. The TRS is a cost-sharing multiple employer plan which covers teachers and other eligible participants. The PERS was originally established as an agent multiple employer plan, but was converted by legislation to a cost-sharing plan, effective July 1, 2008. PERS covers eligible state and local government employees, other than teachers. Both plans were established and are administered by the State of Alaska to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by state law and may be amended only by the state legislature. In addition to PERS, the Alaska Teamster-Employer Pension Trust Fund also covers bus drivers and attendants. The Alaska Teamster-Employer Pension Trust Fund Plan is a multi-employer cost-sharing defined benefit plan created and administered by Teamster Local 959.

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

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

## A. State Retirement Systems

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

#### Plan Description and Provisions

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

#### Pension Benefits

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

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

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

#### Postemployment Health Care Benefits

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

Employees hired after July 1, 2006, who have at least ten years of credited services, are eligible for medical benefits after retirement. If they are not eligible for Medicare, they must pay full premium. After eligible for Medicare, the retiree will be responsible for premium at a reduced percentage

depending on the years of services. Retirees may use health reimbursement arrangement (HRA) account to pay premium. After the HRA is exhausted, retirees need to pay the premium by themselves.

#### PERS Conversion to Cost Sharing

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

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

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

##### Plan Description and Provisions

The Alaska Teachers' Retirement System is created and administered by the State of Alaska to provide benefits for teachers of the State of Alaska. Benefit and contribution provisions are established by Alaska law and may be amended only by the Alaska State Legislature. All the district's certificated employees are participants in TRS. Similar to PERS, TRS is also a tiered retirement system. Employees hired before July 1, 2006 participate in Tiers I-II, a multi-employer cost-sharing defined benefit public retirement plan. Employees hired on or after July 1, 2006 participate in Tiers III, a defined contribution retirement plan. The payroll for employees covered by TRS for the year ended June 30, 2013 was \$260,929,459 which compares to the district's total payroll of \$371,512,303.

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

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 43 accounting rate.

The district's contribution rates for the year ended June 30, 2013 were determine as part of the June 30, 2010 actuarial valuation and are as follows:

<b>PERS</b>	Contractual Rate	ARM Board Adopted Rate	GASB 43 Rate*
Pension	9.67 %	15.75 %	24.95 %
Postemployment healthcare	12.33	20.09	39.93
<b>Total contribution rate</b>	<u>22.00 %</u>	<u>35.84 %</u>	<u>64.88 %</u>

<b>TRS</b>	Contractual Rate	ARM Board Adopted Rate	GASB 43 Rate*
Pension	6.46 %	27.09 %	47.23 %
Postemployment healthcare	6.10	25.58	60.07
<b>Total contribution rate</b>	<u>12.56 %</u>	<u>52.67 %</u>	<u>107.30 %</u>

\*This rate uses an 8.00% pension discount rate for both PERS and TRS and a 6.88% and 5.01% healthcare discount rate for PERS and TRS respectively. Additionally, the GASB 43 rate disregards all 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 13.84% 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 \$13,813,835 as revenue and expenditure in these financial statements. However, because the district is not statutorily obligated for these payments, this amount is excluded from pension and OPEB cost as described here. The district's annual pension and other postemployment benefit (OPEB) costs for the years ending June 30, 2013, 2012, and 2011, respectively, were equal to the contractually agreed upon rate for each year.

Year ended June 30	Annual Pension Cost	Annual OPEB Cost	Total Benefit Cost (TBC)	District Contributions	Percent of TBC Contributed
2013	\$ 9,173,046	\$ 11,698,504	\$ 20,871,550	\$ 20,871,550	100
2012	10,106,897	11,112,706	21,219,603	21,219,603	100
2011	7,524,644	13,556,450	21,081,094	21,081,094	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 40.11% 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 \$103,156,512 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, 2013, 2012, and 2011, respectively, were equal to the contractually agreed upon rate for each year.

Year ended June 30	Annual Pension Cost	Annual OPEB Cost	Total Benefit Cost (TBC)	District Contributions	Percent of TBC Contributed
2013	\$ 16,747,499	\$ 15,816,177	\$ 32,563,676	\$ 32,563,676	100
2012	20,311,619	12,212,991	32,524,610	32,524,610	100
2011	16,856,880	15,131,369	31,988,249	31,988,249	100

#### Defined Contribution Pension Plan

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

	PERS Tier IV	TRS Tier III
Individual account	5.00 %	7.00 %
Retiree medical	0.48	0.49
Occupational death and disability benefits	0.14	--
	<u>5.62 %</u>	<u>7.49 %</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, 2013 were \$3,556,524 and \$2,621,250 respectively. The district and employee contributions to TRS for the year ended June 30, 2013 were \$7,409,666 and \$5,594,248, 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.

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

The Alaska Teamster-Employer Pension Trust Fund is a cost-sharing multi-employer defined benefit plan for bus drivers and attendants. 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 \$265,122 in 2013 \$250,452 in 2012, and \$224,444 in 2011 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, 2013 was \$3,329,797, which compares to the district's total of \$371,512,303. Employees are not required to make contributions towards the trust fund.

#### **NOTE 5 – POSTEMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 4, the district provides basic postemployment health care benefits, in accordance with state statutes, to all employee groups who retired through the State of Alaska retirement plans. The district also provides supplemental post-employment health care benefits, in accordance with the employment contract settlement agreement, to all employee groups who retired and elected to participate in the plan as of September 1974 through June 30, 1977. The number of retirees covered under this plan is 51 as of June 30, 2013. The cost of the retiree supplemental health benefits is recognized as expenditure when incurred. The total amount expended for the year ended June 30, 2013 is \$78,592.

**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 an assignment of fund balance in the General Fund to account for workers' compensation and other liability claims and incurred but not reported claims. The assignment for self-insurance in the General Fund also provides for emergency funds to cover the self-insured retention in the event of multiple losses. The portion has been set at \$21,595,120. 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, 2013 is dependent upon future developments. The district has no settlements that exceeded the amount of insurance coverage.

Changes in the funds' claims liability amounts in 2013, 2012, and 2011 are as follows:

		Liability Balance July 1	Current Year Claims and Changes in Estimates	Claims Payment	Liability Balance June 30
2013	Health	\$ 9,164,719	\$ 30,806,770	\$ 32,930,154	\$ 7,041,335
	Unemployment	58,536	522,346	494,499	86,383
	Workers' Comp	15,909,819	4,988,250	5,492,053	15,406,016
		<u>\$ 25,458,125</u>	<u>\$ 35,217,173</u>	<u>\$ 35,542,224</u>	<u>\$ 25,133,074</u>
2012	Health	\$ 8,361,004	\$ 30,362,530	\$ 29,558,815	\$ 9,164,719
	Unemployment	117,633	436,983	496,080	58,536
	Workers' Comp	16,979,488	4,417,660	5,487,329	15,909,819
		<u>\$ 25,458,125</u>	<u>\$ 35,217,173</u>	<u>\$ 35,542,224</u>	<u>\$ 25,133,074</u>
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>

**NOTE 7 – COMMITMENTS**

Commitments under lease agreements for the various administration buildings provide for minimum annual rental payments of \$2,711,670. Rent expenditures for the year ended June 30, 2013 were \$6,223,745.

**NOTE 8 – CONTINGENT LIABILITIES**Grants

The district participates in a variety of state and federal assistance and revenue sharing programs. These programs are subject to program compliance review by the grantors or their representatives. The audits of some of these programs before and including the year ended June 30, 2013 have not been concluded. Accordingly, the district's compliance with applicable grantor revenue sharing programs will be established at some future date. Any disallowed claims, including amounts already collected, would become a liability of the General Fund or other applicable fund. In management's opinion, disallowed claims, if any, will be immaterial.

Property Tax Limitation

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

Litigation

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

**NOTE 9 – RELATED PARTY TRANSACTIONS**

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

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

Property taxes collected		
General Fund	\$	192,544,224
Debt Service Fund		40,061,778
Grant revenues received from the Municipality of Anchorage		
State and Federal Grants Special Revenue Fund	\$	79,201
Charges for services:		
Operations of swimming pools	\$	610,460
Property tax collection		253,000
School resource officers		2,721,483
Joint property and liability insurance:		
Purchase of a single property and liability policy, which covers both the municipality and district	\$	2,078,633

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

**NOTE 10 – RESTATEMENTS**

The District has adopted newly issued GASB pronouncement numbers 63 and 65, resulting in a change in presentation for the financial statements. The new pronouncements require, among other things, that debt issuance costs be recognized as an expense in the year incurred, rather than capitalizing and amortizing these costs over the life of the debt. Retroactive restatement is required in the year of adoption and for the prior year comparative balances as well. The beginning net position for fiscal year 2012 has been restated by \$ (3,572,149):

Net position, beginning as previously reported	\$ 645,690,538
Change in accounting principle adjustment	<u>(3,572,149)</u>
Net position, beginning, as restated	<u>\$ 642,118,389</u>
Net position, beginning, as restated	\$ 642,118,389
Change in net position	<u>33,927,165</u>
Net position, ending	<u>\$ 676,045,554</u>

**NOTE 11 – CHANGE IN ACCOUNTING PRINCIPLES**

The District has adopted newly issued GASB pronouncements 63 and 65, resulting in a change in presentation of the financial statements. The new pronouncements require reporting two new categories of accounts. Certain items previously reported as assets are now categorized as deferred outflows. A deferred outflow represents the consumption of the government's net position that is applicable to a future reporting period. Other items previously categorized as liabilities are now categorized as deferred inflows. A deferred inflow represents the acquisition of net position that is applicable to a future reporting period. For example, property taxes that have been levied to fund the second half of the fiscal year 2013-2014 budget are now reported as deferred inflows. In the government-wide financial statements, the residual net of all accounts is now called net position. As discussed further in Note 11, these statements have been retrospectively applied resulting in a restatement of opening net position.

**NOTE 12 – NEW ACCOUNTING PRONOUNCEMENTS**

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, but believes that that GASB Statement 68 will result in the biggest reporting change. Actual impacts have not yet been determined:

GASB 66 – Technical Corrections – 2012 – Effective for year-end June 30, 2014 – This statement contains certain technical corrections to prior GASB statements on the topics of Risk Financing, Operating Leases, Loan Purchases, and Servicing Fees.

GASB 67 – Financial Reporting for Pension Plans – 2013 – Effective for year-end June 30, 2014 – This statement contains certain revisions to prior GASB statements on the topic of improving financial reporting by state and local governmental pension plans.

GASB 68 – Accounting and Financial Reporting for Pensions – 2013 – Effective for year-end June 30, 2015 – This statement contains certain revisions to prior GASB statements on the topics of Net Pension Liability and Pension Expense.

GASB 69 – Government Combinations and Disposals of Government Operations – 2013 – Effective for year-end June 30, 2015 – This statement contains certain disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and effects of these transactions.

GASB 70 – Accounting and Financial Reporting for Non-exchange Financial Guarantees – Effective for year-end June 30, 2014 – This statement contains reporting requirements when a government financially guarantees the obligations of another government, non-profit, or private entity without receiving equal value in exchange.

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## Required Supplementary Information

For the Year Ended June 30, 2013

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
<b>Revenues:</b>						
Revenues from local sources:						
Appropriation from Municipality of Anchorage	\$ 192,544,224	\$ --	\$ 192,544,224	\$ 199,901,539	\$ 199,901,539	\$ (7,357,315)
Reimbursement for school facilities rental	830,974	--	830,974	775,000	775,000	55,974
Nonresident tuition	12,195	--	12,195	50,000	50,000	(37,805)
Investment income	(63,547)	--	(63,547)	2,450,000	2,450,000	(2,513,547)
E-Rate	1,943,589	--	1,943,589	1,700,000	1,700,000	243,589
Other revenues	2,108,582	6,000,000	8,108,582	7,694,000	7,694,000	414,582
Total revenues from local sources	197,376,017	6,000,000	203,376,017	212,570,539	212,570,539	(9,194,522)
Revenues from state sources:						
Public school funding program	325,447,015	--	325,447,015	314,000,452	314,000,452	11,446,563
School improvement grant	7,566,666	--	7,566,666	7,543,981	7,543,981	22,685
Transportation	21,380,424	--	21,380,424	21,599,296	21,599,296	(218,872)
Retirement systems employer relief	109,376,625	(109,376,625)	--	--	--	--
On-Base tuition	408,484	--	408,484	408,484	408,484	--
Total revenues from state sources	464,179,214	(109,376,625)	354,802,589	343,552,213	343,552,213	11,250,376
Revenues from federal sources:						
Reserve Officers Training Corps	818,171	--	818,171	850,000	850,000	(31,829)
Federal Impact Aid	20,386,885	--	20,386,885	21,022,000	21,022,000	(635,115)
Medicaid reimbursement	--	--	--	--	--	--
Total revenues from federal sources	21,205,056	--	21,205,056	21,872,000	21,872,000	(666,944)
Total revenues	682,760,287	(103,376,625)	579,383,662	577,994,752	577,994,752	1,388,910
<b>Expenditures:</b>						
Current:						
General administration	30,119,251	(2,091,368)	28,027,883	20,596,987	20,717,583	(7,310,300)
Instruction	548,158,584	(101,993,850)	446,164,734	456,749,903	456,762,363	10,597,629
Pupil transportation	22,809,852	(715,278)	22,094,574	22,042,020	22,037,444	(57,130)
Operation and maintenance of plant	76,873,647	(3,489,197)	73,384,450	74,941,949	74,813,469	1,429,019
Community services	3,507,066	203,507	3,710,573	3,663,893	3,663,893	(46,680)
Total expenditures	681,468,400	(108,086,186)	573,382,214	577,994,752	577,994,752	4,612,538
Excess of revenues over expenditures	1,291,887	4,709,561	6,001,448	--	--	6,001,448

See accompanying notes to required supplementary information  
(Continued)

For the Year Ended June 30, 2013

**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	\$ 2,660	\$ --	\$ 2,660	\$ --	\$ --	\$ 2,660
Total other financing sources and (uses)	<u>2,660</u>	<u>--</u>	<u>2,660</u>	<u>--</u>	<u>--</u>	<u>2,660</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>1,294,547</u>	<u>\$ 4,709,561</u>	<u>\$ 6,004,108</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,004,108</u>
Fund balance at beginning of year	<u>130,141,423</u>					
Fund balance at end of year	<u>\$ 131,435,970</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		\$ 682,760,287
Add: budgeted fund balance	\$ 6,000,000	
Deduct: retirement systems employer relief	<u>(109,376,625)</u>	
		<u>(103,376,625)</u>
Revenues reported on the basis of budgeting		<u>579,383,662</u>
Expenditures reported on the basis of GAAP		681,468,400
Add: current year encumbrances	\$ 9,428,292	
Deduct: retirement systems employer relief	<u>(109,376,625)</u>	
Deduct: expenditures on prior year's encumbrances	<u>(8,137,853)</u>	
		<u>(108,086,186)</u>
Expenditures and encumbrances reported on the basis of budgeting		<u>573,382,214</u>
Excess of revenues over expenditures on the basis of budgeting		<u>\$ 6,001,448</u>

See accompanying notes to required supplementary information

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

For the Year Ended June 30, 2013

	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	\$ 17,963	\$ --	\$ 17,963	\$ 19,000	\$ (1,037)
Clark Community Health Center	1,387	--	1,387	--	1,387
Community Partners Diversity Project	1,875	(900)	975	1,225	(250)
Contingency	--	--	--	23,505,293	(23,505,293)
Donations From Local Agencies	232,331	30,296	262,627	372,360	(109,733)
MOA Recycling	79,201	--	79,201	47,000	32,201
NoVo Foundation Social and Emotional Learning	175,278	--	175,278	590,000	(414,722)
Reading is Fundamental	--	--	--	--	--
State Farm - Raise Your Voice	--	--	--	--	--
Total revenues from local grants	508,035	29,396	537,431	24,534,878	(23,997,447)
Revenues from state grants:					
Designated Legislative Grants					
Senate Bill 46	449,528	(155,159)	294,369	700,000	(405,631)
Senate Bill 160	1,170,345	233,347	1,403,692	2,855,075	(1,451,383)
Senate Bill 221	39,822	(198)	39,624	--	39,624
Senate Bill 230	88,212	6,204	94,416	--	94,416
Senate Bill 231	--	--	--	--	--
Total Designated Legislative Grants	1,747,907	84,194	1,832,101	3,555,075	(1,722,974)
Alaska Science and Technology Program	309	--	309	--	309
Contract Schools - Memorandum of					
Agreement - Alaska State School for Deaf	307,536	--	307,536	319,000	(11,464)
Alaska Studies	--	--	--	--	--
Alternative Schools Health and Wellness	143,493	1,672	145,165	147,889	(2,724)
Anchorage Construction Academy	536,522	--	536,522	600,000	(63,478)
Comp. Behavioral Health	392,887	--	392,887	392,620	267
Cultural Collaboration Project	9,893	762	10,655	12,050	(1,395)
Elementary Running Initiative	--	--	--	--	--
Farm to School	942	--	942	5,200	(4,258)
Nutritional AK Foods	77,287	--	77,287	642,724	(565,437)
McLaughlin Equipment and Supplies Funds	--	--	--	--	--
Pre-school Kindergarten Program	170,297	--	170,297	159,300	10,997
Providence Heights	141,885	--	141,885	145,000	(3,115)
Retirement Systems Employer Relief	6,600,351	(6,600,351)	--	--	--
Youth in Detention	537,619	2,676	540,295	512,252	28,043
Total revenues from state grants	10,666,928	(6,511,047)	4,155,881	6,491,110	(2,335,229)
Revenues from federal grants:					
Access to Education for Homeless Children Program	\$ 41,300	\$ --	\$ 41,300	\$ 41,310	\$ (10)
Alaska Family Directory Website	28,987	--	28,987	29,000	(13)
Alaska ICE	29,537	--	29,537	--	29,537
Alaska Mentorship Project	482,452	112,249	594,701	1,061,431	(466,730)
Alaska Network for Understanding History	286,481	19,889	306,370	300,000	6,370
Alaska Parent Information & Resource Center	--	--	--	--	--
Alaska State School for Deaf Program	59,189	--	59,189	73,000	(13,811)
Artist in Schools	4,044	(4,044)	--	--	--
Big Brothers Big Sisters Mentoring	11,744	--	11,744	37,537	(25,793)
Carl Perkins Vocational Education Basic	966,588	7,565	974,153	1,148,151	(173,998)
Community Centers Learning Program	1,790,746	--	1,790,746	1,994,168	(203,422)
Education Jobs Fund	213,393	--	213,393	213,393	--
EPA Creek Revitalization	19,153	--	19,153	30,280	(11,127)
Excellence in Economic Education Program	--	--	--	--	--
Foreign Language Assistance Program	178,143	(19,295)	158,848	--	158,848
Learn and Serve Begich - Community Services	--	--	--	--	--
Military Impacted Students	649,903	(39,641)	610,262	1,010,336	(400,074)
Pre-School Handicapped	406,351	300	406,651	474,785	(68,134)

For the Year Ended June 30, 2013

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)
Presidential Award Program	\$ 1	\$ --	\$ 1	\$ --	\$ 1
Project Impact	148,737	--	148,737	--	148,737
Project Ki'l	720,638	(56,492)	664,146	729,071	(64,925)
Project LEAP	2,039	--	2,039	6,500	(4,461)
Project MORE	380,464	(22,972)	357,492	1,125,367	(767,875)
Project Puqigtut	516,922	35,152	552,074	646,432	(94,358)
Reading is Fundamental	--	--	--	--	--
Refugee Support Services	22,078	961	23,039	45,000	(21,961)
Safe Routes to the School	2,590	(3,178)	(588)	--	(588)
School Health Program	25,897	--	25,897	26,000	(103)
Salmon in the Classroom	--	--	--	--	--
Second Order Prevention Project	109,328	(6,127)	103,201	--	103,201
StarTalk - Chinese Language Culture Summer Camp	92,321	825	93,146	99,945	(6,799)
Teaching American History Program	19,684	(10,993)	8,691	--	8,691
Teaching With Primary Sources Program	3,828	--	3,828	6,670	(2,842)
Title I -No Child Left Behind Act					
Delinquent and At-Risk Youth Program	174,122	--	174,122	228,713	(54,591)
District-wide	8,152,697	(86,080)	8,066,617	11,056,862	(2,990,245)
Highly Qualified Program	4,378	--	4,378	10,000	(5,622)
McLaughlin Youth Center	128,304	--	128,304	129,308	(1,004)
Parent Involvement Program	203,443	5,704	209,147	265,610	(56,463)
Professional Development	1,743,300	(151,626)	1,591,674	1,959,517	(367,843)
School Improvement Program	186,428	--	186,428	392,443	(206,015)
Supplemental Education Services Program	1,194,371	--	1,194,371	1,298,249	(103,878)
Total Title I - No Child Left Behind	11,787,043	(232,002)	11,555,041	15,340,702	(3,785,661)
Title I -Migrant Education					
Book Program	7,249	--	7,249	7,250	(1)
District-wide	1,284,610	--	1,284,610	1,284,610	--
Parent Involvement	2,528	--	2,528	5,000	(2,472)
Summer Program	856,968	67,653	924,621	1,182,644	(258,023)
Total Title I -Migrant Education	2,151,355	67,653	2,219,008	2,479,504	(260,496)
Title II-A - Professional Development Program	3,205,795	--	3,205,795	3,913,646	(707,851)
Title II-D - Enhancing Education Through Technology	--	--	--	--	--
Title III - English Language Acquisition	401,416	--	401,416	460,628	(59,212)
Title VI-B - Education of All Handicapped Children Act	11,811,326	(18,239)	11,793,087	15,581,966	(3,788,879)
Title VII - Indian, Native Hawaiian, and Alaska					
Native Education	2,812,723	57,688	2,870,411	2,880,540	(10,129)
USDA Fruit and Vegetables	683,167	--	683,167	683,650	(483)
We can	1,029	(454)	575	--	575
Work Investment Act School Youth Program	28,387	--	28,387	35,000	(6,613)
Total revenues from federal grants	40,094,779	(111,155)	39,983,624	50,474,012	(10,490,388)
Total revenues	\$ 51,269,742	\$ (6,592,806)	\$ 44,676,936	\$ 81,500,000	\$ (36,823,064)

See accompanying notes to required supplementary information  
(Continued)

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

For the Year Ended June 30, 2013

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Original and Final Budget	Variance Positive (Negative)
Expenditures:					
Current:					
Instruction:					
Local grants	\$ 508,035	\$ 29,396	\$ 537,431	\$ 24,534,878	\$ 23,997,447
State grants	10,666,928	(6,511,047)	4,155,881	6,491,110	2,335,229
Federal grants	40,094,779	(111,155)	39,983,624	50,474,012	10,490,388
Total expenditures	<u>51,269,742</u>	<u>(6,592,806)</u>	<u>44,676,936</u>	<u>81,500,000</u>	<u>36,823,064</u>
Excess of revenues over expenditures	--	--	--	--	--
Fund balance at beginning of year	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

BASIS OF BUDGETING - State and Federal Grants Special Revenue Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual has been prepared on a legally prescribed basis of budgeting which differs from accounting principles generally accepted in the United States of America (GAAP). The purpose of the basis of budgeting is to demonstrate 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		\$ 51,269,742
Add revenues from current year encumbrances	\$ 913,705	
Deduct retirement systems employer relief	(6,600,351)	
Deduct revenues on prior year encumbrances	<u>(906,160)</u>	
		<u>(6,592,806)</u>
Revenues reported on the basis of budgeting		<u>44,676,936</u>
Expenditures reported on the basis GAAP		51,269,742
Add current year encumbrances	\$ 913,705	
Deduct retirement systems employer relief	(6,600,351)	
Deduct expenditures on prior year encumbrances	<u>(906,160)</u>	
		<u>(6,592,806)</u>
Expenditures and encumbrances reported on the basis of budgeting		<u>44,676,936</u>
Excess of revenue over expenditures on the basis of budgeting		<u>\$ --</u>

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**BUDGETARY DATA**

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

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

The legal level on which expenditures may not exceed the aggregate total budget of the combined budgets is the total of the following funds: General Fund, 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 Grants Special Revenue Fund is authorized and maintained by the granting agencies. Under the Grants Special Revenue Fund, the management of the district may request budget revisions and transfers within a grant subject to the approval of the granting agencies. In addition, under the Grants Special Revenue Fund, the district may revise a grant within the state code line item budget without the approval of the granting agencies. The Board may amend the upper limit of the aggregate total budget, by budget revision subject to the approval of the Assembly.

On March 13, 2012, the Assembly approved Assembly Ordinance AO NO. 2012-25 determining and approving the district's combined budget of \$726,842,354 with \$239,963,319 in local tax appropriation for the following funds: General Fund, Grants Special Revenue Fund, Food Service Special Revenue Fund and Debt Service Fund.

On June 11, 2012 the School Board approved the revised financial plan with ASD Memorandum No. 289 (2011-2012) to account for increases in funding totaling \$38,306,769. The Assembly approved the revised financial plan increasing the upper limit from \$726,842,354 to \$765,149,123 with Assembly Ordinance AO NO. 2012-61 on June 19, 2012.

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

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

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

Capital legislative grants of \$17,601,000 from Senate Bill 160 were budgeted in the Grants Special Revenue Fund and were included in the upper limit budget; however, the corresponding expenditures are recorded in the Capital Projects Fund. The following is a summary of the upper limit spending with regard to the Grants Special Revenue Fund and the Senate Bill 160 appropriation included in the Capital Projects Fund:

	Budget	Budget Basis Expenditures	Variance
Grants Special Revenue Fund	\$ 63,899,000	\$ 44,676,936	\$ 19,222,064
Capital Projects Fund - SB 160	17,601,000	8,261,099	9,339,901
Total	<u>\$ 81,500,000</u>	<u>\$ 52,938,035</u>	<u>\$ 28,561,965</u>

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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, 2013  
With Comparative Totals for  
June 30, 2012

## BALANCE SHEET

	2013	2012
<b>Assets</b>		
Cash and investments	\$ 129,136,098	\$ 107,839,202
Accounts receivable (net of any allowances for uncollectables)	1,302,952	934,169
Due from other funds:		
State and Federal Grants Special Revenue Fund	12,291,017	17,070,241
Student Activity Special Revenue Fund	28,044	25,324
Debt Service Fund	4,824,311	18,697,524
Due from other governments:		
Municipality of Anchorage	97,050,636	99,950,770
United States Government	840,092	2,246,923
Prepaid items	9,099,391	9,836,354
Inventory, at weighted average cost	2,277,083	2,921,971
Total assets	<u>\$ 256,849,624</u>	<u>\$ 259,522,478</u>
<b>Liabilities</b>		
Accounts payable	\$ 5,390,744	\$ 2,294,406
Medical claims payable	--	338,894
Due to other funds:		
Food Service Special Revenue Fund	614,544	1,279,231
Student Activity Special Revenue Fund	1,938,417	1,813,180
Capital Projects Fund	7,859,428	10,484,267
Accrued salaries and related items:		
Wages and salaries payable	1,557,781	2,697,840
Payroll taxes, other accrued and withheld items	11,001,869	10,464,788
Unearned revenue	235	57,679
Total liabilities	<u>28,363,018</u>	<u>29,430,285</u>
<b>Deferred inflows of resources</b>		
General property tax appropriations	97,050,636	99,950,770
Total deferred inflows of resources	<u>97,050,636</u>	<u>99,950,770</u>
<b>Fund balance</b>		
Non-spendable	11,376,474	12,758,325
Restricted	24,163,161	24,327,135
Committed	10,861,626	11,888,710
Assigned	61,626,878	57,489,859
Unassigned	23,407,831	23,677,394
Total fund balance	<u>131,435,970</u>	<u>130,141,423</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 256,849,624</u>	<u>\$ 259,522,478</u>

For the Year Ended June 30, 2013  
 With Comparative Totals  
 For the Year Ended June 30, 2012

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

	2013	2012
Revenues:		
Revenues from local sources:		
Appropriation from Municipality of Anchorage	\$ 192,544,224	\$ 196,307,312
Reimbursement for school facilities rental	830,974	734,693
Non-resident tuition	12,195	6,713
Investment income (loss)	(63,547)	2,144,897
E-Rate	1,943,589	1,838,543
Other revenues	2,108,582	1,697,197
Total revenues from local sources	<u>197,376,017</u>	<u>202,729,355</u>
Revenues from state sources:		
Public school funding program	325,447,015	311,645,866
School improvement grant	7,566,666	6,096,782
Transportation	21,380,424	20,861,949
Retirement systems employer relief	109,376,625	83,650,249
On-Base tuition	408,484	408,484
Total revenues from state sources	<u>464,179,214</u>	<u>422,663,330</u>
Revenues from federal sources:		
Reserve Officers Training Corps	818,171	800,710
Federal Impact Aid	20,386,885	19,650,088
Medicaid reimbursement	--	142,822
Total revenues from federal sources	<u>21,205,056</u>	<u>20,593,620</u>
Total revenues	<u>682,760,287</u>	<u>645,986,305</u>
Expenditures:		
Current:		
General administration	30,119,251	28,638,280
Instruction	548,158,584	512,219,553
Pupil transportation	22,809,852	22,277,229
Operation and maintenance of plant	76,873,647	77,442,084
Community services	3,507,066	3,440,259
Total expenditures	<u>681,468,400</u>	<u>644,017,405</u>
Excess of revenues over expenditures	1,291,887	1,968,900
Other financing sources (uses):		
Proceeds from sale of property and equipment	2,660	--
Transfers out - Health Insurance Fund	--	(2,488,830)
Total other financing sources and (uses)	<u>2,660</u>	<u>(2,488,830)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	1,294,547	(519,930)
Fund balance at beginning of year	130,141,423	130,661,353
Fund balance at end of year	<u>\$ 131,435,970</u>	<u>\$ 130,141,423</u>

For the Year Ended June 30, 2013  
 With Comparative Totals  
 For the Year Ended June 30, 2012

## SCHEDULE OF EXPENDITURES - GAAP BASIS

	2013	2012
Current:		
General administration:		
Anchorage School Board	\$ 640,944	\$ 627,945
Superintendent	1,451,367	1,653,237
Instruction	405,173	636,067
Support services	4,746,355	5,133,297
Planning, communications and development	952,719	1,010,806
Business management	3,600,636	3,793,109
Employee relations	3,125,254	3,160,366
Assessment and evaluation	1,094,264	1,219,525
Technology/management information systems	13,413,333	11,495,253
Other general administration	689,206	(91,325)
Total general administration	<u>30,119,251</u>	<u>28,638,280</u>
Instruction:		
Instructional support:		
Educational technology	2,810,157	1,908,072
Curriculum and staff development	16,909,029	10,694,599
Instructional media	2,832,089	3,074,507
Technology/management information systems	1,965,208	4,812,897
Total instructional support	24,516,483	20,490,075
Elementary education	183,113,817	167,460,887
Charter schools	17,550,624	16,088,269
Middle school education	60,047,704	59,473,558
High school education	110,887,774	107,175,068
Special education services:		
Special services	34,639,625	33,128,800
Special education	95,849,915	85,918,183
Total special education services	130,489,540	119,046,983
English language learners	12,952,401	14,564,047
Gifted education	7,403,271	6,869,316
Native education	729,948	580,704
Other instruction	467,022	470,646
Total instruction	<u>548,158,584</u>	<u>512,219,553</u>
Pupil transportation	22,809,852	22,277,229

(Continued)

For the Year Ended June 30, 2013  
 With Comparative Totals  
 For the Year Ended June 30, 2012

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

	<u>2013</u>	<u>2012</u>
Operation and maintenance of plant:		
Elementary schools	\$ 18,944,307	\$ 18,657,379
Charter schools	3,235,441	3,102,109
Middle schools	6,992,747	6,990,484
High schools	12,413,260	12,284,739
Custodial services	4,494,953	3,989,563
Facilities	23,150,341	24,928,148
Vehicle maintenance	1,398,043	1,285,434
Other operations and maintenance of plant	<u>6,244,555</u>	<u>6,204,228</u>
Total operation and maintenance of plant	<u>76,873,647</u>	<u>77,442,084</u>
Community services	<u>3,507,066</u>	<u>3,440,259</u>
Total expenditures	<u><u>\$ 681,468,400</u></u>	<u><u>\$ 644,017,405</u></u>

For the Year Ended June 30, 2013

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	\$ 236,530	\$ --	\$ 236,530	\$ 236,078	\$ 236,078	\$ (452)
Employee benefits	101,265	(20,847)	80,418	87,758	87,758	7,340
Purchased services	297,765	(107,864)	189,901	305,550	294,738	104,837
Supplies and materials	5,384	(1,404)	3,980	3,400	4,808	828
Total Anchorage School Board	640,944	(130,115)	510,829	632,786	623,382	112,553
Superintendent:						
Personnel services	344,103	--	344,103	265,090	273,890	(70,213)
Employee benefits	286,761	(167,690)	119,071	101,194	101,977	(17,094)
Purchased services	810,392	--	810,392	720,200	715,395	(49,997)
Supplies and materials	10,111	--	10,111	6,575	10,374	263
Total superintendent	1,451,367	(167,690)	1,283,677	1,093,059	1,101,636	(182,041)
Instruction:						
Personnel services	159,010	--	159,010	195,975	193,955	34,945
Employee benefits	151,383	(88,525)	62,858	71,812	71,805	8,947
Purchased services	94,142	11,733	105,875	700	102,205	(3,670)
Supplies and materials	638	--	638	2,028	2,028	1,390
Total instruction	405,173	(76,792)	328,381	270,515	369,993	41,612
Support services:						
Personnel services	2,706,449	--	2,706,449	2,991,082	3,003,178	296,729
Employee benefits	1,884,003	(387,848)	1,496,155	1,698,400	1,686,304	190,149
Purchased services	120,747	(30,862)	89,885	96,354	114,305	24,420
Supplies and materials	35,156	3,732	38,888	37,572	47,572	8,684
Capital outlay	--	--	--	200	200	200
Total support services	4,746,355	(414,978)	4,331,377	4,823,608	4,851,559	520,182
Planning, communications and development:						
Personnel services	476,487	--	476,487	520,563	523,763	47,276
Employee benefits	351,991	(72,462)	279,529	305,459	305,732	26,203
Purchased services	95,160	8,010	103,170	113,810	116,977	13,807
Supplies and materials	19,588	(12,269)	7,319	23,195	23,195	15,876
Capital outlay	9,493	--	9,493	9,493	9,493	--
Total planning, communications and development	952,719	(76,721)	875,998	972,520	979,160	103,162
Business management:						
Personnel services	2,107,649	--	2,107,649	2,182,052	2,119,026	11,377
Employee benefits	1,344,019	(276,685)	1,067,334	1,228,139	1,192,127	124,793
Purchased services	134,693	(40,814)	93,879	12,718	112,852	18,973
Supplies and materials	14,275	2,678	16,953	19,244	20,706	3,753
Total business management	3,600,636	(314,821)	3,285,815	3,442,153	3,444,711	158,896
Employee relations:						
Personnel services	1,827,783	--	1,827,783	1,840,887	1,778,943	(48,840)
Employee benefits	1,157,470	(238,281)	919,189	1,010,624	991,563	72,374
Purchased services	114,822	583,463	698,285	663,900	719,559	21,274
Supplies and materials	21,679	(1,764)	19,915	20,250	24,850	4,935
Other	3,500	(3,500)	--	--	--	--
Total employee relations	3,125,254	339,918	3,465,172	3,535,661	3,514,915	49,743

(Continued)

For the Year Ended June 30, 2013

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	
Assessment and evaluation:						
Personnel services	\$ 668,156	\$ --	\$ 668,156	\$ 692,022	\$ 692,022	\$ 23,866
Employee benefits	376,963	(77,603)	299,360	308,387	308,387	9,027
Purchased services	32,512	473	32,985	54,525	58,325	25,340
Supplies and materials	16,633	2,176	18,809	38,655	27,055	8,246
Total assessment and evaluation	1,094,264	(74,954)	1,019,310	1,093,589	1,085,789	66,479
Technology/management information systems:						
Personnel services	5,463,722	--	5,463,722	5,814,812	5,807,236	343,514
Employee benefits	3,701,644	(762,034)	2,939,610	3,290,388	3,281,465	341,855
Purchased services	2,181,389	(1,157,931)	1,023,458	1,135,639	1,051,998	28,540
Supplies and materials	1,608,839	323,404	1,932,243	2,084,605	1,970,558	38,315
Capital outlay	457,739	115,639	573,378	469,851	546,977	(26,401)
Total technology/management information systems	13,413,333	(1,480,922)	11,932,411	12,795,295	12,658,234	725,823
Other general administration:						
Personnel services	580,142	--	580,142	(3,038,406)	(2,683,065)	(3,263,207)
Employee benefits	329,745	(42,343)	287,402	(4,522,241)	(4,419,239)	(4,706,641)
Purchased services	(1,347,210)	362,639	(984,571)	(1,344,964)	(1,647,379)	(662,808)
Supplies and materials	6,657	(624)	6,033	5,000	6,912	879
Other	1,105,907	--	1,105,907	838,412	830,975	(274,932)
Capital outlay	13,965	(13,965)	--	--	--	--
Total other general administration	689,206	305,707	994,913	(8,062,199)	(7,911,796)	(8,906,709)
Total general administration	30,119,251	(2,091,368)	28,027,883	20,596,987	20,717,583	(7,197,747)
Instruction:						
Instructional support:						
Educational technology:						
Personnel services	1,192,919	--	1,192,919	1,195,708	1,195,708	2,789
Employee benefits	842,500	(389,810)	452,690	450,619	450,619	(2,071)
Purchased services	178,089	635,873	813,962	6,671,800	814,536	574
Supplies and materials	492,231	(364,295)	127,936	914,979	131,441	3,505
Capital outlay	104,418	--	104,418	104,418	104,418	--
Total educational technology	2,810,157	(118,232)	2,691,925	9,337,524	2,696,722	4,797
Curriculum & staff development:						
Personnel services	6,989,273	--	6,989,273	7,829,633	8,665,221	1,675,948
Employee benefits	3,691,522	(1,358,256)	2,333,266	2,951,843	3,066,903	733,637
Purchased services	516,290	58,782	575,072	1,361,395	602,798	27,726
Supplies and materials	5,653,469	1,627,200	7,280,669	543,098	7,381,557	100,888
Capital outlay	58,475	(11,558)	46,917	--	10,835	(36,082)
Total curriculum and staff development	16,909,029	316,168	17,225,197	12,685,969	19,727,314	2,502,117
Instructional media:						
Personnel services	1,320,077	--	1,320,077	1,357,067	1,358,203	38,126
Employee benefits	824,778	(36,179)	788,599	802,798	802,347	13,748
Purchased services	341,820	53,667	395,487	428,968	425,265	29,778
Supplies and materials	345,414	22,629	368,043	371,703	371,118	3,075
Total instructional media	2,832,089	40,117	2,872,206	2,960,536	2,956,933	84,727

(Continued)

ANCHORAGE SCHOOL DISTRICT

GENERAL FUND

For the Year Ended June 30, 2013

**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	
Technology/management information systems:						
Purchased services	\$ 862,359	\$ (222,276)	\$ 640,083	\$ 725,859	\$ 640,097	\$ 14
Supplies and materials	817,650	(275,905)	541,745	450,000	542,233	488
Capital outlay	285,199	(285,199)	--	--	--	--
Total technology/management information systems	1,965,208	(783,380)	1,181,828	1,175,859	1,182,330	502
Total instructional support	24,516,483	(545,327)	23,971,156	26,159,888	26,563,299	2,592,143
Elementary education:						
Personnel services	104,346,592	--	104,346,592	105,882,587	106,187,034	1,840,442
Employee benefits	76,064,383	(35,193,647)	40,870,736	41,535,499	41,582,342	711,606
Purchased services	421,722	95,800	517,522	905,554	563,003	45,481
Supplies and materials	2,281,120	5,051	2,286,171	2,467,351	2,432,144	145,973
Total elementary education	183,113,817	(35,092,796)	148,021,021	150,790,991	150,764,523	2,743,502
Charter schools:						
Personnel services	8,791,274	--	8,791,274	8,837,004	8,793,799	2,525
Employee benefits	6,990,768	(3,234,504)	3,756,264	3,740,636	3,762,406	6,142
Purchased services	1,111,359	(140,560)	970,799	808,282	980,902	10,103
Supplies and materials	657,223	306,695	963,918	995,832	994,192	30,274
Total charter schools	17,550,624	(3,068,369)	14,482,255	14,381,754	14,531,299	49,044
Middle school education:						
Personnel services	33,634,303	--	33,634,303	34,458,775	34,447,594	813,291
Employee benefits	25,115,143	(11,620,332)	13,494,811	13,944,305	13,913,493	418,682
Purchased services	440,595	77,347	517,942	538,214	550,080	32,138
Supplies and materials	857,663	(42,742)	814,921	914,244	840,932	26,011
Total middle school education	60,047,704	(11,585,727)	48,461,977	49,855,538	49,752,099	1,290,122
High school education:						
Personnel services	61,196,262	--	61,196,262	59,796,956	60,090,130	(1,106,132)
Employee benefits	44,783,764	(20,720,655)	24,063,109	24,255,033	24,186,095	122,986
Purchased services	2,198,917	(25,168)	2,173,749	2,977,047	2,509,744	335,995
Supplies and materials	2,355,607	(460,757)	1,894,850	2,127,225	2,133,631	238,781
Capital outlay	212,387	(49,882)	162,505	6,444	17,496	(145,009)
Other	140,837	--	140,837	139,271	141,111	274
Total high school education	110,887,774	(21,256,462)	89,631,312	89,301,976	89,078,207	(553,105)
Special education services:						
Special services:						
Personnel services	18,763,355	--	18,763,355	18,904,823	18,949,965	186,610
Employee benefits	15,526,191	(7,183,694)	8,342,497	8,626,053	8,631,500	289,003
Purchased services	145,939	26,084	172,023	247,307	223,980	51,957
Supplies and materials	204,140	(29,034)	175,106	202,261	189,315	14,209
Total special services	34,639,625	(7,186,644)	27,452,981	27,980,444	27,994,760	541,779
Special education:						
Personnel services	48,188,598	--	48,188,598	49,197,966	48,917,895	729,297
Employee benefits	46,488,865	(21,509,575)	24,979,290	27,151,994	27,092,584	2,113,294
Purchased services	988,522	140,722	1,129,244	1,133,123	1,380,572	251,328
Supplies and materials	183,930	236	184,166	375,188	242,852	58,686
Total special education	95,849,915	(21,368,617)	74,481,298	77,858,271	77,633,903	3,152,605
Total special education services	130,489,540	(28,555,261)	101,934,279	105,838,715	105,628,663	3,694,384

(Continued)

ANCHORAGE SCHOOL DISTRICT

GENERAL FUND

For the Year Ended June 30, 2013

**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	
Gifted program:						
Personnel services	\$ 4,235,841	\$ --	\$ 4,235,841	\$ 4,012,883	\$ 4,013,556	\$ (222,285)
Employee benefits	3,091,488	(1,430,377)	1,661,111	1,619,527	1,619,626	(41,485)
Purchased services	20,371	191	20,562	18,186	21,211	649
Supplies and materials	55,571	24,073	79,644	126,829	118,766	39,122
Total gifted program	7,403,271	(1,406,113)	5,997,158	5,777,425	5,773,159	(223,999)
English language learners:						
Personnel services	7,963,530	--	7,963,530	8,195,621	8,273,427	309,897
Employee benefits	4,937,225	(216,570)	4,720,655	5,103,310	5,052,643	331,988
Purchased services	36,929	81	37,010	48,475	53,788	16,778
Supplies and materials	14,717	129	14,846	26,631	21,677	6,831
Capital outlay	--	--	--	--	--	--
Total english language learners	12,952,401	(216,360)	12,736,041	13,374,037	13,401,535	665,494
Native education:						
Personnel services	304,754	--	304,754	325,798	325,798	21,044
Employee benefits	424,926	(196,606)	228,320	298,847	298,847	70,527
Purchased services	268	--	268	500	500	232
Total native education	729,948	(196,606)	533,342	625,145	625,145	91,803
Other instruction:						
Personnel services	289,427	--	289,427	539,812	514,812	225,385
Employee benefits	153,095	(70,829)	82,266	104,622	104,074	21,808
Purchased services	24,500	--	24,500	--	25,548	1,048
Total other instruction	467,022	(70,829)	396,193	644,434	644,434	248,241
Total instruction	548,158,584	(101,993,850)	446,164,734	456,749,903	456,762,363	10,597,629
Pupil transportation:						
Personnel services	4,772,341	--	4,772,341	4,590,595	4,587,208	(185,133)
Employee benefits	4,379,505	(584,349)	3,795,156	3,486,234	3,485,945	(309,211)
Purchased services	11,795,222	39,500	11,834,722	12,384,020	12,269,645	434,923
Supplies and materials	1,215,967	22,821	1,238,788	1,124,991	1,238,466	(322)
Capital outlay	601,430	(193,250)	408,180	408,180	408,180	--
Other	45,387	--	45,387	48,000	48,000	2,613
Total pupil transportation	22,809,852	(715,278)	22,094,574	22,042,020	22,037,444	(57,130)
Operations and maintenance of plant:						
Elementary schools:						
Personnel services	6,190,940	--	6,190,940	5,891,207	5,891,207	(299,733)
Employee benefits	5,452,387	(920,995)	4,531,392	4,551,986	4,551,986	20,594
Purchased services	7,282,085	1,542	7,283,627	7,597,212	7,588,212	304,585
Supplies and materials	18,895	316	19,211	24,122	25,852	6,641
Total elementary education	18,944,307	(919,137)	18,025,170	18,064,527	18,057,257	32,087
Charter schools:						
Personnel services	113,674	--	113,674	115,461	112,238	(1,436)
Employee benefits	97,754	(16,511)	81,243	84,986	81,480	237
Purchased services	3,012,767	(183,896)	2,828,871	2,925,498	2,829,930	1,059
Supplies and materials	11,246	278	11,524	3,400	11,662	138
Total charter schools	3,235,441	(200,129)	3,035,312	3,129,345	3,035,310	(2)

(Continued)

ANCHORAGE SCHOOL DISTRICT

GENERAL FUND

For the Year Ended June 30,2013

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
<b>Middle schools:</b>						
Personnel services	\$ 2,238,914	\$ --	\$ 2,238,914	\$ 2,253,426	\$ 2,253,426	\$ 14,512
Employee benefits	2,048,835	(346,083)	1,702,752	1,744,457	1,744,457	41,705
Purchased services	2,678,158	2,690	2,680,848	2,859,555	2,827,864	147,016
Supplies and materials	26,840	(2,160)	24,680	26,100	27,267	2,587
Total middle school education	6,992,747	(345,553)	6,647,194	6,883,538	6,853,014	205,820
<b>High schools:</b>						
Personnel services	3,303,048	--	3,303,048	3,250,586	3,267,063	(35,985)
Employee benefits	3,050,957	(515,354)	2,535,603	2,550,664	2,556,471	20,868
Purchased services	6,029,985	55,282	6,085,267	6,366,158	6,355,900	270,633
Supplies and materials	29,270	(3,184)	26,086	33,178	30,292	4,206
Total high school education	12,413,260	(463,256)	11,950,004	12,200,586	12,209,726	259,722
<b>Custodial services:</b>						
Personnel services	2,019,504	--	2,019,504	2,004,549	2,087,350	67,846
Employee benefits	1,471,465	(248,553)	1,222,912	1,100,976	1,125,224	(97,688)
Purchased services	180,639	(27,598)	153,041	197,900	162,307	9,266
Supplies and materials	813,852	(4,380)	809,472	770,100	808,986	(486)
Capital outlay	9,493	--	9,493	9,493	9,493	--
Total custodial services	4,494,953	(280,531)	4,214,422	4,083,018	4,193,360	(21,062)
<b>Facilities:</b>						
Personnel services	10,030,055	--	10,030,055	10,737,332	10,681,707	651,652
Employee benefits	7,544,820	(1,274,888)	6,269,932	6,297,427	6,257,710	(12,222)
Purchased services	2,665,267	246,712	2,911,979	3,116,505	2,977,324	65,345
Supplies and materials	2,663,570	(146,400)	2,517,170	2,453,924	2,546,062	28,892
Capital outlay	246,629	--	246,629	227,821	247,599	970
Total facilities	23,150,341	(1,174,576)	21,975,765	22,833,009	22,710,402	734,637
<b>Vehicle maintenance:</b>						
Personnel services	517,512	--	517,512	508,473	508,473	(9,039)
Employee benefits	365,219	(61,691)	303,528	307,927	307,927	4,399
Purchased services	87,633	(8,005)	79,628	87,423	87,423	7,795
Supplies and materials	427,679	3,857	431,536	433,190	434,090	2,554
Total vehicle maintenance	1,398,043	(65,839)	1,332,204	1,337,013	1,337,913	5,709
<b>Other operations and maintenance of plant:</b>						
Personnel services	576,473	--	576,473	543,724	543,724	(32,749)
Employee benefits	427,049	(72,135)	354,914	331,890	331,890	(23,024)
Purchased services	4,223,274	35,545	4,258,819	4,491,174	4,496,748	237,929
Supplies and materials	98,539	(3,586)	94,953	124,905	124,905	29,952
Other	919,220	--	919,220	919,220	919,220	--
Total other operation and maintenance of plant	6,244,555	(40,176)	6,204,379	6,410,913	6,416,487	212,108
Total operations and maintenance of plant	76,873,647	(3,489,197)	73,384,450	74,941,949	74,813,469	1,429,019
<b>Community services:</b>						
Community services						
Personnel services	242,586	--	242,586	237,056	237,056	(5,530)
Employee benefits	170,162	(32,888)	137,274	136,074	136,074	(1,200)
Purchased services	92,899	731	93,630	53,680	53,680	(39,950)
Supplies and materials	26,936	(6,336)	20,600	20,600	20,600	--
Other	2,974,483	242,000	3,216,483	3,216,483	3,216,483	--
Total community services	3,507,066	203,507	3,710,573	3,663,893	3,663,893	(46,680)
Total expenditures	\$ 681,468,400	\$ (108,086,186)	\$ 573,382,214	\$ 577,994,752	\$ 577,994,752	\$ 4,612,538

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

For the Year Ended June 30, 2013

	Personnel Services	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Other	Total
Current:							
General administration:							
Anchorage School Board	\$ 236,530	\$ 101,265	\$ 297,765	\$ 5,384	\$ --	\$ --	\$ 640,944
Superintendent	344,103	286,761	810,392	10,111	--	--	1,451,367
Instruction	159,010	151,383	94,142	638	--	--	405,173
Support services	2,706,449	1,884,003	120,747	35,156	--	--	4,746,355
Planning, communications and development	476,487	351,991	95,160	19,588	9,493	--	952,719
Business management	2,107,649	1,344,019	134,693	14,275	--	--	3,600,636
Employee relations	1,827,783	1,157,470	114,822	21,679	--	3,500	3,125,254
Assessment and evaluation	668,156	376,963	32,512	16,633	--	--	1,094,264
Technology/management information systems	5,463,722	3,701,644	2,181,389	1,608,839	457,739	--	13,413,333
Other general administration	580,142	329,745	(1,347,210)	6,657	13,965	1,105,907	689,206
Total general administration	14,570,031	9,685,244	2,534,412	1,738,960	481,197	1,109,407	30,119,251
Instruction:							
Instructional support:							
Educational technology	1,192,919	842,500	178,089	492,231	104,418	--	2,810,157
Curriculum and staff development	6,989,273	3,691,522	516,290	5,653,469	58,475	--	16,909,029
Instructional media	1,320,077	824,778	341,820	345,414	--	--	2,832,089
Technology/management information systems	862,359	817,650	--	--	285,199	--	1,965,208
Total instructional support	10,364,628	6,176,450	1,036,199	6,491,114	448,092	--	24,516,483
Elementary education	104,346,592	76,064,383	421,722	2,281,120	--	--	183,113,817
Charter schools	8,791,274	6,990,768	1,111,359	657,223	--	--	17,550,624
Middle school education	33,634,303	25,115,143	440,595	857,663	--	--	60,047,704
High school education	61,196,262	44,783,764	2,198,917	2,355,607	212,387	140,837	110,887,774
Special education services:							
Special services	18,763,355	15,526,191	145,939	204,140	--	--	34,639,625
Special education	48,188,598	46,488,865	988,522	183,930	--	--	95,849,915
Total special education services	66,951,953	62,015,056	1,134,461	388,070	--	--	130,489,540
English language learners	7,963,530	4,937,225	36,929	14,717	--	--	12,952,401
Gifted education	4,235,841	3,091,488	20,371	55,571	--	--	7,403,271
Native education	304,754	424,926	268	--	--	--	729,948
Other instruction	289,427	153,095	24,500	--	--	--	467,022
Total instruction	298,078,564	229,752,298	6,425,321	13,101,085	660,479	140,837	548,158,584
Pupil transportation	4,772,341	4,379,505	11,795,222	1,215,967	601,430	45,387	22,809,852
Operation and maintenance of plant:							
Elementary schools	6,190,940	5,452,387	7,282,085	18,895	--	--	18,944,307
Charter schools	113,674	97,754	3,012,767	11,246	--	--	3,235,441
Middle schools	2,238,914	2,048,835	2,678,158	26,840	--	--	6,992,747
High schools	3,303,048	3,050,957	6,029,985	29,270	--	--	12,413,260
Custodial services	2,019,504	1,471,465	180,639	813,852	9,493	--	4,494,953
Facilities	10,030,055	7,544,820	2,665,267	2,663,570	246,629	--	23,150,341
Vehicle maintenance	517,512	365,219	87,633	427,679	--	--	1,398,043
Other operations and maintenance of plant:	576,473	427,049	4,223,274	98,539	--	919,220	6,244,555
Total operation and maintenance of plant	24,990,120	20,458,486	26,159,808	4,089,891	256,122	919,220	76,873,647
Community services	242,586	170,162	92,899	26,936	--	2,974,483	3,507,066
Total expenditures	\$ 342,653,642	\$ 264,445,695	\$ 47,007,662	\$ 20,172,839	\$ 1,999,228	\$ 5,189,334	\$ 681,468,400



## Special Revenue Funds

### Grants Fund

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

### Food Service Fund

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

### Student Activities Fund

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

June 30, 2013  
With Comparative Totals for  
June 30, 2012

**BALANCE SHEET**

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Accounts receivable	\$ 351,398	\$ 300,679
Due from other governments:		
Municipality of Anchorage	27,624	438,657
State of Alaska	841,747	370,290
United States Government	14,217,034	18,885,892
Prepaid items	9,559	48,001
Total assets	<u>\$ 15,447,362</u>	<u>\$ 20,043,519</u>
<b>Liabilities</b>		
Accounts payable	\$ 184,635	\$ 574,507
Due to General Fund	12,291,017	17,070,241
Accrued salaries and related items:		
Wages and salaries payable	582,614	556,241
Payroll taxes, other accrued and withheld items	1,158,611	1,216,095
Unearned revenues	1,230,485	626,435
Total liabilities	<u>15,447,362</u>	<u>20,043,519</u>
<b>Fund balance</b>		
Non-spendable	9,559	48,001
Unassigned	(9,559)	(48,001)
Total fund balance	<u>--</u>	<u>--</u>
 Total liabilities and fund balance	 <u>\$ 15,447,362</u>	 <u>\$ 20,043,519</u>

For the Year Ended June 30, 2013  
With Comparative Totals  
For the Year Ended June 30, 2012

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

	2013	2012
Revenues:		
Revenues from local grants:		
Alaska Railroad Summer Youth Program	\$ 17,963	\$ 18,918
Clark Community Health Center	1,387	23,739
Community Partners Diversity	1,875	--
Donations From Local Agencies	232,331	336,979
MOA Recycling	79,201	102,681
NoVo Foundation Social and Emotional Learning	175,278	205,192
Reading is Fundamental	--	8,663
State Farm - Raise Your Voice	--	17,571
Total revenues from local grants	<u>508,035</u>	<u>713,743</u>
Revenues from state grants:		
Designated Legislative Grants		
Senate Bill 46	449,528	996,895
Senate Bill 53	--	7,578
Senate Bill 160	1,170,345	--
Senate Bill 221	39,822	19,985
Senate Bill 230	88,212	254,300
Senate Bill 231	--	457
Total Designated Legislative Grants	<u>1,747,907</u>	<u>1,279,215</u>
Alaska Science and Technology Program	309	33
Alaska State School for Deaf	307,536	278,998
Alaska Studies	--	4,356
Alternative Schools Health and Wellness	143,493	83,759
Anchorage Construction Academy	536,522	586,248
Comprehensive Behavioral Health	392,887	380,457
Cultural Collaboration Project	9,893	10,099
Elementary Running Initiative	--	10,000
Farm to School	942	1,000
McLaughlin Equipment and Supplies Funds	--	284
Nutritional AK Foods	77,287	--
Pre-School Kindergarten Program	170,297	157,280
Providence Heights	141,885	143,523
Retirement Systems Employer Relief	6,600,351	7,251,514
Youth in Detention	537,619	371,390
Total revenues from state grants	<u>10,666,928</u>	<u>10,558,156</u>
Revenues from federal grants:		
Access to Education for Homeless Children Program	41,300	73,676
Alaska Family Directory Website	28,987	28,222
Alaska ICE	29,537	117,420
Alaska Mentorship Project	482,452	300,725
Alaska Network for Understanding History	286,481	187,254
Alaska Parent Information and Resource Center	--	29,141
Alaska State School for the Deaf	59,189	63,873
Artist in School	4,044	2,200
Big Brothers Big Sisters Mentoring	11,744	--
Carl Perkins Vocational Education	966,588	1,060,233
Community Centers Learning Program	1,790,746	1,965,580
Education Jobs Fund	213,393	7,638,213
EPA Creek Revitalization	19,153	--
Excellence in Economic Education Program	--	21,147
Foreign Language Assistance Program	178,143	296,690
Learn and Serve - Begich Community Services	--	7,422
Military Impacted Students	649,903	828,276
Pre-School Handicapped	406,351	466,766

(Continued)

For the Year Ended June 30, 2013  
With Comparative Totals  
For the Year Ended June 30, 2012

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

	2013	2012
Presidential Award Program	\$ 1	\$ 291
Project Impact	148,737	381,798
Project Ki'l	720,638	655,759
Project LEAP	2,039	--
Project MORE	380,464	311,876
Project Puqigtut	516,922	678,808
Reading is Fundamental	--	27,715
Refugee Support Services	22,078	61,164
Safe Routes to Schools	2,590	9,960
Salmon Project	--	235,138
School Health Program	25,897	--
Second Order Prevention Project	109,328	472,215
StarTalk - Language Culture Summer Camp	92,321	121,502
Teaching American History Program	19,684	114,706
Teaching With Primary sources Program	3,828	23,075
Title I - No Child Left Behind Act		
Delinquent and At-Risk Youth Program	174,122	165,523
District-wide	8,152,697	10,199,981
Highly Qualified Program	4,378	2,479
McLaughlin Youth Center	128,304	122,306
Parent Involvement Program	203,443	86,722
Professional Development	1,743,300	1,489,571
School Improvement Program	186,428	93,010
Supplemental Education Services	1,194,371	1,341,888
Total Title I - No Child Left Behind Act	11,787,043	13,501,480
Title I - Migrant Education		
Book Program	7,249	5,945
District-wide	1,284,610	1,117,247
Parent Involvement Program	2,528	2,241
Summer Program	856,968	817,785
Total Title I - Migrant Education	2,151,355	1,943,218
Title II A - Professional Development Program	3,205,795	4,010,898
Title II D - Enhancing Education Through Technology	--	171,424
Title III - English Language Acquisition	401,416	449,627
Title VI B - Education of All Handicapped Children	11,811,326	12,626,816
Title VII - Indian, Native Hawaiian, and Alaska Native Education	2,812,723	2,836,844
USDA - Fresh Fruit and Vegetable Program	683,167	387,823
We Can	1,029	2,337
Work Investment Act School Youth Program	28,387	46,408
American Recovery and Reinvestment Act		
Biomedical	--	36,720
State Fiscal Stabilization Fund	--	2,797,136
Title I - No Child Left Behind Act	--	71,706
Title II D - Enhancing Education Through Technology	--	1,816
Title VI B - Education of All Handicapped Children Act	--	1,428,504
Total American Recovery and Reinvestment Act	--	4,335,882
Total revenues from federal grants	40,094,779	56,493,602
Total revenues	51,269,742	67,765,501
Expenditures:		
Current:		
Instruction:		
Local grants	508,035	713,743
State grants	10,666,928	10,558,156
Federal grants	40,094,779	56,493,602
Total expenditures	51,269,742	67,765,501
Excess of revenues over expenditures	--	--
Fund balance at beginning of year	--	--
Fund balance at end of year	\$ --	\$ --

For the Year Ended June 30, 2013

With Comparative Totals

For the Year Ended June 30, 2012

## SCHEDULE OF EXPENDITURES - GAAP BASIS

	2013	2012
Current:		
Instruction:		
Local grants:		
Alaska Railroad Summer Youth Program	\$ 17,963	\$ 18,918
Clark Community Health Center	1,387	23,739
Community Partners Diversity	1,875	--
Donations From Local Agencies	232,331	336,979
MOA Recycling	79,201	102,681
NoVo Foundation Social and Emotional Learning	175,278	205,192
Reading is Fundamental	--	8,663
State Farm - Raise Your Voice	--	17,571
Total local grants	<u>508,035</u>	<u>713,743</u>
State grants:		
Designated Legislative Grants		
Senate Bill 46	449,528	996,895
Senate Bill 53	--	7,578
Senate Bill 160	1,170,345	--
Senate Bill 221	39,822	19,985
Senate Bill 230	88,212	254,300
Senate Bill 231	--	457
Total Designated Legislative Grants	<u>1,747,907</u>	<u>1,279,215</u>
Alaska Science and Technology Program	309	33
Alaska State School for the Deaf	307,536	278,998
Alaska Studies	--	4,356
Alternative Schools Health and Wellness	143,493	83,759
Anchorage Construction Academy	536,522	586,248
Comprehensive Behavioral Health	392,887	380,457
Cultural Collaboration Project	9,893	10,099
Elementary Running Initiative	--	10,000
Farm to School	942	1,000
McLaughlin Equipment and Supplies Funds	--	284
Nutritional AK Foods	77,287	--
Pre-School Kindergarten Program	170,297	157,280
Providence Heights	141,885	143,523
Retirement Systems Employer Relief	6,600,351	7,251,514
Youth in Detention	537,619	371,390
Total state grants	<u>10,666,928</u>	<u>10,558,156</u>
Federal grants:		
Access to Education for Homeless Children Program	41,300	73,676
Alaska Family Directory Website	28,987	28,222
Alaska ICE	29,537	117,420
Alaska Mentorship Project	482,452	300,725
Alaska Network for Understanding History	286,481	187,254
Alaska Parent Information and Resource Center	--	29,141
Alaska State School for the Deaf	59,189	63,873
Artist in School	4,044	2,200
Big Brothers Big Sisters Mentoring	11,744	--
Carl Perkins Vocational Education	966,588	1,060,233
Community Centers Learning Program	1,790,746	1,965,580
Education Jobs Fund	213,393	7,638,213
EPA Creek Revitalization	19,153	--
Excellence in Economic Education Program	--	21,147

(Continued)

For the Year Ended June 30, 2013  
With Comparative Totals  
For the Year Ended June 30, 2012

## SCHEDULE OF EXPENDITURES - GAAP BASIS (Continued)

	2013	2012
Foreign Language Assistance Program	\$ 178,143	\$ 296,690
Learn and Serve - Begich Community Services	--	7,422
Military Impacted Students	649,903	828,276
Pre-School Handicapped	406,351	466,766
Presidential Award Program	1	291
Project Impact	148,737	381,798
Project Ki'l	720,638	655,759
Project Leap	2,039	--
Project MORE	380,464	311,876
Project Puqigtut	516,922	678,808
Reading is Fundamental	--	27,715
Refugee Support Services	22,078	61,164
Safe Routes to Schools	2,590	9,960
Salmon Project	--	235,138
School Health Program	25,897	--
Second Order Prevention Project	109,328	472,215
StarTalk - Language Culture Summer Camp	92,321	121,502
Teaching American History Program	19,684	114,706
Teaching With Primary Sources Program	3,828	23,075
Title I - No Child Left Behind Act		
Delinquent and At-Risk Youth Program	174,122	165,523
District-wide	8,152,697	10,199,981
Highly Qualified Program	4,378	2,479
McLaughlin Youth Center	128,304	122,306
Parent Involvement Program	203,443	86,722
Professional Development	1,743,300	1,489,571
School Improvement Program	186,428	93,010
Supplemental Education Services	1,194,371	1,341,888
Total Title I - No Child Left Behind Act	<u>11,787,043</u>	<u>13,501,480</u>
Title I - Migrant Education		
Book Program	7,249	5,945
District-wide	1,284,610	1,117,247
Parent Involvement Program	2,528	2,241
Summer Program	856,968	817,785
Total Title I - Migrant Education	<u>2,151,355</u>	<u>1,943,218</u>
Title II A - Professional Development Program	3,205,795	4,010,898
Title II D - Enhancing Education Through Technology	--	171,424
Title III - English Language Acquisition	401,416	449,627
Title VI B - Education of All Handicapped Children Act	11,811,326	12,626,816
Title VII - Indian, Native Hawaiian, and Alaska Native Education	2,812,723	2,836,844
USDA - Fresh Fruit and Vegetable Program	683,167	387,823
We Can	1,029	2,337
Work Investment Act School Youth Program	28,387	46,408
American Recovery and Reinvestment Act		
Biomedical	--	36,720
State Fiscal Stabilization Fund	--	2,797,136
Title I - No Child Left Behind Act	--	71,706
Title II D - Enhancing Education Through Technology	--	1,816
Title VI B - Education of All Handicapped Children Act	--	1,428,504
Total American Recovery and Reinvestment Act	<u>--</u>	<u>4,335,882</u>
Total federal grants	<u>40,094,779</u>	<u>56,493,602</u>
Total expenditures	<u>\$ 51,269,742</u>	<u>\$ 67,765,501</u>

For the Year Ended June 30, 2013

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	\$ 14,044	\$ --	\$ 14,044	\$ 14,204	\$ 160
Employee benefits	2,083	--	2,083	2,101	18
Purchased services	300	--	300	300	--
Supplies and materials	1,536	--	1,536	2,395	859
Total Alaska Railroad Summer Youth	17,963	--	17,963	19,000	1,037
Clark Community Health Center					
Personnel services	1,278	--	1,278	--	(1,278)
Employee benefits	109	--	109	--	(109)
Total Clark Community Health Center	1,387	--	1,387	--	(1,387)
Community Partners Diversity					
Purchased services	1,875	(900)	975	1,225	250
Donations From Local Agencies					
Personnel services	27,881	--	27,881	31,361	3,480
Employee benefits	8,224	--	8,224	3,059	(5,165)
Purchased services	90,748	4,058	94,806	116,910	22,104
Supplies and materials	105,478	(8,608)	96,870	123,370	26,500
Capital outlay		34,846	34,846	97,660	62,814
Total Donations From Local Agencies	232,331	30,296	262,627	372,360	109,733
MOA Recycling					
Personnel services	50,424	--	50,424	22,688	(27,736)
Employee benefits	28,777	--	28,777	14,703	(14,074)
Purchased services	--	--	--	250	250
Supplies and materials	--	--	--	9,609	9,609
Capital Outlay	--	--	--	(250)	(250)
Total MOA Recycling	79,201	--	79,201	47,000	(32,201)
NoVo Foundation Social and Emotional Learning					
Personnel services	117,463	--	117,463	--	(117,463)
Employee benefits	28,100	--	28,100	--	(28,100)
Purchased services	21,197	--	21,197	590,000	568,803
Supplies and materials	8,518	--	8,518	--	(8,518)
Total NoVo Foundation and Emotional Learning	175,278	--	175,278	590,000	414,722
Contingency	--	--	--	23,505,293	23,505,293
Total local grants	508,035	29,396	537,431	24,534,878	23,997,447
State grants:					
Designated Legislative Grants:					
Senate Bill 46					
Personnel services	3,195	--	3,195	--	(3,195)
Employee benefits	414	--	414	--	(414)
Purchased services	17,063	(8,290)	8,773	700,000	691,227
Supplies and materials	418,806	(146,869)	271,937	--	(271,937)
Capital Outlay	10,050	--	10,050	--	(10,050)
Total Senate Bill 46	449,528	(155,159)	294,369	700,000	405,631
Senate Bill 160					
Personnel services	11,359	--	11,359	30,681	19,322
Employee benefits	677	--	677	5,324	4,647
Purchased services	36,734	--	36,734	762,780	726,046
Supplies and materials	1,121,575	225,357	1,346,932	2,044,290	697,358
Capital outlay	--	7,990	7,990	12,000	4,010
Total Senate bill 160	1,170,345	233,347	1,403,692	2,855,075	1,451,383

(Continued)

For the Year Ended June 30, 2013

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)
Senate Bill 221					
Purchased services	\$ 2	\$ --	\$ 2	\$ --	\$ (2)
Supplies and materials	39,820	(198)	39,622	--	(39,622)
Total Senate Bill 221	39,822	(198)	39,624	--	(39,624)
Senate Bill 230					
Purchased services	2,790	--	2,790	--	(2,790)
Supplies and materials	85,422	6,204	91,626	--	(91,626)
Total Senate Bill 230	88,212	6,204	94,416	--	(94,416)
Total Designated Legislative Grants	1,747,907	84,194	1,832,101	3,555,075	1,722,974
Alaska Science and Technology Program					
Supplies and materials	309	--	309	--	(309)
Alaska State School for the Deaf					
Personnel services	128,254	--	128,254	131,319	3,065
Employee benefits	46,964	--	46,964	46,964	--
Purchased services	109,979	--	109,979	118,364	8,385
Supplies and materials	22,339	--	22,339	22,353	14
Total Alaska State School for the Deaf	307,536	--	307,536	319,000	11,464
Alternative Schools Health and Wellness					
Personnel services	51,246	--	51,246	51,521	275
Employee benefits	9,450	--	9,450	9,686	236
Purchased services	37,281	--	37,281	38,451	1,170
Supplies and materials	45,516	1,672	47,188	48,231	1,043
Total Alternative Schools Health and Wellness	143,493	1,672	145,165	147,889	2,724
Anchorage Construction Academy					
Personnel services	221,535	--	221,535	263,200	41,665
Employee benefits	28,809	--	28,809	34,543	5,734
Purchased services	23,740	--	23,740	28,161	4,421
Supplies and materials	262,438	--	262,438	274,096	11,658
Total Anchorage Construction Academy	536,522	--	536,522	600,000	63,478
Comp. Behavioral Health					
Personnel services	274,064	--	274,064	274,069	5
Employee benefits	101,929	--	101,929	101,754	(175)
Purchased services	13,142	--	13,142	13,211	69
Supplies and materials	3,752	--	3,752	3,586	(166)
Total Comp. Behavioral Health	392,887	--	392,887	392,620	(267)
Cultural Collaboration Project					
Personnel services	757	--	757	1,055	298
Employee benefits	69	--	69	109	40
Purchased services	7,961	762	8,723	9,643	920
Supplies and materials	1,106	--	1,106	1,243	137
Total Cultural Collaboration Project	9,893	762	10,655	12,050	1,395
Farm to School					
Supplies and materials	942	--	942	5,200	4,258
Nutritional AK Foods					
Supplies and materials	77,287	--	77,287	642,724	565,437
Total Nutritional AK Foods	77,287	--	77,287	642,724	565,437
Pre-School Kindergarten Program					
Personnel services	112,261	--	112,261	108,259	(4,002)
Employee benefits	48,988	--	48,988	46,087	(2,901)
Purchased services	5,146	--	5,146	4,954	(192)
Supplies and materials	3,902	--	3,902	--	(3,902)
Total Pre-School Kindergarten Program	170,297	--	170,297	159,300	(10,997)

(Continued)

For the Year Ended June 30, 2013

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	\$ 98,308	\$ --	\$ 98,308	\$ 98,434	\$ 126
Employee benefits	39,164	--	39,164	39,165	1
Purchased services	4,413	--	4,413	4,510	97
Supplies and materials	--	--	--	2,891	2,891
Total Providence Heights	141,885	--	141,885	145,000	3,115
Retirement Systems Employer Relief					
Employee benefits	6,600,351	(6,600,351)	--	--	--
Youth in Detention					
Personnel services	352,923	--	352,923	319,839	(33,084)
Employee benefits	120,198	--	120,198	109,864	(10,334)
Purchased services	7,875	250	8,125	11,025	2,900
Supplies and materials	56,623	2,426	59,049	71,524	12,475
Total Youth in Detention	537,619	2,676	540,295	512,252	(28,043)
Total state grants	10,666,928	(6,511,047)	4,155,881	6,491,110	2,335,229
Federal grants:					
Access to Education for Homeless Children Program					
Personnel services	13,280	--	13,280	13,280	--
Employee benefits	1,272	--	1,272	1,272	--
Purchased services	23,354	--	23,354	23,365	11
Supplies and materials	3,394	--	3,394	3,393	(1)
Total Access to Education for Homeless Children Program	41,300	--	41,300	41,310	10
Alaska Family Directory Website					
Personnel services	15,140	--	15,140	15,140	--
Employee benefits	4,653	--	4,653	4,653	--
Purchased services	4,970	--	4,970	4,971	1
Supplies and materials	4,224	--	4,224	4,236	12
Total Alaska Family Directory Website	28,987	--	28,987	29,000	13
Alaska ICE					
Personnel services	14,931	--	14,931	--	(14,931)
Employee benefits	3,674	--	3,674	--	(3,674)
Purchased services	5,891	--	5,891	--	(5,891)
Supplies and materials	5,041	--	5,041	--	(5,041)
Total Alaska ICE	29,537	--	29,537	--	(29,537)
Alaska Mentorship Project					
Personnel Services	138,526	--	138,526	250,042	111,516
Employee benefits	64,480	--	64,480	126,116	61,636
Purchased services	264,811	112,249	377,060	628,737	251,677
Supplies and materials	14,635	--	14,635	56,536	41,901
Total Alaska Mentorship Project	482,452	112,249	594,701	1,061,431	466,730
Alaska Network for Understanding History					
Personnel services	140,483	--	140,483	--	(140,483)
Employee benefits	40,451	--	40,451	--	(40,451)
Purchased services	97,507	17,467	114,974	300,000	185,026
Supplies & materials	8,040	2,422	10,462	--	(10,462)
Total Alaska Network for Understanding History	286,481	19,889	306,370	300,000	(6,370)
Alaska State School for the Deaf					
Personnel services	800	--	800	800	--
Employee benefits	157	--	157	157	--
Purchased services	51,778	--	51,778	61,959	10,181
Supplies and materials	6,454	--	6,454	10,084	3,630
Total Alaska State School for Deaf	59,189	--	59,189	73,000	13,811

(Continued)

For the Year Ended June 30, 2013

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)
Artist in Schools					
Purchased services	\$ 4,044	\$ (4,044)	\$ --	\$ --	\$ --
Big Brothers Big Sisters Mentoring					
Personnel services	4,989	--	4,989	23,033	18,044
Employee benefits	3,909	--	3,909	7,661	3,752
Purchased services	365	--	365	2,937	2,572
Supplies and materials	2,481	--	2,481	3,906	1,425
Total BBBS Mentoring	11,744	--	11,744	37,537	25,793
Carl Perkins Vocational Education					
Personnel services	285,171	--	285,171	355,720	70,549
Employee benefits	55,658	--	55,658	62,578	6,920
Purchased services	139,274	5,250	144,524	182,877	38,353
Supplies and materials	411,485	2,315	413,800	471,976	58,176
Capital outlay	75,000	--	75,000	75,000	--
Total Carl Perkins Vocational Education	966,588	7,565	974,153	1,148,151	173,998
Community Centers Learning Program					
Personnel services	1,043,009	--	1,043,009	1,137,719	94,710
Employee benefits	458,574	--	458,574	502,215	43,641
Purchased services	237,315	--	237,315	274,181	36,866
Supplies and materials	51,848	--	51,848	80,053	28,205
Total Community Centers Learning Program	1,790,746	--	1,790,746	1,994,168	203,422
Education Jobs Fund					
Personnel services	149,262	--	149,262	150,083	821
Employee benefits	64,131	--	64,131	63,310	(821)
Total Education Jobs Fund	213,393	--	213,393	213,393	--
EPA Creek Revitalization					
Purchased services	3,382	--	3,382	7,747	4,365
Supplies and materials	15,771	--	15,771	22,533	6,762
Total EPA Creek Revitalization	19,153	--	19,153	30,280	11,127
Foreign Language Assistance Program					
Personnel services	94,808	--	94,808	--	(94,808)
Employee benefits	30,911	--	30,911	--	(30,911)
Purchased services	44,727	(18,845)	25,882	--	(25,882)
Supplies and materials	7,697	(450)	7,247	--	(7,247)
Total Foreign Language Assistance Program	178,143	(19,295)	158,848	--	(158,848)
Military Impacted Students					
Personnel services	301,625	--	301,625	--	(301,625)
Employee benefits	109,522	--	109,522	--	(109,522)
Purchased services	108,924	(40,300)	68,624	1,010,336	941,712
Supplies and materials	118,825	659	119,484	--	(119,484)
Capital outlay	11,007	--	11,007	--	(11,007)
Total Military Impacted Students	649,903	(39,641)	610,262	1,010,336	400,074
Pre-School Handicapped					
Personnel services	237,919	--	237,919	240,288	2,369
Employee benefits	140,123	--	140,123	139,338	(785)
Purchased services	14,890	300	15,190	76,259	61,069
Supplies and materials	13,419	--	13,419	18,900	5,481
Total Pre-School Handicapped	406,351	300	406,651	474,785	68,134
Presidential Award Program					
Supplies and materials	1	--	1	--	(1)

(Continued)

For the Year Ended June 30, 2013

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Original and Final Budget	Variance Positive (Negative)
Project Impact					
Personnel services	\$ 100,060	\$ --	\$ 100,060	\$ --	\$ (100,060)
Employee benefits	44,617	--	44,617	--	(44,617)
Purchased services	4,060	--	4,060	--	(4,060)
Total Project Impact	148,737	--	148,737	--	(148,737)
Project Ki'l					
Personnel services	348,601	--	348,601	377,266	28,665
Employee benefits	113,546	--	113,546	152,207	38,661
Purchased services	211,211	(37,665)	173,546	155,606	(17,940)
Supplies and materials	47,280	(18,827)	28,453	43,992	15,539
Total Project Ki'l	720,638	(56,492)	664,146	729,071	64,925
Project LEAP					
Personnel services	1,775	--	1,775	5,307	3,532
Employee benefits	264	--	264	791	527
Purchased services	--	--	--	402	402
Total LEAP GRANT	2,039	--	2,039	6,500	4,461
Project MORE					
Personnel services	240,092	--	240,092	206,000	(34,092)
Employee benefits	50,921	--	50,921	11,072	(39,849)
Purchased services	7,840	--	7,840	891,899	884,059
Supplies and materials	81,611	(22,972)	58,639	16,396	(42,243)
Total Project MORE	380,464	(22,972)	357,492	1,125,367	767,875
Project Puqigtut					
Personnel services	278,274	--	278,274	343,922	65,648
Employee benefits	96,472	--	96,472	136,209	39,737
Purchased services	105,185	29,247	134,432	141,642	7,210
Supplies and materials	36,991	5,905	42,896	24,659	(18,237)
Total Project Puqigtut	516,922	35,152	552,074	646,432	94,358
Refugee Support Services					
Personnel services	12,187	--	12,187	31,247	19,060
Employee benefits	1,777	--	1,777	5,616	3,839
Purchased services	4,372	601	4,973	5,570	597
Supplies & materials	3,742	360	4,102	2,567	(1,535)
Total Refugee Support Services	22,078	961	23,039	45,000	21,961
Safe Routes to School					
Supplies and materials	2,590	(3,178)	(588)	--	588
Total Safe Routes to School	2,590	(3,178)	(588)	--	588
School Health Program					
Purchased services	1,204	--	1,204	1,204	--
Supplies and materials	24,693	--	24,693	24,796	103
Total School Health Program	25,897	--	25,897	26,000	103
Second Order Prevention					
Personnel services	71,515	--	71,515	--	(71,515)
Employee benefits	14,326	--	14,326	--	(14,326)
Purchased services	14,141	(6,127)	8,014	--	(8,014)
Supplies & materials	9,346	--	9,346	--	(9,346)
Total Reduce Underage Drinking	109,328	(6,127)	103,201	--	(103,201)
StarTalk - Language Culture Summer Camp					
Personnel services	53,193	--	53,193	52,843	(350)
Employee benefits	8,195	--	8,195	8,927	732
Purchased services	12,292	1,153	13,445	13,076	(369)
Supplies and materials	18,641	(328)	18,313	25,099	6,786
Total StarTalk - Language Culture Summer Camp	92,321	825	93,146	99,945	6,799

(Continued)

For the Year Ended June 30, 2013

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					
Purchased services	\$ 19,684	\$ (10,993)	\$ 8,691	\$ --	\$ (8,691)
Teaching With Primary Sources Program					
Personnel services	1,011	--	1,011	--	(1,011)
Employee benefits	143	--	143	--	(143)
Purchased services	2,674	--	2,674	6,670	3,996
Total Teaching With Primary Sources Program	3,828	--	3,828	6,670	2,842
Title I - No Child Left Behind Act					
Delinquent and At-Risk Youth Program					
Personnel services	110,827	--	110,827	158,571	47,744
Employee benefits	54,022	--	54,022	55,669	1,647
Purchased services	7,192	--	7,192	12,013	4,821
Supplies and materials	2,081	--	2,081	2,460	379
Total Delinquent and At-Risk Youth Program	174,122	--	174,122	228,713	54,591
District-wide					
Personnel services	5,004,309	--	5,004,309	6,017,586	1,013,277
Employee benefits	2,004,717	--	2,004,717	2,250,701	245,984
Purchased services	447,903	(1,053)	446,850	1,328,804	881,954
Supplies and materials	695,768	(85,027)	610,741	1,459,771	849,030
Total District-wide	8,152,697	(86,080)	8,066,617	11,056,862	2,990,245
Highly Qualified Program					
Personnel services	3,689	--	3,689	5,528	1,839
Employee benefits	549	--	549	822	273
Purchased services	140	--	140	3,650	3,510
Total Highly Qualified Program	4,378	--	4,378	10,000	5,622
McLaughlin Youth Center					
Personnel services	88,744	--	88,744	89,458	714
Employee benefits	33,021	--	33,021	33,260	239
Purchased services	3,990	--	3,990	4,022	32
Supplies and materials	2,549	--	2,549	2,568	19
Total McLaughlin Youth Center	128,304	--	128,304	129,308	1,004
Parent Involvement Program					
Personnel services	45,152	--	45,152	75,350	30,198
Employee benefits	9,233	--	9,233	14,914	5,681
Purchased services	27,687	--	27,687	38,307	10,620
Supplies and materials	121,371	5,704	127,075	137,039	9,964
Total Parent Involvement Program	203,443	5,704	209,147	265,610	56,463
Professional Development					
Personnel services	844,854	--	844,854	966,967	122,113
Employee benefits	242,970	--	242,970	272,978	30,008
Purchased services	650,293	(151,626)	498,667	714,000	215,333
Supplies and materials	5,183	--	5,183	5,572	389
Total Professional Development	1,743,300	(151,626)	1,591,674	1,959,517	367,843
School Improvement Program					
Personnel services	96,163	--	96,163	198,661	102,498
Employee benefits	10,665	--	10,665	27,353	16,688
Purchased services	19,426	--	19,426	42,552	23,126
Supplies and materials	60,174	--	60,174	123,877	63,703
Total School Improvement Program	186,428	--	186,428	392,443	206,015

(Continued)

For the Year Ended June 30, 2013

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)
Supplemental Education Services Program					
Personnel services	\$ 408,084	\$ --	\$ 408,084	\$ 481,819	\$ 73,735
Employee benefits	63,897	--	63,897	76,480	12,583
Purchased services	702,888	--	702,888	702,890	2
Supplies and materials	19,502	--	19,502	37,060	17,558
Total Supplemental Education	1,194,371	--	1,194,371	1,298,249	103,878
Services Program		--			207,756
Total Title I - No Child Left Behind Act	11,787,043	(232,002)	11,555,041	15,340,702	3,785,661
Title I - Migrant Education					
Book Program					
Supplies and materials	7,249	--	7,249	7,250	1
District-wide					
Personnel services	701,615	--	701,615	701,541	(74)
Employee benefits	384,968	--	384,968	384,713	(255)
Purchased services	126,388	--	126,388	127,518	1,130
Supplies and materials	71,639	--	71,639	70,838	(801)
Total District-wide	1,284,610	--	1,284,610	1,284,610	--
Parent Involvement Program					
Purchased services	2,528	--	2,528	5,000	2,472
Summer Program					
Personnel services	471,414	--	471,414	506,289	34,875
Employee benefits	104,499	--	104,499	106,596	2,097
Purchased services	135,340	89,853	225,193	253,606	28,413
Supplies and materials	145,715	(22,200)	123,515	316,153	192,638
Total Summer Program	856,968	67,653	924,621	1,182,644	258,023
Total Title I - Migrant Education	2,151,355	67,653	2,219,008	2,479,504	260,496
Title II-A - Professional Development Program					
Personnel services	2,153,075	--	2,153,075	2,678,489	525,414
Employee benefits	933,995	--	933,995	1,089,008	155,013
Purchased services	111,577	--	111,577	137,160	25,583
Supplies and materials	7,148	--	7,148	8,989	1,841
Total Title II-A - Professional					
Development Program	3,205,795	--	3,205,795	3,913,646	707,851
Title III - English Language Acquisition					
Personnel services	247,257	--	247,257	261,761	14,504
Employee benefits	86,202	--	86,202	88,874	2,672
Purchased services	11,319	--	11,319	25,032	13,713
Supplies and materials	56,638	--	56,638	84,961	28,323
Total Title III - English Language					
Acquisition	401,416	--	401,416	460,628	59,212
Title VI-B - Education of All Handicapped Children Act					
Personnel services	6,624,242	--	6,624,242	7,828,136	1,203,894
Employee benefits	3,684,607	--	3,684,607	3,983,794	299,187
Purchased services	1,221,490	(17,587)	1,203,903	3,431,394	2,227,491
Supplies and materials	280,987	(652)	280,335	338,642	58,307
Total Title VI-B - Education of All					
Handicapped Children Act	11,811,326	(18,239)	11,793,087	15,581,966	3,788,879
Title VII - Indian, Native Hawaiian, and Alaska Native Education					
Personnel services	1,554,029	--	1,554,029	1,596,346	42,317
Employee benefits	1,041,739	--	1,041,739	1,040,773	(966)
Purchased services	167,549	(4,000)	163,549	189,097	25,548
Supplies and materials	49,406	61,688	111,094	54,324	(56,770)
Total Title VII - Indian, Native Hawaiian,					
and Alaska Native Education	2,812,723	57,688	2,870,411	2,880,540	10,129

(Continued)

For the Year Ended June 30, 2013

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

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Original and Final Budget	Variance Positive (Negative)
USDA - Fresh Fruit and Vegetable Program					
Supplies and materials	\$ 683,167	\$ --	\$ 683,167	\$ 683,650	\$ 483
We Can					
Personnel services	--	--	--	(100)	(100)
Employee benefits	--	--	--	(8)	(8)
Purchased services	100	--	100	100	--
Supplies and materials	929	(454)	475	8	(467)
Total We can	1,029	(454)	575	--	(575)
Work Investment Act School Youth Program					
Personnel services	24,331	--	24,331	28,350	4,019
Employee benefits	2,624	--	2,624	4,227	1,603
Purchased services	883	--	883	1,089	206
Supplies and materials	549	--	549	1,334	785
Total Work Investment Act School Youth Program	28,387	--	28,387	35,000	6,613
Total federal grants	40,094,779	(111,155)	39,983,624	50,474,012	10,490,388
Total expenditures	\$ 51,269,742	\$ (6,592,806)	\$ 44,676,936	\$ 81,500,000	\$ 36,823,064

For the Year Ended June 30, 2013

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	\$ 14,044	\$ 2,083	\$ 300	\$ 1,536	\$ --	\$ 17,963
Clark Community Health Center	1,278	109	--	--	--	1,387
Community Partners Diversity	--	--	1,875	--	--	1,875
Donations from Local Agencies	27,881	8,224	90,748	105,478	--	232,331
MOA Recycling	50,424	28,777	--	--	--	79,201
NoVo Foundation Social	117,463	28,100	21,197	8,518	--	175,278
Total local grants	211,090	67,293	114,120	115,532	--	508,035
State grants:						
Designated Legislative Grants						
Senate Bill 46	3,195	414	17,063	418,806	10,050	449,528
Senate Bill 160	11,359	677	36,734	1,121,575	--	1,170,345
Senate Bill 221	--	--	2	39,820	--	39,822
Senate Bill 230	--	--	2,790	85,422	--	88,212
Total Designated Legislative Grants	14,554	1,091	56,589	1,665,623	10,050	1,747,907
Alaska Science and Technology	--	--	--	309	--	309
Alaska State School for the Deaf	128,254	46,964	109,979	22,339	--	307,536
Alternative Schools Health and Wellness	51,246	9,450	37,281	45,516	--	143,493
Anchorage Construction Academy	221,535	28,809	23,740	262,438	--	536,522
Comprehensive Behavioral Health	274,064	101,929	13,142	3,752	--	392,887
Cultural Collaboration Project	757	69	7,961	1,106	--	9,893
Elementary Running Initiative	--	--	--	--	--	--
Farm to School	--	--	--	942	--	942
Nutritional AK Foods	--	--	--	77,287	--	77,287
Pre-School Kindergarten Program	112,261	48,988	5,146	3,902	--	170,297
Providence Heights	98,308	39,164	4,413	--	--	141,885
Retirement Systems Employer Relief	--	6,600,351	--	--	--	6,600,351
Youth in Detention	352,923	120,198	7,875	56,623	--	537,619
Total state grants	1,253,902	6,997,013	266,126	2,139,837	10,050	10,666,928
Federal grants:						
Access to Education for Homeless Children Program	13,280	1,272	23,354	3,394	--	41,300
Alaska Family Directory Website	15,140	4,653	4,970	4,224	--	28,987
Alaska ICE	14,931	3,674	5,891	5,041	--	29,537
Alaska Mentorship Project	138,526	64,480	264,811	14,635	--	482,452
Alaska Network for Understanding History	140,483	40,451	97,507	8,040	--	286,481
Alaska State School for the Deaf	800	157	51,778	6,454	--	59,189
Artist in Schools	--	--	4,044	--	--	4,044
Big Brothers Big Sisters Mentoring	4,989	3,909	365	2,481	--	11,744
Carl Perkins Vocational Education Basic	285,171	55,658	139,274	411,485	75,000	966,588
Community Centers Learning Program	1,043,009	458,574	237,315	51,848	--	1,790,746
Education Jobs Fund	149,262	64,131	--	--	--	213,393
EPA Creek Revitalization	--	--	3,382	15,771	--	19,153

(Continued)

For the Year Ended June 30, 2013

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

	Personnel Services	Employee Benefits	Purchased Services	Supplies and Materials	Capital Outlay	Total
Foreign Language Assistance Program	\$ 94,808	\$ 30,911	\$ 44,727	\$ 7,697	\$ --	\$ 178,143
Military Impacted Students	301,625	109,522	108,924	118,825	11,007	649,903
Pre-School Handicapped	237,919	140,123	14,890	13,419	--	406,351
President Award Program	--	--	--	1	--	1
Project Impact	100,060	44,617	4,060	--	--	148,737
Project Ki'l	348,601	113,546	211,211	47,280	--	720,638
Project LEAP	1,775	264	--	--	--	2,039
Project MORE	240,092	50,921	7,840	81,611	--	380,464
Project Puqigtut	278,274	96,472	105,185	36,991	--	516,922
Refugee Support Services	12,187	1,777	4,372	3,742	--	22,078
Safe Routes to School	--	--	--	2,590	--	2,590
School Health Program	--	--	1,204	24,693	--	25,897
Second Order Prevention Project	71,515	14,326	14,141	9,346	--	109,328
StarTalk - Language Culture Summer Camp	53,193	8,195	12,292	18,641	--	92,321
Teaching American History Program	--	--	19,684	--	--	19,684
Teaching With Primary Sources Program	1,011	143	2,674	--	--	3,828
Title I - No Child Left Behind Act						
Delinquent and At-Risk						
Youth Program	110,827	54,022	7,192	2,081	--	174,122
District-wide	5,004,309	2,004,717	447,903	695,768	--	8,152,697
Highly Qualified Program	3,689	549	140	--	--	4,378
McLaughlin Youth Center	88,744	33,021	3,990	2,549	--	128,304
Parent Involvement Program	45,152	9,233	27,687	121,371	--	203,443
Professional Development	844,854	242,970	650,293	5,183	--	1,743,300
School Improvement Program	96,163	10,665	19,426	60,174	--	186,428
Supplemental Education Services Program	408,084	63,897	702,888	19,502	--	1,194,371
Total Title I - No Child Left Behind Act	6,601,822	2,419,074	1,859,519	906,628	--	11,787,043
Title I - Migrant Education						
Book Program	--	--	--	7,249	--	7,249
District-wide	701,615	384,968	126,388	71,639	--	1,284,610
Parent Involvement Program	--	--	2,528	--	--	2,528
Summer Program	471,414	104,499	135,340	145,715	--	856,968
Total Title I -Migrant Education	1,173,029	489,467	264,256	224,603	--	2,151,355
Title II-A - Professional Development Program	2,153,075	933,995	111,577	7,148	--	3,205,795
Title III - English Language Acquisition	247,257	86,202	11,319	56,638	--	401,416
Title VI B - Education of All Handicapped Children Act	6,624,242	3,684,607	1,221,490	280,987	--	11,811,326
Title VII - Indian, Native Hawaiian, and Alaska Native Ed.	1,554,029	1,041,739	167,549	49,406	--	2,812,723
USDA - Fresh Fruit and Vegetable Program	--	--	--	683,167	--	683,167
We Can	--	--	100	929	--	1,029
Work Investment Act School Program	24,331	2,624	883	549	--	28,387
Total federal grants	21,924,436	9,965,484	5,020,588	3,098,264	86,007	40,094,779
Total expenditures	\$ 23,389,428	\$ 17,029,790	\$ 5,400,834	\$ 5,353,633	\$ 96,057	\$ 51,269,742

## COMBINING BALANCE SHEET

	Food Service	Student Activities	Totals	
			2013	2012
<b>Assets</b>				
Cash and investments	\$ --	\$ 2,894,292	\$ 2,894,292	\$ 2,754,181
Accounts receivable	52,101	17,157	69,258	76,968
Interest receivable	--	1,747	1,747	596
Due from General Fund	614,544	1,938,417	2,552,961	3,092,411
Due from State of Alaska	59,768	--	59,768	136,408
Prepaid items	--	5,079	5,079	16,451
U.S.D.A. food commodities, at U.S.D.A. allocated value	290,398	--	290,398	286,400
Inventory, at weighted average cost	1,468,623	--	1,468,623	1,052,303
Total assets	<u>\$ 2,485,434</u>	<u>\$ 4,856,692</u>	<u>\$ 7,342,126</u>	<u>\$ 7,415,718</u>
<b>Liabilities</b>				
Accounts payable	\$ 53,722	\$ 23,452	\$ 77,174	\$ 80,524
Due to General Fund	--	28,044	28,044	25,324
Accrued salaries and related items:				
Wages and salaries payable	35,532	--	35,532	33,751
Payroll taxes, other accrued and withheld items	62,662	--	62,662	17,761
Unearned revenue	510,956	--	510,956	489,494
Total liabilities	<u>662,872</u>	<u>51,496</u>	<u>714,368</u>	<u>646,854</u>
<b>Fund balances</b>				
Reserved:				
Non-spendable	1,468,623	5,079	1,473,702	1,068,754
Committed	339,574	--	339,574	311,572
Assigned	14,365	4,800,117	4,814,482	5,388,538
Total fund balances	<u>1,822,562</u>	<u>4,805,196</u>	<u>6,627,758</u>	<u>6,768,864</u>
Total liabilities and fund balance	<u>\$ 2,485,434</u>	<u>\$ 4,856,692</u>	<u>\$ 7,342,126</u>	<u>\$ 7,415,718</u>

For the Year Ended June 30, 2013  
With Comparative Totals  
For the Year Ended June 30, 2012

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

	Food Service	Student Activites	Totals	
			2013	2012
<b>Revenues:</b>				
Revenues from local sources	\$ 2,789,428	\$ 7,221,230	\$ 10,010,658	\$ 11,168,759
Revenues from state sources	816,497	24,206	840,703	652,149
Revenues from federal sources	<u>15,488,142</u>	<u>--</u>	<u>15,488,142</u>	<u>14,122,627</u>
Total revenues	<u>19,094,067</u>	<u>7,245,436</u>	<u>26,339,503</u>	<u>25,943,535</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction	--	6,980,421	6,980,421	7,403,068
Food services	<u>19,502,420</u>	<u>--</u>	<u>19,502,420</u>	<u>18,615,420</u>
Total expenditures	<u>19,502,420</u>	<u>6,980,421</u>	<u>26,482,841</u>	<u>26,018,488</u>
Excess of revenues over (under) expenditures	(408,353)	265,015	(143,338)	(74,953)
<b>Other financing sources:</b>				
Proceeds from sale of property and equipment	<u>2,232</u>	<u>--</u>	<u>2,232</u>	<u>--</u>
Total other financing sources	<u>2,232</u>	<u>--</u>	<u>2,232</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources	(406,121)	265,015	(141,106)	(74,953)
Fund balances at beginning of year	<u>2,228,683</u>	<u>4,540,181</u>	<u>6,768,864</u>	<u>6,843,817</u>
Fund balances at end of year	<u>\$ 1,822,562</u>	<u>\$ 4,805,196</u>	<u>\$ 6,627,758</u>	<u>\$ 6,768,864</u>

June 30, 2013  
With Comparative Totals for  
June 30, 2012

**BALANCE SHEET**

	2013	2012
<b>Assets</b>		
Accounts receivable	\$ 52,101	\$ 61,270
Due from General Fund	614,544	1,279,231
Due from State of Alaska	59,768	136,408
Prepaid items	--	2,827
U.S.D.A. food commodities, at U.S.D.A. allocated value	290,398	286,400
Inventory, at weighted average cost	<u>1,468,623</u>	<u>1,052,303</u>
Total assets	<u><u>\$ 2,485,434</u></u>	<u><u>\$ 2,818,439</u></u>
<b>Liabilities</b>		
Accounts payable	\$ 53,722	\$ 48,750
Accrued salaries and related items:		
Wages and salaries payable	35,532	33,751
Payroll taxes, other accrued and withheld items	62,662	17,761
Unearned revenue	<u>510,956</u>	<u>489,494</u>
Total liabilities	<u>662,872</u>	<u>589,756</u>
<b>Fund balance</b>		
Non-spendable	1,468,623	1,055,130
Committed	339,574	311,572
Assigned	<u>14,365</u>	<u>861,981</u>
Total fund balance	1,822,562	2,228,683
Total liabilities and fund balance	<u><u>\$ 2,485,434</u></u>	<u><u>\$ 2,818,439</u></u>

For the Year Ended June 30, 2013  
 With Comparative Totals  
 For the Year Ended June 30, 2012

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

	<u>2013</u>	<u>2012</u>
Revenues:		
Revenues from local sources:		
Lunch sales - student	\$ 1,777,761	\$ 2,212,106
Lunch sales - adult	30,978	6,306
Breakfast program	142,910	133,988
Milk program	29,476	76,624
A la carte program	751,712	880,255
Special meals	3,466	33,967
Other revenues	53,125	49,792
Total revenues from local sources	<u>2,789,428</u>	<u>3,393,038</u>
Revenues from state sources:		
Grants	5,200	
Retirement system employer relief	811,297	628,495
Total revenues from State	<u>816,497</u>	
Revenues from federal sources:		
Type A lunch program - reimbursement	11,066,389	10,623,428
Breakfast program - reimbursement	2,976,108	2,574,191
After school snack program - reimbursement	1,186	181,603
After school dinner program - reimbursement	801,682	153,694
United States Department of Agriculture commodities	642,777	589,711
Total revenues from federal sources	<u>15,488,142</u>	<u>14,122,627</u>
Total revenues	<u>19,094,067</u>	<u>18,144,160</u>
Expenditures:		
Current:		
Food services:		
General administration	1,557,727	1,449,192
Kitchens and food center	16,078,801	15,439,346
Delivery	1,865,892	1,726,882
Total expenditures	<u>19,502,420</u>	<u>18,615,420</u>
Deficiency of revenues under expenditures	(408,353)	(471,260)
Other financing sources:		
Proceeds from sale of property and equipment	2,232	--
Total other financing sources	<u>2,232</u>	<u>--</u>
Fund balance at beginning of year	<u>2,228,683</u>	<u>2,699,943</u>
Fund balance at end of year	<u>\$ 1,822,562</u>	<u>\$ 2,228,683</u>

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

For the Year Ended June 30, 2013

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
<b>Revenues:</b>						
Revenues from local sources:						
Lunch sales - student	\$ 1,777,761	\$ --	\$ 1,777,761	\$ 2,397,177	\$ 2,397,177	\$ (619,416)
Lunch sales - adult	30,978	--	30,978	82,025	82,025	(51,047)
Breakfast program	142,910	--	142,910	112,925	112,925	29,985
Milk program	29,476	--	29,476	84,000	84,000	(54,524)
A la carte program	751,712	--	751,712	1,251,320	1,251,320	(499,608)
Special meals	3,466	--	3,466	152,279	152,279	(148,813)
Other revenues	53,125	400,000	453,125	400,000	400,000	53,125
Total revenue from local sources	2,789,428	400,000	3,189,428	4,479,726	4,479,726	(1,290,298)
Revenues from state sources:						
Grants	5,200	--	5,200	--	--	5,200
Retirement system employer relief	811,297	(811,297)	--	--	--	--
Total revenue from state sources	816,497	(811,297)	5,200	--	--	5,200
Revenues from federal sources:						
Type A lunch program - reimbursement	11,066,389	--	11,066,389	10,933,158	10,933,158	133,231
Breakfast program - reimbursement	2,976,108	--	2,976,108	2,068,891	2,068,891	907,217
After school snack program - reimbursement	1,186	--	1,186	18,900	18,900	(17,714)
After school dinner program - reimbursement	801,682	--	801,682	849,600	849,600	(47,918)
United States Department of Agriculture commodities	642,777	--	642,777	693,152	693,152	(50,375)
Total revenue from federal sources	15,488,142	--	15,488,142	14,563,701	14,563,701	924,441
Total revenues	19,094,067	(411,297)	18,682,770	19,043,427	19,043,427	(360,657)
<b>Expenditures:</b>						
Current:						
Food services						
General administration						
Personnel services	651,831	--	651,831	916,258	916,258	264,427
Employee benefits	463,717	(93,676)	370,041	438,048	438,048	68,007
Purchased services	401,908	55,514	457,422	680,639	680,639	223,217
Supplies and materials	5,187	285	5,472	8,000	8,000	2,528
Capital outlay	35,084	24,916	60,000	--	--	(60,000)
Total general administration	1,557,727	(12,961)	1,544,766	2,042,945	2,042,945	498,179
Kitchens and food center						
Personnel services	4,275,380	--	4,275,380	4,504,271	4,504,271	228,891
Employee benefits	3,809,002	(593,306)	3,215,696	3,472,702	3,472,702	257,006
Purchased services	510,440	(31,375)	479,065	422,694	422,694	(56,371)
Supplies and materials	7,483,979	(27,787)	7,456,192	6,881,370	6,881,370	(574,822)
Capital outlay	--	36,718	36,718	65,730	65,730	29,012
Other	--	--	--	7,000	7,000	7,000
Total kitchens and food center	16,078,801	(615,750)	15,463,051	15,353,767	15,353,767	(109,284)

(Continued)

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

For the Year Ended June 30, 2013

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
<b>Delivery:</b>						
Personnel services	\$ 872,418	\$ --	\$ 872,418	\$ 840,846	\$ 840,846	\$ (31,572)
Employee benefits	698,279	(124,315)	573,964	538,911	538,911	(35,053)
Purchased services	8,690	(83)	8,607	23,715	23,715	15,108
Supplies and materials	169,780	(5,928)	163,852	110,000	110,000	(53,852)
Capital outlay	116,725	(95,515)	21,210	133,243	133,243	112,033
Total delivery	<u>1,865,892</u>	<u>(225,841)</u>	<u>1,640,051</u>	<u>1,646,715</u>	<u>1,646,715</u>	<u>6,664</u>
Total expenditures	<u>19,502,420</u>	<u>(854,552)</u>	<u>18,647,868</u>	<u>19,043,427</u>	<u>19,043,427</u>	<u>395,559</u>
Excess (deficiency) of revenues over (under) expenditures	(408,353)	443,255	34,902	--	--	34,902
<b>Other financing sources:</b>						
Proceeds from sale of property and equipment	2,232	--	2,232	--	--	2,232
Total other financing sources	<u>2,232</u>	<u>--</u>	<u>2,232</u>	<u>--</u>	<u>--</u>	<u>2,232</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	(406,121)	<u>\$ 443,255</u>	<u>\$ 37,134</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 37,134</u>
Fund balance at beginning of year	<u>2,228,683</u>					
Fund balance at end of year	<u>\$ 1,822,562</u>					

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

Revenues reported on the basis of GAAP		\$ 19,094,067
Add: budgeted fund balance	\$ 400,000	
Deduct: retirement system on-behalf payments	(811,297)	
		<u>(411,297)</u>
Revenues reported on the basis of budgeting		<u>18,682,770</u>
Expenditures reported on the basis of GAAP		19,502,420
Add: current year encumbrances	\$ 126,014	
Deduct: expenditures on prior year's encumbrances	(169,269)	
Deduct: retirement system incremental increase (PERS)	(811,297)	
Expenditures and encumbrances reported on the basis of budgeting		<u>(854,552)</u>
		<u>18,647,868</u>
Excess of revenues over expenditures on the basis of budgeting		<u>\$ 34,902</u>

For the Year Ended June 30, 2013

**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	\$ 651,831	\$ 463,717	\$ 401,908	\$ 5,187	\$ 35,084	\$ 1,557,727
Kitchens and food center	4,275,380	3,809,002	510,440	7,483,979	--	16,078,801
Delivery	<u>872,418</u>	<u>698,279</u>	<u>8,690</u>	<u>169,780</u>	<u>116,725</u>	<u>1,865,892</u>
	<u>\$ 5,799,629</u>	<u>\$ 4,970,998</u>	<u>\$ 921,038</u>	<u>\$ 7,658,946</u>	<u>\$ 151,809</u>	<u>\$ 19,502,420</u>

June 30, 2013  
With Comparative Totals for  
June 30, 2012

**BALANCE SHEET - BY ACCOUNT**

	Decentralized Student Activities	Centralized Student Activities	Totals	
			2013	2012
<b>Assets</b>				
Cash and investments	\$ 2,631,730	\$ 262,562	\$ 2,894,292	\$ 2,754,181
Accounts receivable	--	17,157	17,157	15,698
Interest receivable	--	1,747	1,747	596
Due from General Fund	15,835	1,922,582	1,938,417	1,813,180
Prepaid items	--	5,079	5,079	13,624
Total assets	<u>\$ 2,647,565</u>	<u>\$ 2,209,127</u>	<u>\$ 4,856,692</u>	<u>\$ 4,597,279</u>
<b>Liabilities</b>				
Accounts payable	\$ --	\$ 23,452	\$ 23,452	\$ 31,774
Due to General Fund	28,044	--	28,044	25,324
Total liabilities	<u>28,044</u>	<u>23,452</u>	<u>51,496</u>	<u>57,098</u>
<b>Fund balances</b>				
Non-spendable	--	5,079	5,079	13,624
Assigned	2,619,521	2,180,596	4,800,117	4,526,557
Total fund balances	<u>2,619,521</u>	<u>2,185,675</u>	<u>4,805,196</u>	<u>4,540,181</u>
Total liabilities and fund balances	<u>\$ 2,647,565</u>	<u>\$ 2,209,127</u>	<u>\$ 4,856,692</u>	<u>\$ 4,597,279</u>

For the Year Ended June 30, 2013  
With Comparative Totals  
For the Year Ended June 30, 2012

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

	Decentralized Student Activities	Centralized Student Activities	Totals	
			2013	2012
Revenues:				
Revenues from local sources:				
Other revenues	\$ 5,854,904	\$ 1,366,326	\$ 7,221,230	\$ 7,775,721
Revenues from state sources:				
Retirement systems employer relief	--	24,206	24,206	23,654
Total revenues	5,854,904	1,390,532	7,245,436	7,799,375
Expenditures:				
Current:				
Instruction:				
Student activities	5,773,294	1,207,127	6,980,421	7,403,068
Excess of revenues over expenditures	81,610	183,405	265,015	396,307
Fund balances at beginning of year	2,537,911	2,002,270	4,540,181	4,143,874
Fund balances at end of year	\$ 2,619,521	\$ 2,185,675	\$ 4,805,196	\$ 4,540,181

June 30, 2013  
With Comparative Totals for  
June 30, 2012

DECENTRALIZED STUDENT ACTIVITIES  
BALANCE SHEET - BY DEPARTMENT

	High Schools	Middle Schools	Alternative Schools and Others	Totals	
				2013	2012
<b>Assets</b>					
Cash and investments	\$ 1,812,073	\$ 563,573	\$ 256,084	\$ 2,631,730	\$ 2,542,097
Due from General Fund	--	15,835	--	15,835	21,138
Total assets	<u>\$ 1,812,073</u>	<u>\$ 579,408</u>	<u>\$ 256,084</u>	<u>\$ 2,647,565</u>	<u>\$ 2,563,235</u>
<b>Liabilities</b>					
Due to General Fund	\$ 28,044	\$ --	\$ --	\$ 28,044	\$ 25,324
<b>Fund balances</b>					
Assigned	<u>1,784,029</u>	<u>579,408</u>	<u>256,084</u>	<u>2,619,521</u>	<u>2,537,911</u>
Total liabilities and fund balances	<u>\$ 1,812,073</u>	<u>\$ 579,408</u>	<u>\$ 256,084</u>	<u>\$ 2,647,565</u>	<u>\$ 2,563,235</u>

For the Year Ended June 30, 2013  
With Comparative Totals  
For the Year Ended June 30, 2012

## DECENTRALIZED STUDENT ACTIVITIES

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

	High Schools	Middle Schools	Alternative Schools and Others	Totals	
				2013	2012
Revenues:					
Revenues from local sources:					
Other revenues	\$ 4,052,369	\$ 1,223,916	\$ 578,619	\$ 5,854,904	\$ 6,469,146
Expenditures:					
Current:					
Instruction:					
Pupil activity	4,007,859	1,195,937	569,498	5,773,294	6,295,287
Excess of revenues over expenditures	44,510	27,979	9,121	81,610	173,859
Fund balances at beginning of year	1,739,519	551,429	246,963	2,537,911	2,364,052
Fund balances at end of year	\$ 1,784,029	\$ 579,408	\$ 256,084	\$ 2,619,521	\$ 2,537,911

June 30, 2013  
With Comparative Totals for  
June 30, 2012

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

	PTA Support	Student Activities	Instructional Replacement Fees	Supplemental Sources	Totals	
					2013	2012
<b>Assets</b>						
Cash and investments	\$ --	\$ --	\$ --	\$ 262,562	\$ 262,562	\$ 212,084
Accounts receivable	--	9,826	--	7,331	17,157	15,698
Interest receivable	--	--	--	1,747	1,747	596
Due from General Fund	186,253	445,488	760,503	530,338	1,922,582	1,792,042
Prepaid items	1,504	3,575	--	--	5,079	13,624
Total assets	<u>\$ 187,757</u>	<u>\$ 458,889</u>	<u>\$ 760,503</u>	<u>\$ 801,978</u>	<u>\$ 2,209,127</u>	<u>\$ 2,034,044</u>
<b>Liabilities</b>						
Accounts payable	\$ --	\$ 945	\$ 12,869	\$ 9,638	\$ 23,452	\$ 31,774
<b>Fund balances</b>						
Non-spendable	1,504	3,575	--	--	5,079	13,624
Assigned	186,253	454,369	747,634	792,340	2,180,596	1,988,646
Total fund balances	<u>187,757</u>	<u>457,944</u>	<u>747,634</u>	<u>792,340</u>	<u>2,185,675</u>	<u>2,002,270</u>
Total liabilities and fund balances	<u>\$ 187,757</u>	<u>\$ 458,889</u>	<u>\$ 760,503</u>	<u>\$ 801,978</u>	<u>\$ 2,209,127</u>	<u>\$ 2,034,044</u>

For the Year Ended June 30, 2013  
With Comparative Totals  
For the Year Ended June 30, 2012

## CENTRALIZED STUDENT ACTIVITIES

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

	PTA Support	Student Activities	Instructional Replacement Fees	Supplemental Sources	Totals	
					2013	2012
Revenues:						
Revenues from local sources:						
Other revenues	\$ 133,732	\$ 549,634	\$ 363,611	\$ 319,349	\$ 1,366,326	\$ 1,306,575
Revenues from state sources:						
Retirement systems employer relief	--	--	--	24,206	24,206	23,654
Total revenues	133,732	549,634	363,611	343,555	1,390,532	1,330,229
Expenditures:						
Current:						
Instruction:						
Student activities	141,440	479,717	282,889	303,081	1,207,127	1,107,781
Excess (deficiency) of revenues over (under) expenditures	(7,708)	69,917	80,722	40,474	183,405	222,448
Fund balances at beginning of year	195,465	388,027	666,912	751,866	2,002,270	1,779,822
Fund balances at end of year	\$ 187,757	\$ 457,944	\$ 747,634	\$ 792,340	\$ 2,185,675	\$ 2,002,270

CAFR



Debt Service Fund

## Debt Service Fund

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

June 30, 2013  
With Comparative Totals for  
June 30, 2012

**BALANCE SHEET**

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Cash and investments with paying agent	\$ 6,553,286	\$ 19,918,163
Due from other governments:		
Municipality of Anchorage	20,409,199	20,030,890
State of Alaska	450,618	488,913
Total assets	<u>\$ 27,413,103</u>	<u>\$ 40,437,966</u>
<b>Liabilities</b>		
Due to General Fund	\$ 4,824,311	\$ 18,697,524
<b>Deferred inflows of resources</b>		
Debt service tax appropriation	20,409,199	20,030,890
<b>Fund balance</b>		
Restricted	2,179,593	1,709,552
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 27,413,103</u>	<u>\$ 40,437,966</u>

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

For the Year Ended June 30, 2013

	Actual	Adjustment to Basis of Budgeting	Actual on Basis of Budgeting	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
<b>Revenues:</b>						
Revenues from local sources:						
Appropriation from Municipality of Anchorage	\$ 40,061,778	\$ --	\$ 40,061,778	\$ 40,061,780	\$ 40,061,780	\$ (2)
Investment income	15	--	15	--	--	15
Other local revenues	--	210,000	210,000	210,000	210,000	--
Total revenues from local sources	40,061,793	210,000	40,271,793	40,271,780	40,271,780	13
Revenues from state sources:						
Aid for school construction	45,061,570	--	45,061,570	46,061,752	46,061,752	(1,000,182)
Revenues from federal sources:						
BABS subsidy	277,412	--	277,412	277,412	277,412	--
Total revenues	85,400,775	210,000	85,610,775	86,610,944	86,610,944	(1,000,169)
<b>Expenditures:</b>						
Debt service:						
Refunding bond issuance cost	69,405	--	69,405	--	--	(69,405)
Principal	55,425,000	--	55,425,000	55,761,000	55,761,000	336,000
Interest	29,504,017	--	29,504,017	30,834,944	30,834,944	1,330,927
Fiscal agent fees	9,330	--	9,330	15,000	15,000	5,670
Total expenditures	85,007,752	--	85,007,752	86,610,944	86,610,944	1,603,192
Excess of revenues over expenditures	393,023	210,000	603,023	--	--	603,023
Other financing sources (uses):						
Proceeds of Refunding Debt	24,080,000	--	24,080,000	--	--	24,080,000
Proceeds of Refunding Premium	1,139,945	--	1,139,945	--	--	1,139,945
Payment to Refunding Escrow	(25,150,540)	--	(25,150,540)	--	--	(25,150,540)
Transfers in - Capital Projects Fund	7,613	--	7,613	--	--	7,613
Total other financing sources	77,018	--	77,018	--	--	77,018
Excess of revenues and other financing sources (uses) over expenditures	470,041	\$ 210,000	\$ 680,041	\$ --	\$ --	\$ 680,041
Restricted fund balance at beginning of year	1,709,552					
Restricted fund balance at end of year	\$ 2,179,593					



CAFR



## 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, 2013  
With Comparative Totals for  
June 30, 2012

**BALANCE SHEET**

	2013	2012
<b>Assets</b>		
Cash and investments	\$ 7,222,641	\$ 3,750,186
Cash with paying agent	40,794	2,993
Interest receivable	53,606	4,235
Due from General Fund	7,859,428	10,484,267
Due from other governments:		
Municipality of Anchorage	1,714,662	2,925,573
State of Alaska	2,421,847	--
United States Government	165,166	59,883
Prepaid items	2,017	1,953
Total assets	<u>\$ 19,480,161</u>	<u>\$ 17,229,090</u>
<b>Liabilities</b>		
Accounts payable	\$ 160,068	\$ 12,486
Contracts payable	6,643,430	2,901,958
Accrued salaries and related items:		
Wages and salaries payable	70,547	29,990
Payroll taxes, other accrued and withheld items	123,967	23,613
Unearned revenue	454,592	13,800
Total liabilities	<u>7,452,604</u>	<u>2,981,847</u>
<b>Fund balance</b>		
Non-spendable	2,017	1,953
Committed	12,025,540	14,245,290
Total fund balance	<u>12,027,557</u>	<u>14,247,243</u>
	<u>\$ 19,480,161</u>	<u>\$ 17,229,090</u>
Total liabilities and fund balance	<u>\$ 19,480,161</u>	<u>\$ 17,229,090</u>

For the Year Ended June 30, 2013  
 With Comparative Totals  
 For the Year Ended June 30, 2012

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

	2013	2012
Revenues:		
Revenues from local sources:		
Investment income	\$ 25,104	\$ 10,237
Other revenues	--	995,442
Total revenues from local sources	<u>25,104</u>	<u>1,005,679</u>
Revenues from state sources:		
State/Municipal grants	11,790,344	4,464,061
Retirement systems employer relief	157,868	95,412
Total revenues from state sources	<u>11,948,212</u>	<u>4,559,473</u>
Revenues from federal sources:		
Federal Impact Aid	62,525	515,984
Federal capital grants	327,579	2,384,663
Total revenues from federal sources	<u>390,104</u>	<u>2,900,647</u>
Total revenues	<u>12,363,420</u>	<u>8,465,799</u>
Expenditures:		
Bond issuance cost	32,522	16,213
Capital outlays:		
Secondary schools	18,023,612	8,243,059
Elementary schools	11,067,937	5,693,546
Other capital outlays	991,534	2,408,449
Total capital outlays	<u>30,083,083</u>	<u>16,345,054</u>
Total expenditures	<u>30,115,605</u>	<u>16,361,267</u>
Deficiency of revenues under expenditures	(17,752,185)	(7,895,468)
Other financing sources and (uses):		
Proceeds of general obligation bonds	14,425,000	--
Premium on issuance of general obligation bonds	1,115,112	--
Transfers out - Debt Service Fund	(7,613)	(6,095)
Total other financing sources and (uses)	<u>15,532,499</u>	<u>(6,095)</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	(2,219,686)	(7,901,563)
Fund balance at beginning of year	<u>14,247,243</u>	<u>22,148,806</u>
Fund balance at end of year	<u>\$ 12,027,557</u>	<u>\$ 14,247,243</u>

For the Period Ended June 30, 2013

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

	Prior Years	Total Current Expenditures	Total Expenditures	GFA Additions	Ending Balance	Project Authoriza- tion	Variance favorable (unfavorable)
Capital outlays:							
Secondary schools:							
Bartlett Senior High	\$ 50,469	\$ 2,445,090	\$ 2,495,559	\$ 2,495,559	\$ --	\$ 10,132,118	\$ 7,636,559
Chugiak Senior High	81,245	809,527	890,772	828,603	62,169	5,092,593	4,201,821
Dimond Senior High	8,281	797,965	806,246	779,919	26,327	2,657,078	1,850,832
Eagle River Senior High	10,498	162,601	173,099	162,438	10,661	331,664	158,565
East Senior High	91,350	3,363,242	3,454,592	3,411,988	42,604	7,631,210	4,176,618
South Anchorage Senior High	21,934	286,644	308,578	302,490	6,088	4,158,479	3,849,901
Service Senior High	16,320	3,934,337	3,950,657	3,893,148	57,509	33,322,125	29,371,468
West Senior High	32,967	1,818,891	1,851,858	1,850,257	1,601	24,611,140	22,759,282
Central Middle School	30,692	349,919	380,611	379,451	1,160	5,017,256	4,636,645
Clark Middle School	--	66,624	66,624	66,624	--	198,699	132,075
Golden View Middle School	3,642	20,713	24,355	19,813	4,542	360,115	335,760
Ernest Gruening Middle School	7,879	282,853	290,732	287,647	3,085	2,191,765	1,901,033
U. S. Hanshew Middle School	5,065	727,009	732,074	732,074	--	2,464,288	1,732,214
Jane Mears Middle School	22,761	142,502	165,263	146,471	18,792	1,471,370	1,306,107
Mirror Lake Middle School	--	346,095	346,095	344,817	1,278	1,423,784	1,077,689
Begich Middle School	69,860	273,748	343,608	321,384	22,224	1,420,328	1,076,720
Romig Middle School	22,256	1,003,008	1,025,264	1,006,631	18,633	3,027,391	2,002,127
Wendler Middle School	24,724	6,876	31,600	19,091	12,509	1,699,994	1,668,394
Benny Benson Secondary	--	--	--	--	--	4,056	--
Martin Luther King, Jr. Career Center	237,245	908,403	1,145,648	1,126,280	19,368	5,669,122	4,523,474
Save Alternative	3,031	112,471	115,502	113,448	2,054	488,842	373,340
Steller Alternative	763	43,552	44,315	43,969	346	2,756,411	2,712,096
Whaley Center	1,789	23,790	25,579	24,816	763	1,342,641	1,317,062
Retirement system employer relief	--	97,752	97,752	--	--	--	(97,752)
Total secondary schools	742,771	18,023,612	18,766,383	18,356,918	311,713	117,472,469	98,702,030
Elementary schools:							
Abbott Loop	763	339,551	340,314	340,314	--	1,029,054	688,740
Airport Heights	1,063	85,477	86,540	83,819	2,721	597,255	510,715
Alpenglow	2,915	38,760	41,675	--	41,675	750,364	708,689
Aquarian Charter	64,078	206,964	271,042	270,762	280	326,905	55,863
Aurora	--	1,042,648	1,042,648	1,042,360	288	7,196,343	6,153,695
Baxter	--	2,485	2,485	600	1,885	192,951	190,466
Bayshore	20,809	152,523	173,332	173,332	--	694,427	521,095
Bear Valley	6,468	537,341	543,809	543,809	--	2,205,045	1,661,236
Birchwood	--	59,234	59,234	59,234	--	119,421	60,187
Willard Bowman	--	606,040	606,040	606,040	--	1,492,609	886,569
Campbell	9,186	329,373	338,559	338,559	--	802,250	463,691
Chester Valley	--	10,000	10,000	--	10,000	44,909	34,909
Chinook	9,949	182,703	192,652	190,678	1,974	449,643	256,991
Chugach	9,200	19,418	28,618	27,028	1,590	147,654	119,036
Chugiak	--	42,561	42,561	42,561	--	499,269	456,708

(Continued)

For the Period Ended June 30, 2013

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

	Prior Years	Total Current Expenditures	Total Expenditures	GFA Additions	Ending Balance	Project Authoriza- tion	Variance favorable (unfavorable)
College Gate	\$ 7,541	\$ 240	\$ 7,781	\$ 7,541	\$ 240	\$ 1,537,681	\$ 1,529,900
Creekside Park	959	40,528	41,487	40,991	496	172,628	131,141
Denali	--	1,590	1,590	--	1,590	90,425	88,835
Eagle River	1,863	219,443	221,306	219,156	2,150	2,205,118	1,983,812
Fairview	--	2,590	2,590	--	2,590	212,249	209,659
Fire Lake	--	10,110	10,110	--	10,110	190,384	180,274
Girdwood	12,469	578,889	591,358	591,038	320	26,121,714	25,530,356
Government Hill	--	1,590	1,590	--	1,590	236,144	234,554
Homestead	2,915	5,090	8,005	--	8,005	186,555	178,550
Huffman	14,000	122,987	136,987	136,987	--	2,640,862	2,503,875
Inlet View	1,070	37,258	38,328	34,917	3,411	669,469	631,141
Kasuun	2,915	136,607	139,522	131,937	7,585	591,604	452,082
Kennedy	--	1,209,226	1,209,226	1,209,226	--	1,215,622	6,396
Kincaid	435	9,530	9,965	9,530	435	68,527	58,562
Klatt	3,515	50,430	53,945	39,873	14,072	591,430	537,485
Lake Hood	763	72,941	73,704	73,704	--	522,661	448,957
Lake Otis	--	--	--	--	--	3,522	3,522
Mt. View	5,794	456,272	462,066	461,422	644	2,603,432	2,141,366
Mt. Iliamna	139,961	54,504	194,465	140,125	54,340	767,926	573,461
Mt. Spurr	--	80	80	--	80	160,846	160,766
Muldoon	7,499	139,011	146,510	146,510	--	334,744	188,234
North Star	763	44,409	45,172	45,172	--	263,285	218,113
Northern Lights	--	--	--	--	--	21,424	21,424
Northwood	1,643	89,208	90,851	90,171	680	1,382,998	1,292,147
Nunaka Valley	7,374	32,616	39,990	28,314	11,676	506,177	466,187
Ocean View	--	64,602	64,602	63,012	1,590	298,712	234,110
O'Malley	3,983	151,183	155,166	153,576	1,590	2,239,799	2,084,633
Orion	--	7,358	7,358	7,358	--	19,577	12,219
Polaris K-12	806	36,579	37,385	36,822	563	791,079	753,694
Ptarmigan	6,840	115,470	122,310	120,310	2,000	352,051	229,741
Rabbit Creek	1,305	641,450	642,755	642,755	--	3,176,356	2,533,601
Ravenwood	--	100,076	100,076	86,084	13,992	515,665	415,589
Rogers Park	--	--	--	--	--	906	906
Russian Jack	800	80,504	81,304	81,304	--	178,399	97,095
Sand Lake	763	117,531	118,294	107,583	10,711	556,607	438,313
Scenic Park	2,915	110,076	112,991	105,707	7,284	537,597	424,606
Spring Hill	4,206	73,159	77,365	57,760	19,605	1,211,225	1,133,860
Susitna	3,978	337,923	341,901	315,378	26,523	1,723,791	1,381,890
Trailside	343	2,789	3,132	--	3,132	270,857	267,725
Taku	--	15,309	15,309	14,901	408	69,116	53,807
Tudor	3,718	162,772	166,490	156,366	10,124	1,964,605	1,798,115
Turnagain	763	792,041	792,804	779,558	13,246	2,802,245	2,009,441

(Continued)

For the Period Ended June 30, 2013

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

	Prior Years	Total Current Expenditures	Total Expenditures	GFA Additions	Ending Balance	Project Authoriza- tion	Variance favorable (unfavorable)
Ursa Major	\$ 14,344	\$ 215,517	\$ 229,861	\$ 229,861	\$ --	\$ 468,411	\$ 238,550
Ursa Minor	--	--	--	--	--	9,492	9,492
William Tyson	9,621	207,005	216,626	206,788	9,838	462,454	245,828
Williwaw	1,003	49,217	50,220	50,220	--	71,213	20,993
Willow Crest	6,749	211,020	217,769	217,769	--	515,157	297,388
Wonder Park	16,195	413,225	429,420	424,798	4,622	1,327,001	897,581
Gladys Wood	1,682	132,788	134,470	100,249	34,221	1,203,430	1,068,960
Retirement system employer relief	--	60,116	60,116	--	--	--	(60,116)
Total elementary schools	<u>415,924</u>	<u>11,067,937</u>	<u>11,483,861</u>	<u>11,083,869</u>	<u>339,876</u>	<u>80,611,271</u>	<u>69,127,410</u>
Other capital outlays:							
District-wide Asbestos/ Life Safety	168,051	--	168,051	--	168,051	329,337	161,286
District-wide Emergency Preparation	60,212	327,249	387,461	387,461	--	725,380	337,919
District-wide Security Systems	23,030	274,455	297,485	296,615	870	1,171,199	873,714
District-wide Sprinkler Upgrade	--	--	--	--	--	6,964,365	6,964,365
District-wide Underground Storage Tank Removal	303	--	303	--	303	5,128	4,825
District-wide Electric/Switch Upgrades	9,836	--	9,836	--	9,836	19,340	9,504
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	--	--	--	--	--	839,807	839,807
District-wide Library Books	--	--	--	--	--	(130)	(130)
District-wide Mechanical	47,814	--	47,814	--	47,814	54,944	7,130
District-wide Building Renewal	367,421	85,751	453,172	83,945	369,227	892,470	439,298
District-wide Roof Replacement	--	--	--	--	--	26,267	26,267
District-wide Site Acquisition	--	--	--	--	--	22,482	22,482
Facilities/Maintenance	10,196	4,871	15,067	4,923	10,144	216,846	201,779
Traffic Safety	--	236,056	236,056	236,056	--	319,626	83,570
Pupil Transportation New Buses	--	45,588	45,588	45,588	--	627,178	581,590
Student Nutrition	--	17,564	17,564	17,564	--	251,766	234,202
Warehouse	--	--	--	--	--	15,032	15,032
Total other capital outlays	<u>686,863</u>	<u>991,534</u>	<u>1,678,397</u>	<u>1,072,152</u>	<u>606,245</u>	<u>12,501,944</u>	<u>10,823,547</u>
Total capital outlays	<u>\$ 1,845,558</u>	<u>\$ 30,083,083</u>	<u>\$ 31,928,641</u>	<u>\$ 30,512,939</u>	<u>\$ 1,257,834</u>	<u>\$ 210,585,684</u>	<u>\$ 178,652,987</u>

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## **Internal Service Funds**

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

### **Equipment Replacement Fund**

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

### **Health Insurance Fund**

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

June 30, 2013  
With Comparative Totals for  
June 30, 2012

## INTERNAL SERVICE FUNDS

## COMBINING STATEMENT OF NET POSITION

	Equipment Replacement	Health Insurance	Total Internal Service Funds	
			2013	2012
<b>Assets</b>				
Current Assets:				
Investments	\$ 9,284,747	\$ 15,455,385	\$ 24,740,132	\$ 28,493,636
Accounts receivable	28,829	1,163,341	1,192,170	4,709
Total current assets	<u>9,313,576</u>	<u>16,618,726</u>	<u>25,932,302</u>	<u>28,498,345</u>
Non-current assets:				
Machinery and equipment	26,958,716	--	26,958,716	27,301,887
Accumulated depreciation	(21,529,515)	--	(21,529,515)	(22,540,292)
Total capital assets (net of accumulated depreciation)	<u>5,429,201</u>	<u>--</u>	<u>5,429,201</u>	<u>4,761,595</u>
Total assets	<u>14,742,777</u>	<u>16,618,726</u>	<u>31,361,503</u>	<u>33,259,940</u>
<b>Liabilities</b>				
Current liabilities:				
Medical claims and other payables	<u>1,395</u>	<u>7,062,837</u>	<u>7,064,232</u>	<u>8,825,824</u>
<b>Net Position</b>				
Investment in capital assets	5,429,201	--	5,429,201	4,761,595
Unrestricted	<u>9,312,181</u>	<u>9,555,889</u>	<u>18,868,070</u>	<u>19,672,521</u>
Total net position	<u>\$ 14,741,382</u>	<u>\$ 9,555,889</u>	<u>\$ 24,297,271</u>	<u>\$ 24,434,116</u>

For the Year Ended June 30, 2013  
 With Comparative Totals  
 For the Year Ended June 30, 2012

## INTERNAL SERVICE FUNDS

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION

	Equipment Replacement	Health Insurance	Total Internal Service Funds	
			2013	2012
Operating revenues:				
Charges for services	\$ 949,256	\$ --	\$ 949,256	\$ 484,269
Charges for health insurance services	--	34,643,429	34,643,429	32,740,721
Total operating revenues	<u>949,256</u>	<u>34,643,429</u>	<u>35,592,685</u>	<u>33,224,990</u>
Operating expenses:				
Depreciation	1,192,966	--	1,192,966	1,225,297
Costs of services	--	115,493	115,493	198,391
Medical plan administration	--	2,685,073	2,685,073	2,721,110
Medical claims	--	32,930,154	32,930,154	29,558,815
Other costs	27,772	--	27,772	--
Total operating expenses	<u>1,220,738</u>	<u>35,730,720</u>	<u>36,951,458</u>	<u>33,703,613</u>
Operating loss	<u>(271,482)</u>	<u>(1,087,291)</u>	<u>(1,358,773)</u>	<u>(478,623)</u>
Non-operating revenues:				
Gain on sale of capital assets	49,363	--	49,363	--
Insurance proceeds	17,126	--	17,126	--
Investment income	33,440	72,027	105,467	551,478
Total non-operating revenues	<u>99,929</u>	<u>72,027</u>	<u>171,956</u>	<u>551,478</u>
Total income (loss) before capital contributions and transfers	<u>(171,553)</u>	<u>(1,015,264)</u>	<u>(1,186,817)</u>	<u>72,855</u>
Capital contributions and transfers	1,049,972	--	1,049,972	3,685,120
Transfers in - General Fund	--	--	--	2,488,830
Total capital contributions and transfers	<u>1,049,972</u>	<u>--</u>	<u>1,049,972</u>	<u>6,173,950</u>
Changes in net position	878,419	(1,015,264)	(136,845)	6,246,805
Net position at beginning of year	<u>13,862,963</u>	<u>10,571,153</u>	<u>24,434,116</u>	<u>18,187,311</u>
Net position at end of year	<u>\$ 14,741,382</u>	<u>\$ 9,555,889</u>	<u>\$ 24,297,271</u>	<u>\$ 24,434,116</u>

For the Year Ended June 30, 2013

## INTERNAL SERVICE FUNDS

With Comparative Totals

For the Year Ended June 30, 2012

## STATEMENT OF CASH FLOWS

	Equipment Replacement	Health Insurance	Total Internal Service Funds	
			2013	2012
Cash flows from operating activities:				
Receipts from interfund activities	\$ 949,256	\$ 33,399,152	\$ 34,348,408	\$ 34,277,392
Payments for interfund services used	(27,772)	--	(27,772)	(85,891)
Payments for medical claims and other health insurance activity	--	(37,408,062)	(37,408,062)	(32,527,752)
Net cash flows provided by operating activities	<u>921,484</u>	<u>(4,008,910)</u>	<u>(3,087,426)</u>	<u>1,663,749</u>
Cash flows from non-capital financing activities:				
Transfer from other funds	--	--	--	2,488,830
Net cash provided by financing activities	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,488,830</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(826,291)	--	(826,291)	(202,521)
Sale of capital assets	37,620	--	37,620	--
Insurance proceeds	17,126	--	17,126	--
Net cash used in capital and financing activities	<u>(771,545)</u>	<u>--</u>	<u>(771,545)</u>	<u>(202,521)</u>
Cash flows from investing activities:				
Purchase of investments	(183,379)	3,936,883	3,753,504	(4,501,536)
Interest earnings received	33,440	72,027	105,467	551,478
Net cash used in investing activities	<u>(149,939)</u>	<u>4,008,910</u>	<u>3,858,971</u>	<u>(3,950,058)</u>
Net increase in cash	--	--	--	--
Cash at beginning of year	--	--	--	--
Cash at end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating loss	\$ (271,482)	\$ (1,087,291)	\$ (1,358,773)	\$ (478,623)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation expense	1,192,966	--	1,192,966	1,225,297
Change in assets and liabilities				
Receivables, net	--	(1,158,632)	(1,158,632)	1,870
Accounts and other payables	--	(1,762,987)	(1,762,987)	915,205
Net cash provided by operating activities	<u>\$ 921,484</u>	<u>\$ (4,008,910)</u>	<u>\$ (3,087,426)</u>	<u>\$ 1,663,749</u>

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Photo by Matthew Crockett

## 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 POSITION (1)

Net Position							
Restricted for:							
Fiscal Year	Net Investment in Capital Assets	Debt Service	Authorized Construction Net of Authorized Unissued Bonds	Bond rating	Federal Impact Aid 8003(d)	Unrestricted	Total Net Position
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	--	16,415,939	--	48,552,991	516,315,161
2007-2008	459,600,531	2,709,623	20,687,437	17,503,677	--	51,775,663	552,276,931
2008-2009	478,070,820	2,046,009	--	18,600,421	--	94,608,950	593,326,200
2009-2010	488,771,145	2,051,689	4,886,817	19,292,937	--	99,173,849	614,176,437
2010-2011	506,570,859	2,136,337	11,549,306	19,484,331	418,417	105,531,288	645,690,538
2011-2012	538,847,164	1,709,552	--	23,877,539	449,596	111,161,682	676,045,533
2012-2013	575,380,172	2,179,593	--	23,550,356	612,805	112,234,090	713,957,016

## Notes:

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

For the Last Ten Years

## STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION

	2004	2005	2006	2007	2008
<b>Program Expenses</b>					
District-wide activities:					
General administration	\$ 32,474,288	\$ 29,034,773	\$ 26,057,015	\$ 18,449,790	\$ 27,232,757
Instruction	349,130,325	401,824,901	399,389,447	439,050,663	527,232,487
Pupil transportation	16,219,676	16,390,473	17,181,490	18,002,836	20,087,773
Operation and maintenance of plant	49,445,262	53,052,468	58,608,170	66,378,934	67,567,677
Community services	1,448,581	752,319	455,625	813,222	396,467
Food services	12,406,855	13,778,656	14,471,253	15,518,427	16,054,390
Interest expense	43,244,987	32,823,839	37,248,152	34,012,953	36,773,707
Total district-wide expenses	<u>504,369,974</u>	<u>547,657,429</u>	<u>553,411,152</u>	<u>592,226,825</u>	<u>695,345,258</u>
<b>Program Revenues</b>					
District-wide activities:					
Charges for services					
General administration	8,445	7,292	8,473	83,209	16,770
Instruction	892,418	1,479,913	1,465,127	1,431,789	1,752,350
Pupil transportation	--	2,801	--	--	--
Operation and maintenance of plant	(462)	--	--	--	--
Community services	412,466	684,176	684,383	568,108	849,453
Non-departmental	28,742	83,125	83,147	--	--
Food services	5,546,012	5,294,513	5,250,367	4,977,713	5,081,541
Operating grants and contributions					
General administration	--	28,500	--	--	750,813
Instruction	45,274,462	48,258,380	48,176,314	47,202,793	139,878,408
Pupil transportation	17,019,454	17,048,940	17,317,199	17,082,693	17,249,338
Operation and maintenance of plant	199,017	666,671	862,668	362,868	3,097,712
Community services	124,705	23,198	6,866	422,052	101,188
Food services	7,228,153	7,670,607	8,579,320	9,246,111	10,140,621
Construction and facility acquisition	--	--	--	--	213,047
Capital grants and contributions					
Instruction	--	--	--	--	--
Construction and facility acquisition	38,721,389	38,057,560	38,065,413	37,976,770	41,082,316
Total district-wide revenues	<u>115,454,801</u>	<u>119,305,676</u>	<u>120,499,277</u>	<u>119,354,106</u>	<u>220,213,557</u>
<b>Net expense</b>					
District-wide activities	<u>(388,915,173)</u>	<u>(428,351,753)</u>	<u>(432,911,875)</u>	<u>(472,872,719)</u>	<u>(475,131,701)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Unrestricted:					
Appropriation from					
Municipality of Anchorage	144,983,658	163,503,322	177,157,001	191,602,288	206,359,861
Investment income	2,320,920	4,693,350	6,747,140	7,862,943	8,523,023
Public School Funding Program	205,100,316	227,186,292	248,771,460	277,322,639	264,718,683
State Tuition Program	46,784	--	--	--	--
School improvement grant	--	--	--	--	7,890,604
Energy relief	--	--	--	--	6,656,602
Federal Impact Aid	14,054,338	14,303,124	11,804,273	13,042,523	14,150,178
Proceeds from sale of assets	--	--	--	--	--
Other	2,194,195	1,824,565	2,531,372	1,861,280	2,794,520
Special and extraordinary items	--	--	--	--	--
Total general revenues, special and extraordinary items	<u>368,700,211</u>	<u>411,510,653</u>	<u>447,011,246</u>	<u>491,691,673</u>	<u>511,093,471</u>
Change in net position	(20,214,962)	(16,841,100)	14,099,371	18,818,954	35,961,770
Net position at beginning of year	520,452,898	500,237,936	483,396,836	497,496,207	516,315,161
Net position at end of the year	<u>\$ 500,237,936</u>	<u>\$ 483,396,836</u>	<u>\$ 497,496,207</u>	<u>\$ 516,315,161</u>	<u>\$ 552,276,931</u>

For the Last Ten Years

## STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION

	2009	2010	2011	AS RESTATED 2012	2013
<b>Program Expenses</b>					
District-wide activities:					
General administration	\$ 27,132,910	\$ 31,243,745	\$ 24,167,797	\$ 29,412,334	\$ 31,000,400
Instruction	538,451,870	576,872,255	619,040,263	619,727,202	644,094,670
Pupil transportation	19,580,050	20,055,743	20,304,159	21,785,259	22,386,537
Operation and maintenance of plant	72,870,520	72,929,245	77,188,087	77,789,469	77,234,635
Community services	481,852	460,142	521,657	3,556,333	3,508,691
Food services	16,855,858	17,085,879	19,026,380	19,207,955	19,977,813
Interest expense	36,393,199	35,284,867	33,201,590	29,829,001	23,475,990
Total district-wide expenses	<u>711,766,259</u>	<u>753,931,876</u>	<u>793,449,933</u>	<u>801,307,553</u>	<u>821,678,736</u>
<b>Program Revenues</b>					
District-wide activities:					
Charges for services					
General administration	19,604	19,139	4,531	6,008	194,817
Instruction	1,606,288	1,612,977	4,004,871	1,984,242	2,632,871
Pupil transportation	--	--	--	--	--
Operation and maintenance of plant	(2,553)	(3,404)	--	--	--
Community services	580,448	658,036	770,435	734,693	830,974
Non-departmental	--	--	--	--	--
Food services	4,911,270	4,469,455	3,902,383	3,354,879	2,744,845
Operating grants and contributions					
General administration	925,219	464,438	134,560	227,555	529,468
Instruction	126,529,115	132,107,431	161,861,300	165,895,621	171,614,178
Pupil transportation	18,645,611	19,740,997	19,796,188	21,169,073	21,722,271
Operation and maintenance of plant	3,186,546	2,363,241	1,948,927	2,304,852	2,473,163
Community services	77,725	37,494	9,496	14,961	1,875
Food services	11,627,527	12,790,612	13,795,005	14,751,122	16,987,806
Construction and facility acquisition	297,924	--	--	--	--
Capital grants and contributions					
Instruction	--	--	46,117,714	45,937,003	52,622,060
Construction and facility acquisition	46,810,987	47,466,227	--	--	--
Total district-wide revenues	<u>215,215,711</u>	<u>221,726,643</u>	<u>252,345,410</u>	<u>256,380,009</u>	<u>272,354,328</u>
<b>Net expenses</b>					
District-wide activities	<u>(496,550,548)</u>	<u>(532,205,233)</u>	<u>(541,104,523)</u>	<u>(544,927,544)</u>	<u>(549,324,408)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Unrestricted:					
Appropriation from					
Municipality of Anchorage	217,971,708	232,947,582	234,759,972	237,587,445	232,606,002
Investment income	3,148,355	5,552,323	2,376,959	1,446,162	1,107,327
Public School Funding Program	281,733,376	295,483,681	310,300,774	311,645,866	325,447,016
State Tuition Program	--	--	--	--	--
School improvement grant	--	--	--	--	--
Energy relief	--	--	--	--	--
Federal Impact Aid	15,333,815	17,952,860	23,992,347	20,166,071	20,449,408
Proceeds from sale of assets	12,982	--	--	--	--
Other	1,817,444	1,119,024	1,188,572	8,009,165	7,626,118
Special and extraordinary items	17,582,137	--	--	--	--
Total general revenues, special and extraordinary items	<u>537,599,817</u>	<u>553,055,470</u>	<u>572,618,624</u>	<u>578,854,709</u>	<u>587,235,871</u>
Change in net position	41,049,269	20,850,237	31,514,101	33,927,165	37,911,463
Net position at beginning of year	552,276,931	593,326,200	614,176,437	642,118,389	676,045,554
Net position at end of the year	<u>\$ 593,326,200</u>	<u>\$ 614,176,437</u>	<u>\$ 645,690,538</u>	<u>\$ 676,045,554</u>	<u>\$ 713,957,017</u>

For the Last Ten Years

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

	2004	2005	2006	2007	2008
General Fund					
Fund balances:					
Non-spendable	\$ 3,539,837	\$ 4,070,362	\$ 3,794,381	\$ 5,420,392	\$ 10,192,198
Restricted	359,667	376,044	306,045	16,769,336	17,883,043
Committed	6,706,442	6,826,898	7,001,948	7,449,350	7,936,952
Assigned	31,272,867	44,954,471	43,222,834	47,691,577	59,224,835
Unassigned	27,989,871	21,878,326	29,350,831	34,468,976	24,442,307
Total General Fund	<u>\$ 69,868,684</u>	<u>\$ 78,106,101</u>	<u>\$ 83,676,039</u>	<u>\$ 111,799,631</u>	<u>\$ 119,679,335</u>
All Other Governmental Funds					
Fund balances:					
Non-spendable	\$ 575,139	\$ 742,917	\$ 801,056	\$ 1,558,594	\$ 917,461
Restricted	11,677,968	63,922,657	17,502,567	5,141,963	23,295,305
Committed	115,590,917	102,951,755	42,412,021	62,515,839	61,155,174
Assigned	4,883,722	4,751,145	4,451,470	3,244,663	4,495,510
Unassigned	(13,209)	(570)	(33,636)	(29,827)	(16,159)
Total all other government funds	<u>\$ 132,714,537</u>	<u>\$ 172,367,904</u>	<u>\$ 65,133,478</u>	<u>\$ 72,431,232</u>	<u>\$ 89,847,291</u>

## Notes:

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

For the Last Ten Years

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

	2009	2010	2011	2012	2013
General Fund					
Fund balances:					
Non-spendable	\$ 12,522,607	\$ 11,741,766	\$ 10,812,950	\$ 12,758,325	\$ 11,376,474
Restricted	18,967,267	19,833,195	19,902,748	24,327,135	24,163,161
Committed	8,380,055	8,878,554	13,879,315	11,888,710	10,861,626
Assigned	55,861,747	61,234,068	61,267,642	57,489,859	61,626,878
Unassigned	23,509,451	25,928,239	24,798,698	23,677,394	23,407,831
Total General Fund	<u>\$ 119,241,127</u>	<u>\$ 127,615,822</u>	<u>\$ 130,661,353</u>	<u>\$ 130,141,423</u>	<u>\$ 131,435,970</u>
All Other Governmental Funds					
Fund balances:					
Non-spendable	\$ 933,685	\$ 780,478	\$ 763,583	\$ 1,118,708	\$ 1,485,278
Restricted	2,046,009	6,938,506	13,685,643	1,709,552	2,179,593
Committed	56,964,756	23,062,817	10,919,017	14,556,862	12,365,114
Assigned	4,741,443	5,636,154	5,774,180	5,388,538	4,814,482
Unassigned	(54,155)	(20,500)	(13,463)	(48,001)	(9,559)
Total all other government funds	<u>\$ 64,631,738</u>	<u>\$ 36,397,455</u>	<u>\$ 31,128,960</u>	<u>\$ 22,725,659</u>	<u>\$ 20,834,908</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)**

	2004	2005	2006	2007	2008
<b>Revenues:</b>					
Local sources	\$ 161,768,902	\$ 183,978,564	\$ 199,358,932	\$ 214,888,704	\$ 233,669,852
State sources	263,485,503	284,773,761	305,979,143	335,377,434	434,882,555
Federal sources	58,290,973	61,192,088	61,318,187	60,491,468	62,409,670
<b>Total revenues</b>	<b>483,545,378</b>	<b>529,944,413</b>	<b>566,656,262</b>	<b>610,757,606</b>	<b>730,962,077</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General administration	15,113,333	15,875,491	16,099,634	17,637,210	21,029,531
Instruction	327,349,419	351,617,675	381,655,470	408,016,532	497,955,761
Pupil transportation	15,356,917	15,774,086	16,303,868	17,236,133	18,982,195
Operation and maintenance of plant	49,166,955	52,953,334	57,586,718	62,611,368	67,154,630
Community services	1,192,861	586,389	362,629	359,537	379,713
Food services	12,033,209	13,217,128	13,997,995	15,112,931	15,693,492
<b>Debt service:</b>					
Refunding bond issuance cost	--	--	--	--	--
Principal	28,745,000	34,760,000	39,035,000	39,870,000	44,080,000
Interest	32,290,960	34,214,001	37,525,701	35,021,935	35,884,852
Fiscal agent fees	9,322	9,579	13,506	11,578	11,605
<b>Bond issuance cost</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>425,618</b>	<b>119,483</b>
<b>Capital outlays</b>	<b>121,896,066</b>	<b>120,638,291</b>	<b>105,820,823</b>	<b>45,593,411</b>	<b>52,526,056</b>
<b>Total expenditures</b>	<b>603,154,042</b>	<b>639,645,974</b>	<b>668,401,344</b>	<b>641,896,253</b>	<b>753,817,318</b>
<b>Deficiency of revenues over expenditures</b>	<b>(119,608,664)</b>	<b>(109,701,561)</b>	<b>(101,745,082)</b>	<b>(31,138,647)</b>	<b>(22,855,241)</b>
<b>Other financing sources (uses):</b>					
Proceeds from sale of property and equipment	23,748	25,405	65,320	42,904	51,531
Issuance of general obligation bonds	126,770,000	150,090,000	--	48,495,000	63,790,000
Premium on issuance of general obligation bonds	1,421,741	7,507,226	--	1,152,350	1,335,234
Issuance of refunding bonds	--	109,930,938	14,790,000	251,745,000	--
Premium on issuance of refunding bonds	--	11,178,973	1,561,914	13,906,249	--
Payment to refunded bond escrow agent	--	(121,068,973)	(16,330,730)	(265,651,249)	--
Transfers in	777,009	6,081,461	242,978	894,501	1,298,003
Transfers out	(777,009)	(6,081,461)	(242,978)	(1,094,501)	(1,898,003)
<b>Total other financing sources</b>	<b>128,215,489</b>	<b>157,663,569</b>	<b>86,504</b>	<b>49,490,254</b>	<b>64,576,765</b>
<b>Net change in fund balances</b>	<b>\$ 8,606,825</b>	<b>\$ 47,962,008</b>	<b>\$ (101,658,578)</b>	<b>\$ 18,351,607</b>	<b>\$ 41,721,524</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>12.7%</b>	<b>13.3%</b>	<b>13.6%</b>	<b>12.6%</b>	<b>11.4%</b>

## Notes:

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

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

For the Last Ten Years

	2009	2010	2011	2012	2013
<b>Revenues:</b>					
Local sources	\$ 240,046,875	\$ 256,186,939	\$ 253,899,166	\$ 256,897,674	\$ 247,981,607
State sources	428,811,942	428,035,882	452,943,504	483,049,363	532,696,627
Federal sources	66,255,684	90,054,656	115,379,897	94,387,908	77,455,493
<b>Total revenues</b>	<b>735,114,501</b>	<b>774,277,477</b>	<b>822,222,567</b>	<b>834,334,945</b>	<b>858,133,727</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General administration	22,987,553	22,181,161	23,180,257	28,638,280	30,119,251
Instruction	509,914,670	543,875,057	579,025,698	587,388,122	606,408,747
Pupil transportation	19,234,255	20,137,537	20,239,375	22,277,229	22,809,852
Operation and maintenance of plant	72,019,066	72,256,844	76,933,872	77,442,084	76,873,647
Community services	443,763	445,989	508,686	3,440,259	3,507,066
Food services	16,594,195	16,694,742	18,017,232	18,615,420	19,502,420
<b>Debt service:</b>					
Refunding bond issuance cost	--	--	--	--	69,405
Principal	46,630,000	49,520,000	52,475,000	54,875,000	55,425,000
Interest	37,270,931	36,372,658	35,001,212	31,722,282	29,504,017
Fiscal agent fees	10,648	11,208	9,708	9,403	9,330
Bond issuance cost	219,481	134,674	174,096	16,213	32,522
Capital outlays	61,518,088	52,681,236	23,711,546	16,345,054	30,083,083
<b>Total expenditures</b>	<b>786,842,650</b>	<b>814,311,106</b>	<b>829,276,682</b>	<b>840,769,346</b>	<b>874,344,340</b>
Deficiency of revenues over expenditures	(51,728,149)	(40,033,629)	(7,054,115)	(6,434,401)	(16,210,613)
<b>Other financing sources (uses):</b>					
Proceeds from sale of property and equipment	11,127	634	10,360	--	4,892
Issuance of general obligation bonds	29,840,000	20,025,000	4,940,000	--	14,425,000
Premium on issuance of general obligation bonds	395,335	136,396	97,062	--	1,115,112
Issuance of refunding bonds	--	--	28,310,000	--	--
Premium on issuance of refunding bonds	--	--	2,305,196	--	24,080,000
Payment to refunded bond escrow agent	--	--	(30,455,857)	--	(25,150,540)
Transfers in	342,889	13,734	9,031,500	6,095	7,613
Transfers out	(4,514,963)	(1,723)	(9,407,110)	(2,494,925)	(7,613)
<b>Total other financing sources</b>	<b>26,074,388</b>	<b>20,174,041</b>	<b>4,831,151</b>	<b>(2,488,830)</b>	<b>15,614,409</b>
<b>Net change in fund balances</b>	<b>\$ (25,653,761)</b>	<b>\$ (19,859,588)</b>	<b>\$ (2,222,964)</b>	<b>\$ (8,923,231)</b>	<b>\$ (596,204)</b>
<b>Debt service as a percentage of non-capital expenditures</b>	<b>11.6%</b>	<b>11.3%</b>	<b>10.9%</b>	<b>10.5%</b>	<b>10.1%</b>

## 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 (1)	Instruction (1)	Pupil Transportation	Operation and Maintenance of Plant	Community Services	Non Departmental	Food Services	Construction and Facility Acquisition	Interest Expense	Total
2003-2004	\$ 32,474,288	\$ 349,130,325	\$ 16,219,676	\$ 46,445,262	\$ 1,448,581	\$ --	\$ 12,406,855	\$ --	\$ 43,244,987	\$ 501,369,974
2004-2005	29,034,773	401,824,901	16,390,473	53,052,468	752,319	--	13,778,656	--	32,823,839	547,657,429
2005-2006	26,057,015	399,389,447	17,181,490	58,608,170	455,625	--	14,471,253	--	37,248,152	553,411,152
2006-2007	18,449,790	439,050,663	18,002,836	66,378,934	813,222	--	15,518,427	--	34,012,953	592,226,825
2007-2008	27,232,757	527,232,487	20,087,773	67,567,677	396,467	--	16,054,390	--	36,773,707	695,345,258
2008-2009	27,132,910	538,451,870	19,580,050	72,870,520	481,852	--	16,855,858	--	36,393,199	711,766,259
2009-2010	31,243,745	576,872,255	20,055,743	72,929,245	460,142	--	17,085,879	--	35,284,867	753,931,876
2010-2011	24,167,797	619,040,263	20,304,159	77,188,087	521,657	--	19,026,380	--	33,201,590	793,449,933
2011-2012	29,412,334	619,727,202	21,785,259	77,789,469	3,556,333	--	19,207,955	--	29,829,001 (2)	801,307,553
2012-2013	31,000,400	644,094,670	22,386,537	77,234,635	3,508,691	--	19,977,813	--	23,475,990	821,678,736

## Notes:

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

Fiscal Year	Function	Loss on Disposal of Capital Assets
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
2011-2012	Instruction	5,526,884
2012-2013	Instruction	1,260,294

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

Last Ten Years

**GOVERNMENT-WIDE  
REVENUES BY TYPE**

Program Revenues							
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total			
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			
2011-2012	6,079,822	204,363,184	45,937,003	256,380,009			
2012-2013	6,403,507	213,328,761	52,622,060	272,354,328			

General Revenues							
Fiscal Year	Appropriation from Municipality of Anchorage	Investment Income	Public School Funding Program	State Tuition Program	Federal Impact Aid	Other	Total
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
2011-2012	237,587,445	1,446,162	311,645,866	--	20,166,071	8,009,165	578,854,709
2012-2013	232,606,002	1,107,327	325,447,016	--	20,449,408	7,626,118	587,235,871

For the Last Ten Years

**GENERAL EXPENDITURES  
BY FUNCTION (1)**

Fiscal Year	General Administration	Instruction	Pupil Transportation	Operation and Maintenance of Plant	Community Services	Food Services	Debt Service	Total (2)
2003-2004	\$ 15,113,333	\$ 327,349,419	\$ 15,356,917	\$ 49,166,955	\$ 1,192,861	\$ 12,033,209	\$ 61,045,282	\$ 481,257,976
2004-2005	15,875,491	351,617,675	15,774,086	52,953,334	586,389	13,217,128	68,983,580	519,007,683
2005-2006	16,099,634	381,655,470	16,303,868	57,586,718	362,629	13,997,995	76,574,207	562,580,521
2006-2007	17,637,210	408,016,532	17,236,133	62,611,368	359,537	15,112,931	74,903,513	595,877,224
2007-2008	21,029,531	497,955,761	18,982,195	67,154,630	379,713	15,693,492	79,976,458	701,171,780
2008-2009	22,987,553	509,914,670	19,234,255	72,019,066	443,763	16,594,195	83,911,579	725,105,081
2009-2010	22,181,161	543,875,057	20,137,537	72,256,844	445,989	16,694,742	85,903,866	761,495,196
2010-2011	23,180,257	579,025,698	20,239,375	76,933,872	508,686	18,017,232	87,645,259	805,550,379
2011-2012	28,638,280	587,388,122	22,277,229	77,442,084	3,440,259	18,615,420	86,606,685	824,408,079
2012-2013	30,119,251	606,408,747	22,809,852	76,873,647	3,507,066	19,502,420	85,007,752	844,228,735

## Notes:

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

## GENERAL REVENUES BY SOURCE (1)

<u>Fiscal Year</u>	<u>Local Sources</u>	<u>State Sources</u>	<u>Federal Sources</u>	<u>Total (2)</u>
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
2011-2012	255,891,995	478,489,890	91,487,261	825,869,146
2012-2013	247,956,503	520,748,415	77,065,389	845,770,307

## Notes:

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

(2) For comparative analysis transfers and lapsing prior year encumbrances have not been included.

For the Last Ten Years

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

<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 (mills)</u>
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	22,089,545,903	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
2011	28,830,148,824	2,766,391,727	31,596,540,551	7.61
2012	28,770,267,335	2,944,070,041	31,714,337,376	7.28

## 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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Area Wide:										
Municipality of Anchorage	(0.29)	0.09	0.45	0.49	0.37	0.23	0.46	0.64	1.10	1.50
Anchorage School District	7.57	7.52	7.44	7.18	6.94	6.79	7.13	7.59	7.26	7.37
Property Tax Credit	--	--	--	(0.57)	(0.51)	--	--	--	--	--
Total Areawide	7.28	7.61	7.89	7.1	6.8	7.02	7.59	8.23	8.36	8.87
Former City Service Area	--	--	--	--	--	.02	.02	.01	.02	--
Chugiak Service Area	1.00	0.97	0.96	0.97	0.99	1	0.91	1.00	0.89	0.88
Glen Alps Service Area	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.25
Girdwood Service Area	4.14	3.68	3.87	3.83	3.03	4	3.97	3.47	3.47	3.39
Anchorage Fire Service Area	2.13	2.09	1.83	1.75	1.77	1.73	1.76	1.97	1.87	1.64
Roads & Drainage Service Area	2.78	2.46	2.13	2.77	2.6	2.59	2.80	2.75	2.90	3.10
Limited Road Service Areas	1.31	1.33	1.33	1.32	1.3	1.28	1.21	1.31	1.26	0.99
Anchorage Police Service Area	2.76	2.70	2.67	2.61	2.56	2.6	2.57	2.71	2.37	2.25
Parks & Recreation Service Area	0.62	0.62	0.66	0.7	0.65	0.6	.56	.62	.68	.74
Building Safety Service Area	--	--	--	--	--	--	--	--	--	.01
Chugiak/Eagle River Recreational Facilities Service Area	1.00	0.90	0.091	1.05	1.08	1.11	1.13	1.17	1.18	.69

## 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	2012			2003		
	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.	\$ 223,409,476	1	0.70 %	\$		%
G.C.I. Communications Corp.	187,831,505	2	0.59			
Calais Company, Inc.	163,362,519	3	0.52	70,930,555	4	0.37
Enstar Natural Gas Company	138,360,594	4	0.44			
Fred Meyer Stores Inc.	137,098,029	5	0.43	84,465,980	2	0.44
Galen Hospital Alaska, Inc.	125,871,134	6	0.40	70,997,379	3	0.37
B.P. Exploration (Alaska) Inc.	117,259,049	7	0.37	55,936,593	8	0.29
Anchorage Fueling & Service Co.	110,560,707	8	0.35			
WEC 2000A-Alaska L.L.C.	102,423,641	9	0.32	68,643,460	6	0.36
Sisters of Providence	94,183,197	10	0.30			
Alaska Communications				180,733,155	1	0.95
Hickel Investment Company				69,664,202	5	0.37
Federal Express Corp.				65,987,184	7	0.35
Hilton MD Finance Company				55,323,100	9	0.29
First National Bank				45,548,058	10	0.24
	<u>\$ 1,400,359,851</u>		4.42 %	<u>\$ 768,229,666</u>		4.03 %

## Notes:

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

For the Last Ten Years

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

Fiscal Year	Total Tax Levy	Cash Collections on Tax Levy	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
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	12,149,045	337,182,588	100.0	7,582	0.0
2005	357,895,662	353,993,904	98.9	3,899,188	357,893,092	100.0	2,570	0.0
2006	398,955,490	389,483,559	97.6	9,463,570	398,947,129	100.0	8,361	0.0
2007	386,615,505	378,829,566	98.0	7,693,480	386,526,046	99.9	92,459	0.0
2008	438,158,786	430,346,262	98.2	7,466,295	437,812,557	99.9	346,229	0.0
2009	463,732,284	454,799,895	98.1	8,611,654	463,411,549	99.5	320,735	0.0
2010	475,771,921	470,361,847	98.9	5,008,811	475,370,658	99.5	401,263	0.1
2011	477,009,470	469,380,315	98.4	5,174,111	474,554,426	98.4	2,455,044	0.5
2012	480,422,072	407,336,622	84.8	--	407,336,622	84.8	73,085,450	15.2

## Notes:

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

For the Last Ten Years

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

Fiscal Year	Population (1)	Average Daily Membership K-12 and Special Ed (2)	Assessed Valuation (3)	Gross Bonded Debt (4)	Debt Service Monies Available	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
2003-2004	274,003	49,265	\$ 19,079,921,248	\$ 681,250,000	\$ 10,732,112	\$ 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	12,215,951	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	5,799,233	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	5,141,963	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	2,709,624	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	2,046,009	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	2,051,689	741,038,311	13,768,350	54.0	2.4	2,550	15,104
2010-2011	291,826	48,613	31,463,676,892	694,955,000	2,136,337	692,818,663	14,483,033	48.0	2.2	2,374	14,252
2011-2012	296,197	48,422	31,596,540,551	640,120,000	1,709,552	638,410,448	14,969,796	42.8	2.0	2,155	13,184
2012-2013	298,842	48,493	31,714,337,376	598,480,000	2,179,593	596,300,407	15,520,658	38.6	1.9	1,995	12,297

## 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, 2012

**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	\$ 618,864,670	100 %	\$ 618,864,670
Direct: Anchorage School District	598,480,000	100	<u>598,480,000</u>
			<u><u>\$ 1,217,344,670</u></u>

## Notes:

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

For the Last Ten Years

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

<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>
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
2011-2012	54,875,000	31,722,282	9,403	86,606,685	824,408,079	10.5
2012-2013	55,425,000	29,504,017	9,330	84,938,347	844,228,735	10.1

## Notes:

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

<u>Fiscal Year (1)</u>	<u>Population (2)</u>	<u>Per Capita Personal Income(1)</u>	<u>Total Personal Income(1) (in thousands)</u>	<u>Average Daily Membership Grades K-12 and Special Education (3)</u>	<u>Unemployment Rate (4)</u>
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
2011	296,197	50,540	14,969,796	48,422	6
2012	298,842	51,936	15,520,658	48,493	6

Notes:

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

Current Year  
and Nine Years Ago

## PRINCIPAL EMPLOYMENT BY INDUSTRY (1) (2)

Industry	2012		2003	
	Average Annual Employment	Percentage of Total Employment	Average Annual Employment	Percentage of Total Employment
Mining and Logging (less Oil and Gas)	100	0.1 %	100	0.1 %
Oil and Gas	3,300	2.1	2,000	1.4
Construction	8,400	5.3	8,600	6.0
Manufacturing	2,300	1.5	1,800	1.3
Wholesale Trade	4,600	2.9	4,600	3.2
Retail Trade	17,100	10.9	17,300	12.2
Trans/Warehouse/Utilities (less Air Transportation)	8,300	5.3	7,500	5.3
Air Transportation	3,000	1.9	3,500	2.4
Information	3,900	2.5	4,500	3.2
Financial Activities	8,200	5.2	8,800	6.2
Professional And Business Services	20,000	12.7	15,900	11.2
Educational and Health Services (less Health Care)	6,600	4.2	4,700	3.3
Health Care	18,000	11.4	12,900	9.1
Leisure and Hospitality	16,900	10.8	14,600	10.3
Other Services	5,800	3.7	5,600	3.9
Federal Government	9,100	5.8	9,700	6.8
State Government (less State Education)	8,100	5.1	7,300	5.1
State Education	2,600	1.7	2,300	1.6
Local Government (less Local Education and Tribal Government)	2,800	1.8	3,000	2.1
Local Education	8,000	5.1	7,400	5.2
Tribal Government	--	--	200	0.1
	<u>157,100</u>	100.0 %	<u>142,300</u>	100.0 %

## Notes:

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

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

For the Last Ten Years

## AVERAGE GENERAL EXPENDITURES PER PUPIL

<u>Fiscal Year</u>	<u>Total General Expenditures (1)</u>	<u>General Expenditures Percentage Increase Over Prior Year</u>	<u>Average Daily Membership Grades K-12 and Special Education (2)</u>	<u>General Expenditures Per Student Capita</u>	<u>General Expenditures per Student Capita Percentage Increase Over Prior Year</u>
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
2011-2012	824,408,079	2.34	48,422	17,025	2.74
2012-2013	844,228,735	2.40	48,493	17,409	2.25

## Notes:

- (1) Includes General, Special Revenue and Debt Service Funds: excludes Capital Projects Fund.  
(2) Average daily membership includes half-day kindergarten program reported at one half time.

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

For the Last Ten Years

Fiscal Year	Average Daily Membership Grades K-12 and Special Education (1)	Average Daily Membership Percentage Increase (Decrease) Over Prior Year	Assessed Valuation (2)	Assessed Valuation Percentage Increase Over Prior Year	Assessed Valuation Support Per Student
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
2011-2012	48,422	(0.39)	31,596,540,551	0.42	652,524
2012-2013	48,493	0.15	31,714,337,376	0.37	653,998

## 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				
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Administration	157	157	159	145	189
Principals	135	138	144	144	149
Teachers	3,221	3,223	3,240	3,240	3,305
Technical	169	180	182	183	179
Clerical and teacher aides	917	917	1,005	1,000	1,030
Maintenance/warehouse	186	191	198	183	187
Custodial	329	341	354	353	361
Drivers/attendants	111	104	105	105	111
Noon attendants	74	74	74	74	74
Food service	<u>175</u>	<u>190</u>	<u>197</u>	<u>200</u>	<u>205</u>
Total authorized positions	<u>5,474</u>	<u>5,515</u>	<u>5,658</u>	<u>5,627</u>	<u>5,790</u>
Employee Category	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Administration	190	202	197	186	180
Principals	151	151	149	149	149
Teachers	3,315	3,353	3,386	3,318	3,342
Technical	197	205	209	231	230
Clerical and teacher aides	1,089	1,118	1,136	1,135	1,111
Maintenance/warehouse	187	187	188	184	181
Custodial	361	371	370	370	368
Drivers/attendants	112	111	111	112	111
Noon attendants	74	75	75	76	73
Food service	<u>207</u>	<u>208</u>	<u>211</u>	<u>214</u>	<u>209</u>
Total authorized positions	<u>5,883</u>	<u>5,981</u>	<u>6,032</u>	<u>5,975</u>	<u>5,954</u>

## Notes:

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

Current Year | **TEACHER EDUCATION AND SALARY INFORMATION(1)**

<b>Education</b>	<b>Number of Teachers (2)</b>	<b>Low Salary</b>	<b>High Salary(4)</b>
Bachelor's Degree	294	\$ 46,979	\$ 59,740
Bachelor's Degree plus 18 semester credits	318	49,319	64,631
Bachelor's Degree plus 36 semester credits	341	51,658	73,694
Master's Equivalency with 54 semester credits	182	55,273	78,879
Master's Equivalency with 72 semester credits	142	58,888	78,030
Master's Equivalency with 90 semester credits	389	62,506	87,604 (3)
Master's Degree	239	52,226	75,650
Master's Degree with 54 semester credits	276	54,566	76,259
Master's Degree with 72 semester credits	266	56,904	86,020
Master's Degree with 90 semester credits	935	59,245	90,912 (3)
Doctorate Degree with 90 semester credits	25	62,226	92,719 (3)

Notes:

- (1) Information furnished through Anchorage School District internal report.
- (2) Number of teachers (by FTE) as of April 2013. 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
2002-2003	26,694	(0.92) %	22,851	2.44 %
2003-2004	26,481	(0.80)	22,784	(0.29)
2004-2005	26,060	(1.59)	23,122	1.48
2005-2006	26,011	0.18	23,309	0.80
2006-2007	26,255	0.93	22,452	(3.68)
2007-2008	25,412	(3.21)	22,732	1.25
2008-2009	25,894	1.90	22,333	(1.76)
2009-2010	26,544	2.51	22,517	0.82
2010-2011	25,910	(2.39)	22,703	0.83
2011-2012	26,515	2.34	21,907	(3.51)
2012-2013	26,525	0.03	21,968	0.28

## 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 2011-2012.

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

Fiscal Year	Kindergarten (FTE)	Grade 1	Grades 2 - 3	Grades 4 - 6	Grades 7 - 12	Special Education
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
2011-2012	20.5 to 1	21 to 1	24.25 to 1	27.25 to 1	26.25 - 27.91 to 1	Various
2012-2013	20.5 to 1	21 to 1	24.75 to 1	26.25 to 1	27.25 - 29.41 to 1	Various

## Notes:

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

For the Last Ten Years

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

<u>Fiscal Year</u>	<u>Elementary</u>				<u>Secondary</u>				<u>Students Graduated</u>
	<u>Gross Square Footage</u>	<u>Number of Classrooms</u>	<u>Program Capacity</u>	<u>Average Daily Membership</u>	<u>Gross Square Footage</u>	<u>Number of Classrooms</u>	<u>Program Capacity</u>	<u>Average Daily Membership</u>	
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
2011-2012	3,343,712	1,446	27,821	26,515	3,783,765	1,090	22,437	21,907	2,989
2012-2013	3,343,712	1,437	27,191	26,525	3,783,765	1,151	23,310	21,968	3,038

**SCHOOL BUILDINGS**

<u>Fiscal Year</u>	<u>High Schools</u>	<u>Middle Schools</u>	<u>Elementary Schools</u>	<u>Alternative Secondary Schools</u>	<u>Special Education Schools</u>	<u>Vocational Schools</u>	<u>Charter Schools</u>
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
2011-2012	8	10	60	6	2	1	8
2012-2013	8	10	60	7	2	1	8

Notes:

(1) Information furnished from Anchorage School District's 6-year Capital Improvement Plan 2013-2019.

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

Fiscal Year	Lunch Sales Student	Lunch Sales Adult	Breakfast Program	Milk Program	A la Carte Program	Special Meals	After School Snack Program	Other Revenues	Total
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
2011-2012	2,212,106	6,306	133,988	76,624	880,255	33,967	--	49,792	3,393,038
2012-2013	1,777,761	30,978	142,910	29,476	751,712	3,466	--	53,125	2,789,428

## 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
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
2011-2012	771,537	1,978,760	318,368	11,034
2012-2013	697,198	1,980,407	313,853	6,437

## Pupil transportation statistics (1):

Fiscal Year	Number of Routes			
	Regular to and from schools		Special Education to and from school	
	District	Contracted	District	Contracted
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
2011-2012	51	91	29	69
2012-2013	51	91	29	69

## Notes:

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

For the Last Ten Years

**EMPLOYER MEDICAL CONTRIBUTIONS BY BARGAINING UNIT (3)**

Fiscal Year	AEA	Support Services Employees (1)	Local 71, AFL-CIO	Local 959 (Bus Drivers and Attendants)	Retiree	Total
2003-2004	\$ 21,244,364	\$ 13,200,882	\$ 1,810,920	\$ 646,031	\$ 11,007,463	\$ 47,909,660
2004-2005	24,490,575	15,354,624	2,129,986	604,139	19,201,586	61,780,910
2005-2006	28,633,260	16,000,905	2,360,002	632,641	18,221,310	65,848,118
2006-2007	30,377,068	19,111,501	2,586,220	771,668	18,042,551	70,889,008
2007-2008	36,299,128	22,467,313	2,985,731	913,298	90,100,424 (2)	152,765,894
2008-2009	40,196,860	25,221,558	3,369,982	1,008,895	86,145,444 (2)	155,942,739
2009-2010	45,849,570	32,884,058	3,904,788	1,120,094	69,895,943 (2)	153,654,453
2010-2011	51,221,082	36,712,647	4,242,853	1,276,105	66,526,816 (2)	159,979,503
2011-2012	55,796,248	37,838,928	4,787,536	1,406,654	66,648,278 (2)	166,477,644
2012-2013	58,116,015	34,929,173	5,229,978	1,490,836	93,762,731 (2)	193,528,733
Compound Annual Growth Rate	11.8%	11.4%	12.5%	9.7%	26.9%	16.8%

## Notes:

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

June 30, 2013

## SCHEDULE OF INSURANCE IN FORCE

Carrier/Coverage	Policy Number	Limits	Expiration Date
Starr Indemnity & Liability Co. GL/Auto/Educational Liability	100005032	\$5,000,000 Each Occurrence \$10,000,000 Aggregate  Self Insured Retention claim - \$1,000,000	7/1/2014
National Casualty 1st Excess Liability	XCO0000157	\$10,000,000 Occurrence \$10,000,000 Aggregate	7/1/2014
Arch Specialty Ins. Company 2nd Excess Liability	UXP000803108	\$5,000,000 Occurrence \$5,000,000 Aggregate	7/1/2014
Navigators 3rd Excess Liability	SF13EXC747268IC	\$10,000,000 Occurrence \$10,000,000 Aggregate	7/1/2014
State National Ins. Company Excess Workers Compensation & Employers Liability	WCE-0706100-13	Statutory Limits Part I \$1,000,000 Part II Self Insured Retention - \$1,000,000 \$50,000,000 Cap	7/1/2014
ACE Travel Accident Insurance Teachers, Board Members	ADDN04966144	\$500,000 Class I & II Principal Sum \$5,000,000 Aggregate, per Accurance	7/1/2014
Ace/Myers-Stevens Toohey Student Accident Athlete Catastrophic Insurance	SDAN042051993	\$1,000,000 Each Occurrence \$25,000 Deductible	7/1/2014
Hiscox Crime Insurance	UC2127202113	\$1,000,000 Bond Limit \$25,000 Deductable	7/1/2014
ACE American Ins. Co. Foreign Liability	PHFD38442855001	\$1,000,000 per Occurance \$2,000,000 Aggregate Limit	7/1/2014
Illinois Insurance Co. Cyper Liability Insurance	G24293233002	\$1,000,000	7/1/2014
Hartford Accident & Indemnity School Board Treasurer Bond	52BSBGN2654	\$50,000 Bond Limit	4/27/2014
Natilus Insurance Company Storage Tank 3rd Party Liability	CST200199903	\$1,000,000 Each Incident \$1,000,000 Aggregate Limit	3/23/2014
FM Global Insurance Company Property Insurance excluding Quake	UW678	\$1,000,000,000 Limit	7/1/2014