The Council’s financial assets and liabilities valued on a recurring basis and carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by generally accepted accounting principles. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methods and models with unobservable inputs (Level 3). An asset’s or a liability’s classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and (Level 3). The levels of the fair value hierarchy are as follows:

* Level 1 – Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

* Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

* Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Organization’s best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Investments consist of the following marketable securities at December 31, 2015:

<table>
<thead>
<tr>
<th>Money Market:</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federated Treasury</td>
<td>$81,809</td>
<td>-</td>
<td>-</td>
<td>82,809</td>
</tr>
<tr>
<td>International Mutual Funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>21,372</td>
<td>-</td>
<td>-</td>
<td>21,372</td>
</tr>
<tr>
<td>Small Cap</td>
<td>26,322</td>
<td>-</td>
<td>-</td>
<td>26,322</td>
</tr>
<tr>
<td>International Value</td>
<td>49,789</td>
<td>-</td>
<td>-</td>
<td>49,789</td>
</tr>
<tr>
<td>Equity Mutual Funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blend Broad Market</td>
<td>132,672</td>
<td>-</td>
<td>-</td>
<td>132,672</td>
</tr>
<tr>
<td>Large Cap</td>
<td>66,654</td>
<td>-</td>
<td>-</td>
<td>66,654</td>
</tr>
<tr>
<td>Real Estate Sector</td>
<td>39,066</td>
<td>-</td>
<td>-</td>
<td>39,066</td>
</tr>
<tr>
<td>DFA Global</td>
<td>182,900</td>
<td>-</td>
<td>-</td>
<td>182,900</td>
</tr>
<tr>
<td>Fixed Income:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DFA One Year</td>
<td>91,559</td>
<td>-</td>
<td>-</td>
<td>91,559</td>
</tr>
<tr>
<td>Government Intermediate</td>
<td>90,883</td>
<td>-</td>
<td>-</td>
<td>90,883</td>
</tr>
<tr>
<td>Total</td>
<td>$784,027</td>
<td>-</td>
<td>-</td>
<td>784,027</td>
</tr>
</tbody>
</table>
Information for notes to Basic Financial Statements for Entities with **DEFINED BENEFIT PENSION PLANS**.

**PERS**

To be completed by client of the year ended **June 30, 2016**.

1. Total payroll for employees covered under PERS: $________.
2. Total payroll costs for the year: $________.
3. Employee contribution rate: ____%.
4. Employer contribution rate: ____%.
5. Total dollar contributions to PERS for the year: $________.
6. Total dollar contributions for the year by the employer: $________.
7. Total dollar contributions for the year by employees: $________.
8. DBUL: $________.
Information for notes to Basic Financial Statements for Entities with DEFINED CONTRIBUTION PENSION PLANS.

**PERS**

To be completed by client of the year ended June 30, 2016.

1. Total payroll for employees covered under PERS: $________.
2. Total payroll costs for the year: $________.
3. Employee contribution rate: __%. 
4. Employer contribution rate: __%. 
5. Total dollars contributed to defined contribution- employer: $________.
6. Total dollars contributed defined contribution – Employee: $________.
7. Total dollars contributed for retiree medical plan: $________.
8. Total dollars contributed for occupational health: $________.
9. Total dollars contributed for HRA: $________.
10. Total contributed per pay period, per employee HRA: $____ per month full time or $ per hour for part time.
Information for notes to Basic Financial Statements for Entities with **DEFINED BENEFIT PENSION PLANS**.

**TRS**

To be completed by client of the year ended **June 30, 2016**.

1. Total payroll for employees covered under TRS: $__________.
2. Total payroll costs for the year: $__________.
3. Employee contribution rate: _____%
4. Employer contribution rate: _____%
5. Total dollar contributions to TRS for the year: $__________.
6. Total dollar contributions for the year by the employer: $__________.
7. Total dollar contributions for the year by employees: $__________.
8. DBUL: $__________.
Information for notes to Basic Financial Statements for Entities with **DEFINED CONTRIBUTION PENSION PLANS**

**TRS**

To be completed by client of the year ended **June 30, 2016**.

1. Total payroll for employees covered under TRS: $________.
2. Total payroll costs for the year: $________.
3. Employee contribution rate: ________%.
4. Employer contribution rate: ________%.
5. Total dollar contributed defined contribution -employer: $________.
6. Total dollar contributed defined contribution -employee: $________.
7. Total dollars contributed for retiree medical plan: $________.
8. Total dollars contributed to HRA: $$_$$_$________.
9. Total dollars contributed for ODD: **Removed from the plan**
10. Total contributed per pay period, per employee HRA: $________.
ALASKA SCHOOL DISTRICT

Exhibit C-1

Statement of Compliance AS 14.17.505

YEAR ENDED JUNE 30, 20XX

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Reserved</th>
<th>Unreserved</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reserved:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td>$425,037</td>
<td>-</td>
<td>425,037</td>
</tr>
<tr>
<td>Impact Aid</td>
<td>2,059,217</td>
<td>-</td>
<td>2,059,217</td>
</tr>
<tr>
<td>Self-insurance</td>
<td>2,375,000</td>
<td>-</td>
<td>2,375,000</td>
</tr>
<tr>
<td><strong>Unreserved:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Designated for compensated absences</td>
<td>-</td>
<td>536,281</td>
<td>536,281</td>
</tr>
<tr>
<td>Undesignated</td>
<td>-</td>
<td>3,701,998</td>
<td>3,701,998</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$4,859,254</td>
<td>4,238,279</td>
<td>9,097,533</td>
</tr>
</tbody>
</table>

Unreserved fund balance as a percentage of current year expenditures:

\[
\text{Unreserved fund balance} \div \text{Current year expenditures} = \frac{4,238,279}{82,312,450} = 5.15\%
\]

This Statement of Compliance is prepared in accordance with the regulations specified in AS 14.17.505 which is another basis of accounting other than generally accepted accounting principles.

**4 AAC 09.160. Fund balance**

(a) All money in the year-end fund balance of a district's school operating fund are subject to the 10
(1) encumbrances;
(2) inventory;
(3) prepaid expenses, which may including fuel;
(4) self-insurance;
(5) federal impact aid received

(A) in response to the application for impact aid submitted in the fiscal year that immediately preceded the current fiscal year; and

(B) on or after March 1 of the current fiscal year that was awarded as a result of applications that were

(b) A district shall include in the report required under 4 AAC 06.121(5) (A) a schedule that identifies the amount of money in the categories listed in (a) of this section.

(c) For purposes of AS 14.17.505(a), "unreserved portion of the year-end fund balance of a school operating fund" means the portion of the fund balance remaining after the deduction of the items listed in (a) of this section.
In the Fund Financial Statements, fund balance includes five classifications as follows:

Nonspendable Fund Balance – amounts that are legally or contractually required to be maintained intact (such as the corpus of an endowment fund) or amounts that are not in a spendable form (such as inventory, prepaid expenses, supplies, long-term receivables). Such constraint is binding until the legal or contractual requirement is repealed or the amounts become spendable.

Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions, or by enabling legislation. Such constraint is binding unless modified or rescinded by external body, laws, or regulation.

Committed Fund Balance – amounts that can be used only for the specific purposes determined by a formal action of the School District Board. Commitments may be changed or lifted by the Board taking the same formal action that imposed the constraint originally.

Assigned Fund Balance – amounts intended to be used by the School District for specific purposes: intent can be expressed by the Board or by the Superintendent or designee. Such constraint is binding unless modified or eliminated by the Board or Superintendent. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed.

Unassigned Fund Balance – amounts not contained in the other classifications and available for any purpose. Positive unassigned amounts will be reported only in the General Fund. If another governmental fund, other than the General Fund, has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund.

The order of spending, regarding the restricted and unrestricted fund balance when an expenditure is incurred for which both restricted and unrestricted fund balance is available should first reduce restricted fund balance and then unrestricted fund balance. The order of spending regarding unrestricted fund balance is that committed amounts should be reduced first, followed by the assigned amounts, and then the unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.